



STATUTES

I. NAME, HEAD OFFICE, PURPOSE, DURATION

Art. 1. – Name

- 1.1. An International Non-Profit Association was formed, and is governed by the Title III of the Belgian law of 27 June 1921 on non-profit associations, foundations, European political parties and European political foundations (hereinafter the "**Law of 27 June 1921**"), and named "Conseil Européen de l'Industrie Chimique - European Chemical Industry Council – Cefic" (hereinafter, the "**Association**").

Art. 2. – Head office

- 2.1. The head office of the Association shall be established in Belgium, in the Brussels area; it is situated at Rue Belliard 40, Boîte 15, 1040 Brussels.

The head office of the Association may be transferred to any other location in Belgium by simple decision of the General Assembly, to be published in the "Annexes du Moniteur belge" and to be communicated to the competent Belgian authority within one (1) month of the decision.

- 2.2. The Board of Directors may decide to open operation centres or offices of the Association in Belgium or abroad.

Art. 3. – Purpose and activities

- 3.1. The Association is a not-for-profit making organisation devoted to promote a thriving European Chemical Industry that is broadly recognised to provide sustainable, safe, innovative and resource efficient solutions to foster prosperity, growth and investments in Europe and meet the challenges for future generations. Within this framework, the Association's main purpose is to serve the Members and the European chemical industry by generating and aggregating scientific knowledge that fosters the purpose of the Association in critical areas and by offering needs-oriented services and expertise to its Members in, amongst others, regulatory, scientific and technical matters. In view of supporting this main purpose, the Association may, in compliance with the antitrust law, promote, defend and represent with particular emphasis on their scientific, technical, pedagogic, environmental, economic, statistical, legal and structural aspects, all matters of common interest to the European chemical industry, in the widest sense, at European and global level, always endeavouring to add value as a collective compared to individual Member's activities.

In order to realize the aforementioned purpose of international utility, the Association may in particular develop the following activities:

- a) To build a solid scientific knowledge base on chemistry and chemicals in Europe as required to deliver on the vision and foster the purpose of the Association;
- b) To bring together industry stakeholders in order to exchange information, to develop new understandings, science and knowledge and to foster or facilitate collaborative innovation;
- c) To bring together the competences of Members to deliver on the vision and foster the purpose of the Association;
- d) To be instrumental in building consensus among Members and between Members and other stakeholders, always complying with antitrust rules and applicable regulations and striving to reach the highest target;
- e) To endeavour to create business friendly, science based and positive framework conditions to foster innovation in Europe and strive for a world class European investment environment for safe, innovative and resource efficient chemical products and processes;
- f) To serve as a resource and forum for education, information sharing and networking between the Members;
- g) To contribute to achieving the UN Sustainable Development Goals (SDGs) and to drive forward resource efficiency and sustainability in the chemical industry and the activities of the Association;
- h) To constantly expand and promote Responsible Care;
- i) To secure the "license to grow" for chemicals companies in Europe, beyond the "license to operate";
- j) To strive to engage in and shape societal debates in key and focus areas, especially on issues related to risk and new technologies;
- k) To inspire the young generations and promote the benefits of chemistry and STEM skills (science, technology, engineering and mathematics);
- l) To be the voice of the European Chemical Industry at European and global level by representing the interests of the Members of the Association across Europe and advocating their interests to create the right support and policy frameworks for the chemical industry in Europe and beyond, addressing specifically European policy makers, the European Union institutions and other European regulatory bodies;
- m) To maximise efforts to build the reputation of the chemical industry.

- 3.2. The Association may become a member of any other not-for-profit association/not-for-profit organization provided that said not-for-profit association/not-for-profit organization is legal and its purposes are in line with the purpose of the Association.
- 3.3. The Association may undertake any other activity or take any other actions that are directly or indirectly related to the purpose of the Association as set out in Article 3.1. of the present Statutes or necessary or useful to the realisation of said purpose. Among other things, and provided that such activity is either expressly contained in the approved budget of the Association or is otherwise approved by the General Assembly, the Association may grant loans to, invest in the capital of, or, in any other manner, directly or indirectly, take participations in other legal entities, associations and companies of private or public nature, governed by Belgian law or foreign laws.

In addition, the Association may carry out any activity that contributes directly or indirectly to the realisation of the above mentioned not-for-profit purpose of international utility, including the exercise of limited commercial and profit-making activities on a secondary basis to the extent legally admitted which proceeds shall at all times be allocated to the realisation of the above mentioned not-for-profit purpose of international utility.

- 3.4. The Association is authorized to collect any resources which are necessary to the realisation of its purpose.
- 3.5. Further provisions regarding the vision and the achievement of the purpose of the Association may be detailed in the By-laws.

