



ARTICLES OF ASSOCIATION

PETCORE EUROPE

ARTICLE 1. NAME, DOMICILE and TERM

a) The "PET Container Recycling Europe", abbreviated to PETCORE EUROPE and hereinafter referred to as the Association, shall be an international non-profit association constituted in accordance with the provisions of the Belgian Law of 27th June 1921, modified by the law of 2 May 2002.

b) Its registered office shall be at Avenue Cortenbergh 71, B-1000 Brussels. It may be moved to any other location in Brussels or its suburbs following a decision taken by the Association's Board of Directors and published in the Annexes of the Moniteur Belge.

c) Its geographical area of activities shall comprise the member states of the European Union, Iceland, Norway, and Switzerland. This geographical area shall be the basis upon which membership is established.

d) The Association shall be set up for an indefinite term. Its dissolution shall be possible at any time in accordance with these Articles of Association.

ARTICLE 2. MISSION AND GOALS

The Mission is "To increase value and growth in the PET value chain"

The Goals of PETCORE EUROPE, a non-profit association, shall be:

1. To ensure that the PET industry and its associations are aligned to deliver increased value and sustainable growth in the PET value chain
2. To improve speed and efficiency in delivering a coordinate response to issues raised concerning PET
3. To ensure that PET is positioned and recognized publically as an environmentally sustainable packaging material
4. To deliver effective advocacy to improve the visibility and perceived importance of the PET value chain within the European Community Institutions, so that it is reflected in its policies and activities
5. To validate and support innovative packaging solutions from a recycling perspective
6. To work with relevant parties to ensure sustainable growth for post-consumer PET collection and the recycling of PET to meet the needs of the value chain
7. To communicate with the public and authorities using the technical and presentational expertise of the association's members

The goals will be carried out by:

- Working on projects aimed at increasing the volumes of PET recycled
- Promotion, advertising, and marketing of programs to collect post-consumer PET packaging
- Coordination with the recycling efforts of the PET container users' industry
- Communication of the positive results of the Association's programmes to relevant authorities and into the general public domain
- Co-operative activities with related industry groups; public sector and other parties interested in the purposes of the Association
- Identification, development and promotion of alternative end use applications for reclaimed PET
- Promotion of the efficient use of PET containers by the assembly and dissemination of scientific, engineering and other information but excluding all matters of a commercial nature
- Communication with the public and authorities, using the technical and presentational expertise of the associations' members

In addition PETCORE Europe will do other things related to the above purposes which are necessary, convenient or expedient for the best interests of its members.

The Association shall ensure however that it does not engage in any activity prohibited by European law nor act in any manner inconsistent with the Association's articles of association, as may be amended from time to time.

Members shall pay dues at the levels set by the Board of Directors and approved by the General Assembly.

ARTICLE 3. MEMBERSHIP

Section 1. NUMBER OF MEMBERS

The Association should have at least four (4) members.

Section 2. QUALIFICATIONS FOR MEMBERSHIP

Membership shall be open to associations and individual companies.

All Associations and individual companies applying for membership need to have legal personality.

a) Associations

Membership is open to European associations fulfilling the following conditions:

- having legal personality
- being a relevant representative of the following PET value chain stakeholders:

- ✓ PET resin and PET raw materials (PTA) manufacturers
- ✓ PET converter
- ✓ PET recycler
- ✓ PET packaging brand owners
- ✓ PET machinery manufacturer
- ✓ PET end-users
- ✓ PET additive suppliers
- ✓ Other PET related industrial companies

b) Companies

Membership is open to companies fulfilling the following conditions:

- Having legal personality
- Being involved in the following activities:
 - ✓ The manufacture of PTA or ancillary chemicals used to make PET
 - ✓ The manufacture of PET
 - ✓ The commercial manufacturing and sale of PET articles from virgin and recycled PET
 - ✓ The supply of ancillary chemicals used in the manufacture of PET Articles
 - ✓ The commercial manufacture and sale of solid and liquid foodstuffs filled in PET packaging in Europe, provided that a significant volume of their products are sold in PET containers
 - ✓ The commercial reclaim of post-consumer PET containers in Europe, the product of which is sold as flakes or pellets
 - ✓ The sales of equipment used in the value chain from PET manufacture to production of recycle
 - ✓ Other activities with prevailing interest in PET

Section 3 CLASSES OF MEMBERSHIP

There are two classes of membership: Primary members and ordinary members

a) Primary members

Primary membership is only open to associations. They have to fulfil the conditions set out in article 3 - section 2.a

b) Ordinary members

Ordinary membership is only open to individual companies. They have to fulfil the conditions set out in article 3 - section 2.b

Both categories of members will have to pay an annual membership fee. Ordinary members will pay a flat, annual fee. Primary members can agree their level of membership fee with the Board of Directors. The agreed fee will be a multiple of the ordinary members' fee and the voting rights will be adjusted to reflect the level of fee paid. The annual membership fee will be set by the Board of Directors.