Art. 4. – Duration

- 4.1. The Association shall be formed for an unlimited period.

II. MEMBERS, PARTNERS

Art. 5. – General provision

- 5.1. The Association has four (4) categories of members: the Member Federations, the Associate Federations, the Corporate Members and the Business Members (hereinafter all referred to as the "**Members**") and three (3) categories of partners: the Partner Associations, the Partner Companies and the Associated Companies (hereinafter all referred to as the "**Partners**").
- 5.2. Membership or Partnership is open to legal entities incorporated in accordance with the laws and practices of their country of origin. Natural persons are not eligible for Membership or Partnership with the Association.

Article 6. – Membership

- 6.1. Membership in the category of Member Federations is open to the national non-governmental federations representing the chemical industry of European countries previously admitted as and having the Associate Federation status of the Association.

- 6.2. Membership in the category of Associate Federations is open to the leading national non-governmental federations representing the chemical industry in European countries where no Member Federation is operating and that fulfil the following criteria:
- a) The country of the applicant federation should belong to the Council of Europe and to the World Trade Organisation ;
 - b) The applicant federation shall demonstrate its capacity to fulfil the obligations listed in Article 7 of the present Statutes.
- 6.3. Membership in the category of Corporate Members is open to legal entities that fulfil the following conditions:
- a) Having a centre of operation in one (1) or more of the European countries in which the Association has either a Member Federation or an Associate Federation;
 - b) Being engaged in the production of chemicals in one (1) or more European countries in which the Association has either a Member Federation or an Associate Federation;
 - c) Having an annual worldwide chemicals turnover above one (1) billion euro.
- 6.4. Membership in the category of Business Members is open to legal entities that fulfil the following conditions:
- a) Having a centre of operation in one (1) or more of the European countries in which the Association has either a Member Federation or an Associate Federation;
 - b) Being engaged in the production of chemicals in one (1) or more European countries in which the Association has either a Member Federation or an Associate Federation;
 - c) Having an annual worldwide chemicals turnover under one (1) billion euro.

Business Members shall designate twenty (20) delegates to represent them at the meetings of the General Assembly of the Association (hereinafter referred to as the "**Business Member Delegates**") as provided for in Article 16.2. of the present Statutes.

Art. 7. – Membership rights and duties

- 7.1. Members shall have the right to participate in the meetings of the General Assembly of the Association, with voting rights.

In accordance with their respective category of membership, Members shall have amongst others also the rights as determined for each category:

- a) To access to Cefic information;
- b) To be eligible for a position in the governance bodies or other bodies of the Association;
- c) To attend the governance bodies or other bodies of the Association. In case a direct conflict of interests arising on EU related matters (e.g. anti-dumping case), those

Members which are not engaged in production of chemicals in the EU territory shall abstain from voting;

- d) To participate in any other activities of the Association.

7.2. Members shall have the following duties:

- a) To respect the present Statutes;
- b) To respect the By-laws and the Operating Rules of the Association;
- c) To support the purpose, mission, objectives, policies and activities of the Association;
- d) To endeavour to promote the Association's Common Positions developed and aligned in accordance with its decision-making and One Voice Policy as defined in the By-laws;
- e) To pay the Membership fee as fixed annually for each category of Members by the General Assembly upon proposal of the Board;
- f) To remain responsible for the accuracy of the data and information transmitted to the Association.

7.3. Further details regarding the eligibility, the rights and duties of the Members and the Membership fee may be laid down in the By-laws or the Operating Rules of the Association.

Art 8. – Partnership

8.1. Partnership is open to companies or associations closely linked with the European chemical industry, but not fulfilling the membership criteria laid down in Article 6 of the present Statutes.

Partners are not Members of the Association.

8.2. Partnership in the category of Partner Associations is open to European associations representing sectors linked to the European chemical industry.

8.3. Partnership in the category of Partner Companies is open to European companies not being engaged in the production of chemicals and with activities closely linked to the European chemical industry.

8.4. Partnership in the category of Associate Companies is open to companies being engaged in the production of chemicals in countries outside Europe in which the Association has neither a Member Federation, nor an Associate Federation.

Art. 9. – Partnership rights and duties

9.1. Partners do not have the right to participate in the meetings of the General Assembly, of the Board or of the Executive Committee. Partners are not eligible for a position in the governance bodies or other bodies of the Association.

In accordance with their respective category of partnership, Partners shall have amongst others also the rights as determined for each category:

- a) To access or not to Cefic information;
- b) To access to the Cefic Industry Sectors/Sector Groups;
- c) To access or not to the networks of experts;
- d) To participate or not in any other activities of the Association.

9.2. Partners shall have the following duties:

- a) To pay the Partnership contribution as fixed for each category of Partners by the General Assembly upon proposal of the Board;
- b) To remain responsible for the accuracy of the data and information transmitted to the Association.

9.3. Further details regarding the eligibility, the rights and duties of the Partners and the Partnership contribution may be laid down in the By-laws or the Operating Rules of the Association.

Art. 10. – Membership and Partnership list

10.1. A list of the Members and the Partners as defined under Articles 6 and 8 of the present Statutes shall be kept up-to-date at the head office of the Association.

Art. 11. – Admission of Members and Partners

11.1. On a proposal from the Board, all membership applications for admission of new Member Federations, Associate Federations, Corporate Members or Business Members as well as applications for changing of category of Membership shall be submitted to the General Assembly for approval. The latter is under no obligation to justify its decision, which shall be final.

11.2. On a proposal from the Board, all partnership applications for admission of new Partner Associations, Partners Companies or Associate Companies shall be submitted to the General Assembly for approval. The latter is under no obligation to justify its decision, which shall be final.

11.3. Further details regarding the application formalities and procedure for Membership and Partnership may be adopted in the By-laws or in the Operating Rules of the Association.

Art.12. – End of Membership or Partnership

12.1. Membership or Partnership in the various Membership or Partnership categories ends (i) in accordance with Article 12.2. or 12.3. of the present Statutes or (ii) by dissolution of the Association.

The end of Membership or Partnership during the course of the Association's financial year shall not affect the Member's or Partner's obligation to pay the Membership fee or Partnership contribution subject to the requirements of the present Statutes or any other sum or debts due on the date of the end of Membership or Partnership. The Member or Partner whose Membership or Partnership ended shall not be entitled to claim any of the Association's assets or funds nor any reimbursement of its Membership fee or Partnership contribution or any other compensation.

12.2. Any Member as defined under Article 6 or Partner as defined under Article 8 of the present Statutes wishing to withdraw from Membership or Partnership shall give written notice to the Director General of his withdrawal before the end of a financial year (31 December) of each year. The withdrawal shall then take effect at the end of the next financial year. During this period, the Membership or Partnership as well as the obligation to pay the Membership fee or the Partnership contribution remain unaffected it being understood that Members or Partners who wish to withdraw are required to fulfil their obligations according to Article 12.1., Para. 2 of the present Statutes.

12.3. The exclusion of a Member or a Partner may be proposed by the Board to the General Assembly in the following cases:

- a) If that Member or Partner ceases to satisfy the Membership or Partnership criteria provided for in Article 6 or 8 of the present Statutes;
- b) In case of violation by that Member or that Partner of the provisions of the Statutes, By-laws or Operating Rules;
- d) If the conduct of that Member or Partner is contrary to the aim of and/or harming the Association.

The Member or Partner concerned must be summoned to have the opportunity to present his defence on the envisaged exclusion either by oral or written statement to the General Assembly. The decision of the General Assembly is final and the exclusion shall be effective as of the date of the decision. The Member or Partner excluded is required to fulfil its obligations according to Article 12.1., Para. 2 of the present Statutes.

III. CONSULTATIVE ASSEMBLIES

Art. 13. – Role and responsibilities

13.1. The Association has three (3) Consultative Assemblies:

- a) The "Consultative Assembly of the Member Federations" (AFEM);

b) The "Consultative Assembly of the Corporate Members" (ACOM);

c) The "Consultative Assembly of the Business Members" (ABM),

(hereinafter all referred to as the "**Consultative Assemblies**").

13.2. The Consultative Assemblies shall be consulted by and assist the Nomination Committee to prepare the list of candidates to the Board and the other governance bodies of or positions within the Association as referred to in Article 19.1. e), g) and h) of the present Statutes, to be elected by the General Assembly.

13.3. The Consultative Assemblies shall also serve as platforms of communication and consultation among their members and with the Board and the Executive Committee. In order to provide communication and consultation on major issues affecting their members, the Consultative Assemblies shall meet when necessary.

Art. 14. – Consultative Assembly of the Member Federations - AFEM

14.1. The "Consultative Assembly of the Member Federations" referred to in Article 13.1., a) of the present Statutes shall be composed of the Member Federations of the Association.

14.2. AFEM shall elect the National Associations Board referred to in Article 54 of the present Statutes.

14.3. The Member Federations shall participate in the AFEM meetings with the right to vote.

The Associate Federations shall be invited to participate in AFEM meetings, without the right to vote.