Both categories of members will have voting rights in the General Assembly meetings. The number of votes a member has is related to the membership fee that is being paid by that member.

Each primary member will have 6 votes in the GA meetings. Where the primary member pays a reduced membership fee it will have a pro rata reduced number of votes.

Each ordinary member will have 1 vote in the GA meetings.

These votes are referred to as "Voting Rights" and members that have Voting Rights pursuant to this Section 3 of this Article are hereinafter referred to as "Voting Members".

"Voting representation" as referred to in Article 5, Section 4, means the total number of voting rights owned by all Voting members, whether they are present or represented at the meeting or not.

Section 4. APPLICATIONS FOR MEMBERSHIP

Application for membership shall be made in such form as the Board of Directors may prescribe. Applications for membership shall be submitted to the Chairman of the Board of Directors or Secretary General of the Association, and shall be approved by the Board of Directors unless it finds that the application does not meet the qualifications set forth in Section 2 of this Article.

The Board of Directors shall act on each application for membership, either at a meeting or by mail ballot within ninety (90) days following receipt of the application by the Chairman or Secretary General. In the case of a mail ballot, members of the Board of Directors not voting within twenty (20) days after the date of mailing of the ballot shall be deemed to have voted to approve the application. Voting will be in accordance with Voting Rights as detailed in Article 6, Section 7.

Section 5. RESIGNATIONS

Any member may withdraw from the Association after fulfilling all obligations to it, by giving written notice of such intention to the Chairman or Secretary General at least six months before the effective date of such withdrawal. The Board of Directors will be informed of any notice so given following receipt of such notice by the Chairman or Secretary General.

Members will be expected to pay all pro-rated annual membership fees up to the final date of withdrawal. Any members so withdrawing shall, by the act of such withdrawal, cease to have any further interests in the funds, assets, and activities of the Association and shall not be entitled to any refunds of any type or in any amount.

Section 6. SUSPENSION.

Any member who is in default in the payment of dues for a period of ninety (90) days after such dues become payable may, in the absence of good cause found to exist by the Board of Directors, be suspended from membership by a majority vote of the Directors present at the duly constituted meeting of the Board or by a mail ballot. Voting will be in accordance with Voting Rights as detailed in Article 6, Section 7.

Any members so suspended shall, forfeit all rights and privileges of membership in the Association; provided, however, that suspension shall not relieve a member from the requirement of fulfilling all incurred legal obligations to the Association-including payment of the fees due. In the event of fees not been paid, and after 90 days, the Association could take all legal steps necessary to recover the fees due.

Section 7. TERMINATION FOR LACK OF QUALIFICATIONS

Membership in the Association shall terminate when

- a) A member ceases to meet the membership qualifications set forth in Section 2 of Article 3
- b) A member does not respect the duties and obligations as set forth in these articles of association
- c) A member doesn't comply with EU competition law

In these cases, the member's exclusion shall be proposed by the majority vote of the members of the Board of Directors. Voting will be in accordance with Voting Rights as detailed in Article 6, Section 7.

The member whose exclusion is proposed can request a hearing at a general assembly meeting. The member's exclusion will have to be ratified by a majority vote of the General Assembly. Voting will be in accordance with Voting Rights as detailed in Article 3, Section 3.

ARTICLE 4. BUDGET AND DUES

Section 1. BUDGET AND ACCOUNTS

A budget of expenditures for each year shall be agreed by the Board of Directors and proposed for acceptance by the Annual General Meeting, acting on a majority vote. Voting will be in accordance with Voting Rights as detailed in Article 3, Section 3.

The Board will approve the Accountant's final end year financial statements (operating statement and balance sheet) reflecting the association's accounts (financial position) to be made available to the members of the Board within ninety (90) days after the close of each budget year. These annual financial statements of the accounts shall be proposed for acceptance by the Annual General Meeting, according to paragraph 1 of Article 4, Section 1.