Art. 15. – Consultative Assembly of the Corporate Members - ACOM

15.1. The "Consultative Assembly of the Corporate Members" referred to in Article 13.1 b) of the present Statutes shall be composed of the Corporate Members of the Association.

15.2. The Corporate Members shall participate in the ACOM meetings with the right to vote.

Art. 16. – Consultative Assembly of the Business Members - ABM

16.1. The "Consultative Assembly of the Business Members" referred to in Article 13.1. c) of the present Statutes shall be composed of the Business Members of the Association.

16.2. Business Members shall designate twenty (20) Business Member Delegates as defined in Article 6.4., Para. 2 of the present Statutes. These delegates shall be Chief Executive Officers/Senior Executives level of their respective companies.

16.3. The Business Members shall participate in the ABM meetings with the right to vote.

16.4. Further details regarding the composition and the functioning of the Consultative Assemblies may be laid down in the By-laws or the Operating Rules of the Association.

IV. GOVERNANCE AND REPARTITION OF POWERS

Art. 17. – Governance and operational structure

17.1. The Association is composed of the following governance bodies:

- a) The General Assembly;
- b) The Board;
- c) The Executive Committee;
- d) The Nomination Committee;
- e) The Audit and Finance Committee;
- f) The President;
- g) The Vice-President(s);
- h) The Director General.

The General Assembly is empowered with the determination of the general policy of the Association.

The Board is empowered with the development of the Association's vision, purpose, values and long-term strategic planning objectives. In addition, the Board has a supervisory role on the work of the Executive Committee, Nomination Committee, the Audit and Finance Committee and can establish a Stakeholder Advisory Committee.

The Executive Committee is empowered with the management of the Association and the residual powers. The Executive Committee is the key decision panel in the Association within the strategic directions given by the Board and the general policy set by the General Assembly.

The Nomination Committee assists the General Assembly and the Board by preparing the list of candidates for the appointment or election to different governance bodies or other bodies within the Association.

The Audit and Finance Committee is empowered with the monitoring and audit of the financial affairs of the Association.

The President is the highest representative of the Association in policy and strategic matters. He/she will hold the chair of the Board and the Executive Committee.

The Vice-President(s) will represent the President in his/her absence.

The Director General is empowered with the management and the supervision of the Cefic administration. He/she is responsible for the day-to-day management of the Association.

- 17.2. Programme Councils, Advisory Fora for advisory purposes and a Risk Management Committee may be created by the Executive Committee within their respective area of responsibilities in order to assist the Executive Committee to perform its mission.
- 17.3. The Leadership Team is the operational body of the Association which shall ensure the proper functioning of the Association and the operational management of the Association's activities.
- 17.4. The National Associations Board is established in order to highlight the key areas of impact, opportunity and responsibility for national associations and to have a working methodology enabling the AFEM to deliver better advocacy outcomes at European and national levels.
- 17.5. The Cefic administration is set up in order to support the General Assembly, the Board, the Executive Committee and the Director General in the management of the Association.
- 17.6. Further details regarding the composition and the functioning of the governance bodies, the Programme Councils, the Advisory Fora, the Risk Management Committee, the Leadership Team, the National Associations Board and the Cefic administration may be laid down in the By-laws or the Operating Rules of the Association.

Art. 18. – Repartition of powers

- 18.1. The General Assembly shall only have the exclusive powers reserved to it by law and by Article 19.1. of the present Statutes.
- 18.2. All powers that are not expressly reserved by law or the present Statutes to the General Assembly are exercised by the Board. The Board shall have the exclusive powers listed in Article 24.1. of the present Statutes and shall delegate its management powers and the residual powers to the Executive Committee in accordance with Article 24.2 of the present Statutes. In addition, the Board may delegate special management or representation powers of the Association to one (1) or more Board members, to the Executive Committee, to the Director General, to the President or to third parties under the conditions mentioned in Article 24.3. of the present Statutes.
- 18.3. The Executive Committee shall manage the operations and affairs of the Association and exercise the powers delegated to it by the Board including the residual powers in accordance with Article 24.2. and 24.3. of the present Statutes. These powers shall among others include the powers listed in Article 30.1 of the present Statutes.

The Executive Committee may within the scope of its powers sub-delegate special management or representation powers of the Association to one (1) or more Executive Committee members, to the Director General, to the President or to third parties in accordance with Article 30.2. of the present Statutes. In addition, the Executive Committee shall delegate the day-to-day management powers of the Association to the Director General of the Association in accordance with Article 30.3. of the present Statutes.

The Executive Committee shall also delegate to the Programme Councils the responsibility for building positions, defining and implementing specific activities and policies in consistency with the Board's strategic setting, in accordance with Article 50 of the present Statutes.