Section 2. DUES

Members shall pay dues decided, as appropriate, by the Board of Directors. For new members, dues shall be pro-rated monthly for the portion of that budget year during which they become members.

Section 3. PAYMENT OF DUES

Dues payable shall be made in advance to the Association on an annual basis.

Section 4. OTHER CHARGES

Additional charges for other services or activities as deemed appropriate and proper may be established by the Board of Directors and will be re-invoiced to the members. Examples of such charges are: Project Evaluation and Funding, Sub Committee Task Costs...

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ORGANIZATIONAL STRUCTURES

The organizational structures of the Association are:

1. The General Assembly or, as referred to by the law, the "organe général de direction", hereinafter abbreviated as GA
2. The Board of Directors, or, as referred to by the law, the "organe d'administration", hereinafter abbreviated as BoD

ARTICLE 5. GENERAL ASSEMBLY

Section 1. POWERS

The General Assembly will have the following powers:

- 1) To approve the budget
- 2) To elect or revoke Directors
- 3) To approve the accounts of the Association established for the previous fiscal year

- 4) To grant discharge to the Directors for performance of their duties
- 5) To amend the Internal Regulations
- 6) To modify the articles of association as provided hereafter
- 7) To decide on the dissolution of the Association

There shall be a minimum of one general assembly meeting per year for all members (the annual meeting). This meeting shall be at an appropriate time and place fixed by the Board of Directors.

Section 2. SPECIAL MEETINGS

Special or Extraordinary General Meetings (EGM), may be called by the Board of Directors.

If an occasion arises where Petcore Europe is bound by its articles of association or the law to call an EGM, the Secretary General may as appropriate email all members detailing a proposal. Each member will have 20 calendar days from the date of this proposal to cast their vote. Any member who doesn't reply within the 20 days is deemed by default to be in favour of the proposal. The votes will be counted and the proposal passed or rejected in accordance with the articles of association. Any decision adopted by the 20 day rule will be implemented immediately but will have to be ratified at the next AGM and the articles of association may need to be amended.

Section 3. NOTICE OF MEETINGS

A notice stating the time, place and purpose of each meeting signed by the Chairman or Secretary General, shall be emailed to the last recorded address of each Member not less than twenty (20) days, nor more than sixty (60) days, prior to the time fixed for the meeting. Such notice shall state any equitable limitation on meeting attendance, other than by Voting Members that may be deemed necessary to assure orderly proceedings.

Section 4. QUORUM

The presence in person or by proxy of one-half of the voting representation of Voting Members of the Association entitled to vote shall constitute a quorum for the transaction of business. Voting will be in accordance with Voting Rights as detailed in Article 3, Section 3.

Section 5. DESIGNATION OF VOTING REPRESENTATIVES.

Each Voting Member shall in advance designate, by email to the Chairman or Secretary General, a representative who shall be entitled to vote for the Voting Member at the Association meetings. An alternate representative may also be named for each Voting Member.

The voting members may be represented at the Annual General Meetings by a special proxy nominated in advance of the meeting. Such proxy must be a voting member of the Association.

Section 6. PLACE OF MEETING

All General Assembly Meetings of the Association shall be held in the European Union 27 + Norway and Switzerland (preferably Brussels).

Section 7. MINUTES.

The deliberation of a General Meeting shall be recorded in the minutes signed by the Chairman of the Board of Directors. The Secretary General will post all minutes on the Petcore Europe Intranet and will send an electronic copy to all members. All minutes are kept in a register at the Association's seat where all the members may consult and make a copy thereof.

ARTICLE 6. BOARD OF DIRECTORS

Section 1. POWERS AND DUTIES

The Board of Directors shall be responsible for:

- 1) Coordinating the activities of the Association.
- 2) Recommending changes in the composition of the Board of Directors and ensuring compliance with Belgian Law and EU competition law
- 3) Effecting the preparation of an audited financial statement reflecting the Association's operations, said statement to be made available to the members of the Board within ninety (90) days after the close of each budget year.
- 4) Establishing general policies and operating procedures for the Association.
- 5) Preparation of the Association's financial reports, budgets, and investment.
- 6) Selecting an independent accountant, auditors, banking establishments, and investment counsellors for the Association.
- 7) Creating committees of the Board of Directors in accordance with Article 7 where appropriate and necessary
- 8) Electing the officers of the Association
- 9) Designating the time and place of general membership meetings of the Association, as well as meetings of the Board of Directors

- 10) Any power given via the current articles of association
- 11) The Board will be responsible for dealing with any residual matters not covered by these articles of association

Section 2. COMPOSITION

The number of member representatives on the Board of Directors will be minimum 5 and maximum 13, including a chairman and treasurer.