SECTION IV.1. GENERAL ASSEMBLY

Art. 19. – Powers

19.1. The General Assembly is the supreme body of the Association and shall have the following exclusive powers:

- a) To set the general policy of the Association;
- b) To modify the Statutes and the By-laws;
- c) To admit new Members and Partners and to exclude Members and Partners;
- d) To determine the Membership fee of each category of Members and to determine the Partnership contribution of each category of Partners;
- e) To elect the members of the Board on proposal of the Nomination Committee and to revoke them;
- f) To appoint and revoke at least one (1) external auditor;
- g) Amongst the permanent representatives of the Board members, to elect (i) the President, (ii) the Vice-President(s), (iii) the Executive Committee members other than the ABM Chair, the AFEM Chair and the Industry Sector Representatives, (iv) the Chair of the Audit and Finance Committee, and (v) the Chair of the Nomination Committee, on proposal of the Nomination Committee, and to revoke them;
- h) Amongst the Executive Committee members, to elect the Chair of each Programme Council and the Chair of each Advisory Forum on proposal of the Nomination Committee and to revoke them;
- i) To appoint the Director General on proposal of the Nomination Committee and to dismiss the Director General;
- j) To approve the yearly activity report of the Board;
- k) To approve the budget for the next financial year and the annual accounts of the preceding financial year;
- l) To vote on the discharge of the members of the Board and of the external auditor;
- m) To dissolve the Association.

Art. 20. – Composition

- 20.1. The General Assembly shall be composed of all Member Federations, Associate Federations and Corporate Members as defined under Article 6.1., Article 6.2. and 6.3., of the present Statutes, and the twenty (20) Business Member Delegates as defined in Articles 6.4. and 16.2 of the present Statutes.
- 20.2. A Member other than a Business Member may be represented by one (1) or two (2) representative(s) (hereinafter referred to as the "**Member Representatives**"). The names of the Member Representative(s) empowered to vote shall be previously notified to the Director General of the Association.

The Business Members will be represented at the General Assembly by the twenty (20) Business Member Delegates referred to in Article 16.2. of the present Statutes. The names of the Business Member Delegates empowered to vote shall be previously notified to the Director General of the Association.

- 20.3. A Member other than a Business Member who is unable to attend the General Assembly meeting may be represented either by the Member Representative(s) of another Member or by a Business Member Delegate by written proxy. One (1) Member Representative or one (1) Business Member Delegate, however, may not represent more than two (2) Members. Proxies must be notified in writing to the Director General of the Association.

A Business Member Delegate who is unable to attend the General Assembly meeting may not be represented neither by another Business Member Delegate nor by the Member Representatives by written proxy.

- 20.4. As an exception to Article 20.3 of the present Statutes, a Member Representative, Business Member Delegate or a third party may act on behalf of an unlimited number of Member Federations, Associate Federations, Corporate Members or of the twenty (20) Business Member Delegates by virtue of a written proxy, if Belgian law requires that the decision of the General Assembly must be certified by a notarial deed.
- 20.5. Any change in the representation of a Member or any change of a Business Member Delegate shall be previously notified to the Director General no less than eight (8) calendar days before the next meeting of the General Assembly. At the opening of every meeting of the General Assembly any proxies given shall be presented to the President or, in his/her absence to one (1) of the Vice-President(s) who preside over the meeting, and who will immediately communicate them to the General Assembly.
- 20.6. The Director General may invite guests to attend the General Assembly.

Art. 21. – Meeting rules

- 21.1. An Ordinary Meeting of the General Assembly shall be held at least once a year, under the chairmanship of the President of the Association or, in case of his/her absence, under the chairmanship of one (1) of the Vice-President(s) previously designated by the President, or of a chair elected by the General Assembly, if the Vice-President(s) are absent.

- 21.2. An extraordinary General Assembly meeting may be convened at any time upon decision of the Executive Committee. The President is also obliged to convene an Extraordinary General Assembly meeting upon request of at least ten (10) per-cents of the Member Federations and Corporate Members.
- 21.3. An item has to be included on the agenda of the General Assembly at the request of a group of Members representing at least ten (10) per-cents of the total membership as defined under Article 6.1., 6.2. and 6.3. of the present Statutes, including at least two (2) Member Federations.
- 21.4. The invitation to attend the General Assembly meetings, including the date, place, time, the agenda and relevant documents, shall be sent by the Director General to the Member Federations, Associate Federations and the Corporate Members as well as to the twenty (20) Business Member Delegates, at least a fourteen (14) calendar days before the date of the meeting. The invitation shall be sent by mail, fax, e-mail, special courier or any other written means of communication.
- 21.5. General Assembly meetings are held with a physical location designated as place of the meeting. Member Representatives, Business Member Delegates and guests shall attend the meeting in person.

Under exceptional circumstances, in urgent matters and upon decision of the Executive Committee, they may also participate in the meeting, via video conference, web-conference or by any other electronic means which offer the possibility to the Member and guests participating in the meeting (i) to hear each other at the same time, (ii) to speak to each other and (iii) as far as the Members are concerned to cast definitively although not simultaneously their vote on the agenda items. Members or guests participating by such means shall be deemed present at such meeting.

Art. 22. – Voting and quorum

- 22.1. Each Member other than a Business Member shall have one (1) vote within its respective constituency, as defined under Article 22.4., Para. (i) and (ii) of the Statutes.
- Each of the twenty (20) Business Member Delegates shall have only one (1) vote.
- 22.2. Voting can be done by show of hand, by secret ballot or by electronic means in real time. Voting by secret ballot takes place on sensitive matters and for any other purposes upon request of a minimum of ten (10) per-cents of the Member Federations, Associate Federations, Corporate Members and Business Member Delegates present or represented at the General Assembly meeting.
- 22.3. The General Assembly shall be deemed validly constituted and can take decisions regardless of the number of Member Federations, Associate Federations, Corporate Members or Business Member Delegates present, represented or participating remotely in the meeting.

22.4. Except when the present Statutes provide otherwise, for decisions of the General Assembly, a simple majority will be required within each of the three (3) constituencies in the following manner:

- (i) Simple majority of the votes of the Member Federations and Associate Federations present, represented or participating remotely in the meeting, plus,
- (ii) Simple majority of the votes of the Corporate Members present, represented or participating remotely in the meeting, and in addition,
- (iii) Simple majority of the votes of the twenty (20) Business Member Delegates referred to in Article 16.2. of the present Statutes, present, represented or participating remotely in the meeting.

Abstentions, blank or invalid votes do not count in the calculation of the majority.

22.5. No decision can be taken by the General Assembly on an item, which does not appear on the circulated agenda.

22.6. Votes cannot be expressed by correspondence or by e-mail in advance of the meeting.

22.7. If a decision cannot be deferred until the following Ordinary Meeting of the General Assembly and does not justify an Extraordinary Meeting of the General Assembly, the Executive Committee can adopt a decision, in accordance with Article 33 of the present Statutes. Any decision taken by this route shall be notified by the Executive Committee to the General Assembly for confirmation at the subsequent General Assembly.

Art. 23. – Minutes of meeting

23.1. The minutes of the General Assembly, including a record of all resolutions of the General Assembly shall be drawn up under the responsibility of and signed by the Director General.

A copy of the minutes of the meeting shall be sent to all Members by post mail, e-mail or by any other means of communication within thirty (30) calendar days of the meeting.

23.2. The original minutes of the General Assembly have to be entered into a separate electronic or physical register, signed by the Director General and kept at the head office of the Association, where it must be made available to all Members for consultation.

23.3. Further provisions regarding the composition of the General Assembly, the appointment of the Member Representatives or the Business Member Delegates, the General Assembly meeting rules or decision-making process may be laid down in the By-laws or the Operating Rules of the Association.

SECTION IV.2. BOARD

Art. 24. – Powers

24.1. The Board shall act as a collegial body and is vested with the overall management and administration powers in accordance with the applicable laws, the present Statutes and the decisions of the General Assembly. The Board is a strategic supervisory body with an oversight role which focuses on and discusses strategic directions and decisions of the Association.

All powers that are not expressly reserved by law or the present Statutes to the General Assembly are exercised by the Board.

The Board shall have the following exclusive powers:

- a) Developing the Association's vision, purpose and values;
- b) Developing long-term strategic planning objectives;
- c) Submitting priorities to the General Assembly for approval;
- d) Setting governance, strategic and control policies for the Association;
- e) Executing and/or coordinating the implementation of resolutions taken by the General Assembly;
- f) Reviewing, evaluating and deciding on the strategic objectives and the general management policy plan of the Association;
- g) Establishing a Stakeholder Advisory Committee providing external advice on the Association and the chemical industry;
- h) Supervising and reviewing the performances and delivery of the Executive Committee, the Programme Council Chairs and the Advisory Forum Chairs;
- i) Supervising and monitoring the implementation by the Cefic administration of decisions, policies and plans of activities adopted by the General Assembly;
- j) Reviewing, evaluating and approving the financial situation and annual report of the Association;
- k) Preparing and submit to the General Assembly for approval the annual budget of the following financial year and the annual accounts of the preceding financial year and define resources requirements;
- l) Being responsible for the compliance with the governance principles and monitoring internal control and risk management systems;

- m) In application of Articles 58 and 57 of the present Statutes, establishing or enrolling the Cefic Industry Sectors, and, upon presentation by the governing bodies of the relevant Cefic Industry Sector to the Board, recognise Groups within Cefic such as Sector Groups and any other type of groups as the Board may define, and defining the conditions of access of the Recognised Groups and their members to the activities of the Association.