Each primary member will have 3 seats in the Board of Directors. This number will be pro rata reduced where the primary member pays a reduced membership fee.

The ordinary members will have in total two seats in the Board of Directors.

The Directors are chosen by the General Assembly using the Voting Rights described in Article 3, Section 3.

Changes in composition of the Board of Directors to represent changes in membership will be at the recommendation of the Board of Directors and with approval of the Annual General Assembly Meeting.

Facilitation of a proposed change in the designated representative of a member company will be the responsibility of the Board.

It will be the responsibility of the Board to have member representational changes published in the Annexes of the Moniteur Belge.

Section 3. TENURE

Each board member is elected for a period of 3 years. They can be re-elected twice.

The Members of the Board of Directors shall rapidly propose the replacement of any vacancy occurring before the end of the 3 years term, until the end of that period. The leaving representative is preferably replaced by someone who represents the same member.

Section 4. CESSATION OF MEMBERSHIP OF THE BOARD OF DIRECTORS

A Director may resign at any time.

A Director will cease to be a member of the Board of Directors for one of the following reasons:

- a) Revocation by the General Assembly in accordance with Article 5 Section 1.2, which may occur at any time
- b) Termination of his tenure following the Voting procedure in Article 6, Section 2

Section 5. MEETINGS

The Board of Directors shall hold at least two (2) regular meetings each year. These meetings will be called by the Secretary General. Special meetings of the Board of Directors may be called by the Chairman, or at the request of not less than three (3) Directors. Place of the meetings will be preferably Brussels.

Section 6. NOTICE

Notice of the time, place, and purpose of any meeting of the Board of Directors shall be given in writing and e-mailed to the last recorded address of each Director not less than twenty (20) days prior to the date of the meeting.

Section 7. QUORUM AND VOTING

The presence in person of at least a majority of the Directors holding office shall constitute a quorum for the transaction of business.

Each board member will have one vote.

Except when otherwise provided in these articles of association, the Board shall act by majority vote of those Directors present in person or by proxy.

The Board shall vote by either an open count or, at the request of any Director or Director's proxy, by secret written ballot, and the results shall be tabulated and reported by the Secretary General. In the event of a tied vote the chairman of the Board of Directors shall have a casting vote rejected.

The voting rights of a Director may be granted by proxy to another member of the Board of Directors.

Section 8. ANNUAL REPORT

The Board of Directors shall cause to be prepared an Annual Report on the activities and operations of the Association. This report shall include all pertinent and relevant financial data bearing on past operations and plans for the following year.

Section 9. COMPENSATION

Directors shall not receive any compensation for their services as Directors.

Section 10. MINUTES

The decisions of the Board of Directors are recorded in minutes approved by the Chairman of the Board. All members receive an electronic copy thereof.

All minutes are kept in a register at the Association's seat where all the members may consult and make a copy thereof.

ARTICLE 7. OFFICERS

Section 1. OFFICERS

The primary officers of the Association shall be the Chairman of the Board, the Secretary General (SG) and the Treasurer.

All officers shall be elected by the Board of Directors. Each officer so elected shall hold office until his/her successor shall have been duly elected and shall have assumed the duties of office. The primary officers will form a Supervisory Group responsible for running the day to day affairs of the Association.

Section 2. DUTIES OF OFFICERS - REPRESENTATION

- a. The Chairman shall be elected from among the members of the Board of Directors; he/she shall preside at the General Assembly meetings and all meetings of the Board of Directors; he/she shall be responsible for assuring that the policies adopted by the Board of Directors are executed by the officers of the Association.
- b. An appointed Board Member will take on the Treasurer's responsibility. He/she will report on the financial condition of the Association at its General Assembly Meeting and at meetings of the Board of Directors, when required.
- c. The Board of Directors can nominate a Secretary General. The Board of Directors will be authorized to hire and dismiss the Secretary General.
- d. An – by the Board of Directors - appointed Board member will act as Vice-Chairman, in the absence of the Chairman, and shall perform the duties of that officer.
- e. The Chairman and vice-chairman are authorized collectively to bind the Association with regard to third parties after having the agreement of Board of Directors, and to represent the Association in case of legal suits.
- f. The Board of Directors can give proxy powers to members, other directors or third parties to represent the organisation where appropriate.