24.2. The Board shall delegate its management powers and the residual powers to the Executive Committee, provided however that such delegation may relate neither to the Board's strategic planning objectives nor to powers expressly reserved for the Board by the Law of 27 June 1921 or by Article 24.1., Para. 3 of the present Statutes.

The Board is entrusted with the supervision of such Executive Committee.

24.3. Without prejudice to Article 24.2. of the present Statutes, the Board of Directors may delegate special management or representation powers of the Association regarding legal actions or legal acts involving the Association to one (1) or more Board members, to the Executive Committee, to the Director General, to the President or to third parties. In this case, the scope of the delegated powers and the term of the mandate have to be specified.

Art. 25. – Composition

25.1. The Board is composed of a minimum of ten (10) and a maximum of thirty (30) Board members elected by the General Assembly:

- a) The President and the Vice-President(s) are elected by the General Assembly in accordance with Article 35 of the present Statutes.
- b) Board members are elected by the General Assembly on a list proposed by the Nomination Committee respecting the following distribution and in the same proportion if the maxima mentioned are not reached:
 - (i) A maximum of six (6) members representing the Member Federations;
 - (ii) A maximum of ten (10) members which permanent representatives are the Chairs of the Programme Councils or the Advisory Fora;
 - (iii) A maximum of three (3) members representing the Cefic Industry Sectors;
 - (iv) A maximum of three (3) members representing the Business Members;
 - (v) In addition, at least half (1/2) of the Board members shall be representatives of Corporate Members.

Except for the position as President and Vice-President(s), only legal entities may be proposed as candidate for a Board position and elected as Board members. Board members shall appoint as their permanent representative the Chief Executive/Executive Director/board member or equivalent level of Corporate Members or Business Members, and the President or member of the board of Member Federations as far as the representatives of AFEM are

concerned, except in exceptional cases.

If there are not enough candidates proposed by the Nomination Committee or not enough elected Board members, the General Assembly can elect Board members directly at the respective General Assembly meeting.

25.2. The tenure of Board members is two (2) years. Any Board member may be re-elected.

25.3. Except for the President and the Vice-President, the tenure of a Board member shall end by (i) dissolution or the bankruptcy of the Board member, (ii) the revocation by the General Assembly or (iii) the expiration of its term.

The revocation of the Board as a whole or of a Board member by the General Assembly before the end of the term of their respective mandate shall respectively require a three quarters (3/4) majority of the votes within each voting constituency of (i) Member Federations and Associate Federations, (ii) Corporate Members and (iii) Business Member Delegates present, represented or participating remotely in the meeting. The Board member whose revocation is proposed has the right to be heard.

The members of the Board are free to resign at any moment by formally giving written notice at the head office of the Association.

Resignation shall be presumed and shall take automatically effect if a permanent representative of a Board member ceases (i) his/her function of Chief Executive/Executive Director/board member in the Corporate Member or in the Business Member he/she represents, or (ii) his/her function of President or member of the board in the Member Federation he/she represents.

25.4. If a Board position becomes vacant, the Nomination Committee shall have the power to propose a new Board member for decision by the Board to fill the vacancy until the first following General Assembly meeting at which an election shall be held in compliance with the provisions laid down in Articles 25.1. and 25.2. of the present Statutes.

Art. 26. – Remuneration

26.1. Unless specifically decided otherwise by the General Assembly or by the present Statutes, the Board members shall not be entitled to receive any remuneration in compensation of their duties.

Art. 27. – Meeting rules

27.1. The Board shall meet at least twice a year. In addition, it must be convened upon request of at least seven (7) Board members.

27.2. The invitation to attend the Board meetings, including the agenda and the relevant documents, shall be sent by the Director General of the Association to the Board members, at least ten (10) calendar days before the date of the meeting. The invitation shall be sent by mail, fax, e-mail, special courier or any other written means of communication.

- 27.3. The Board meeting is chaired by the President, or in case of his/her absence, by one (1) of the Vice-President(s).
- 27.4. Subject to the provision and limitations stipulated in the present Statutes or in the By-laws of the Association, experts and other guests may be invited by the President to attend the Board meetings.