ARTICLE 8. Technical Working in Petcore Europe

Section 1. Technical Committee and Working Teams

The Board of Directors will form a Technical Committee and TWTs as deemed necessary to deal with specific tasks or projects or to provide needed advisory services appointing the TWTs leaders. TWT leaders will be invited to attend the Board of Directors meetings

The costs related to TWTs need to be discussed and agreed upon by the Board of Directors.

Section 2. ADMINISTRATION

The Association's Secretary General shall provide or arrange for administrative support for committees of the Board of Directors, including, when needed, the employment of outside consultants or advisers.

ARTICLE 9. THE ASSOCIATION'S STAFF

Section 1. STAFF

The Association may employ full-time and/or part-time staff members, specialists and consultants or other outside services, as may be required to carry out its functions and obligations.

Consultants will only be hired upon approval of the Board of Directors.

The staff shall be under the immediate supervision and direction of the Secretary General, who shall have full authority and responsibility for staff organisation and management.

ARTICLE 10. LOGOs, TRADEMARKS, OTHER INDICIA

The Association shall have the sole right to adopt and control completely the use of its logo, trademarks or other indicia as it may deem suitable and appropriate.

The Board of Directors may approve the use of the Logo by any member company to identify itself as a Member of the Association provided however, that the logo may be used by Members only to indicate their membership in the Association in correspondence, advertising material, publications or similar activities, where the use is exclusively and directly related to the conduct of the Member's business. Except as authorised by the Board of Directors the Logo may not be used by any Member for product identification purposes, in standardization or certification programs, or to similar applications. Further, the logo may not be used in any way to imply the Association's approval, endorsement, or sponsorship of any political candidate or cause.

ARTICLE 11. FISCAL YEAR

The fiscal year of the Association shall be from the first day of January until the thirty first day of December each calendar year, having due regard for the requirements of the Internal Revenue Code of Belgium and other applicable laws and regulations.

ARTICLE 12. AMENDMENT OF ARTICLES OF ASSOCIATION

These Articles of Association may be amended, repealed or altered, in whole or in part, by a two thirds majority vote of total Voting Members, present or represented at any duly called and organised general assembly of the Association provided that the two thirds of the voting members are present or represented. Voting will be in accordance with Voting Rights as detailed in Article 3, Section 3.

These articles of association may also be modified by a two-thirds majority vote of the two thirds of the total Voting Members, responding to an E-mail ballot, providing a notice of the substance of proposed changes is mailed to all such Members at least thirty (30) days prior to the time fixed for the meeting at which a vote will be taken, or the time fixed for a return of E-mail ballots, as the case may be. Voting will be in accordance with Voting Rights as detailed in Article 3, Section 3.

If the required quorum is not reached, a new meeting shall be called (or a new ballot arranged) which shall validly decide on the same agenda whatever may be the number of voting members present or represented. In those cases where articles of association changes are made the subject of an E-mail vote, those eligible to cast ballots shall mail the same to the Secretary General. At the time fixed for the counting of the vote, the Secretary General shall open the ballots, canvass the same and report the results in writing to the membership.

This procedure shall also apply to the dissolution of the Association in which case, if deemed appropriate, the Board of Directors shall appoint one or more liquidators and determine the powers to be given to them.

ARTICLE 13. ASSETS AND LIABILITIES

SECTION 1. MEMBERS' INTERESTS IN THE ASSETS OF THE ASSOCIATION

All interests of each member in the funds, investments and other assets belonging to the Association shall immediately cease in the event that the membership of such member in the Association shall terminate for any reason including the dissolution of the Association.

In the event of such termination, such member and the representatives of such member shall have no claim on account of the other members, or their representatives, or any of them.

SECTION 2. DISPOSAL OF ASSETS ON DISSOLUTION

Upon dissolution of the Association, and after payment of all indebtedness and obligations of any kind of the Association, the funds, investments and other assets of the Association shall be remitted to a non-profit institution which is in the public interest and which is concerned with the protection of the environment.

SECTION 3. LIMITATION OF MEMBERS' LIABILITY

Members shall only be liable to pay annual dues fixed by the Association's Board and shall in no way be responsible for any claims against the Association.

ARTICLE 14. ADDITIONAL LEGAL PROVISION

For all other issues not covered by the present articles of association the Belgian Law will be applied.

Any conflict arising out of or in relation to these articles of association shall be governed by and construed in accordance with Belgian Law, and shall come under the exclusive jurisdiction of the Brussels courts.

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