The Director General shall be permanent guest of the Board.

Where necessary, members of the Leadership Team or the Cefic staff may attend the Board meeting, but without the right to vote.

- 27.5. Board meetings are held with a physical location designated as place of the meeting. Board members, the Director General, and as the case may be, experts, guests, members of the Leadership Team or the Cefic staff shall attend the meeting in person.

Under exceptional circumstances, in urgent matters or upon decision of the Executive Committee, the Board meeting may be held with or without physical location designated as place of the meeting. Board members, the Director General, and as the case may be, experts, guests, members of the Leadership Team or the Cefic staff shall attend the meeting in person. They may also participate in the meeting via conference call, video conference web-conference or by any other electronic means which offer the possibility to the Board members, the Director General, experts, guests, the members of the Leadership Team or the Cefic staff participating in the meeting (i) to hear each other at the same time, (ii) to speak to each other and (iii) as far as Board members are concerned, to cast definitively although not simultaneously their vote on the agenda items. Any Board member, expert, guest, the Director General or the members of the Leadership Team or the Cefic staff participating by such means shall be deemed present at such meeting.

Art. 28. – Voting and quorum

- 28.1. Each Board member shall have one (1) vote.
- 28.2. The Director General, experts, guests, the members of the Leadership Team or the Cefic staff may attend the Board meeting without the right to vote.
- 28.3. A member of the Board who is unable to attend the Board meeting may be represented by another member of the Board by virtue of a written proxy. One (1) Board member, however, may not represent more than one (1) other Board member. Proxies must be notified in writing to the Director General of the Association.
- 28.4. The Board will be deemed validly constituted and has the quorum to take a decision if at least half (1/2) of the Board members are present, represented or participating remotely in the meeting.
- 28.5. The Board shall take its decisions by a three-quarters (3/4) majority of the votes of the Board members present, represented or participating remotely in the meeting.

Abstentions, blank or invalid vote do not count in the calculation of the majority.

In the case of tie vote, the President has the casting vote.

- 28.6. Voting can be done by show of hand, by secret ballot or by electronic means in real time. Voting by secret ballot takes place on sensitive matters and for any other purposes upon request of a minimum of ten (10) of the Board members.
- 28.7. No decision can be taken on an item, which does not appear on the circulated agenda.
- 28.8. Votes cannot be expressed by correspondence or by e-mail prior to the meeting.
- 28.9. If a decision cannot be deferred until the following meeting of the Board, a written decision making procedure can be launched in which the Board may be consulted and exceptionally vote in a ballot without personal meeting, i.e. by fax, by-email or by exchange of written letter.

The calling notice for the written decision-making shall be sent together with the text of the proposal and all supporting documents to all Board members at least twenty-one (21) calendar days before the deadline for voting. The vote shall only be valid if at least half (1/2) of the Board members have sent a reply. Except in urgent cases, replies shall be sent within twenty-one (21) calendar days. Any decision taken by this route shall be notified for confirmation at the subsequent meeting of the Board.

Art. 29. – Minutes of meeting

- 29.1. The minutes of the Board, including a record of all resolutions of the Board shall be drawn up under the responsibility of and signed by the Director General.

A copy of the minutes of the meeting shall be sent to all Board members by post mail, e-mail or by any other means of communication within thirty (30) calendar days of the meeting.

- 29.2. The original minutes have to be entered into a separate electronic or physical register, signed by the Director General and kept at the head office of the Association, where Board members and Members may consult these.
- 29.3. Further provisions regarding the composition of the Board, the Board meeting rules or decision-making process may be laid down in the By-laws or the Operating Rules of the Association.

SECTION IV.3. EXECUTIVE COMMITTEE

Art. 30. – Powers

- 30.1. Subject to the supervision of the Board, the Executive Committee shall manage the operations and affairs of the Association and exercise the powers delegated to it by the Board including the residual powers in accordance with Articles 24.2. and 24.3. of the present Statutes. Such powers shall in any event not include the determination of the Board's strategic planning objectives nor the powers expressly reserved for the Board or the General Assembly by the Law of 27 June 1921 or by the present Statutes or delegated to the Director General of the Association. The Executive Committee is the key decision panel in the Association within the directions given by the Board.

Subject to the foregoing and to the terms and conditions of the present Statutes, the powers of the Executive Committee shall among others include:

- a) In consultation with the Director General, examining, defining, exploring and deciding on strategic opportunities and proposals which could lead to the further development of Association, including but not limited to :
 - (i) Analysing strategies, activity plans and developing a plan for the Association, in order to submit a proposal to the Board for discussion and approval;
 - (ii) Organizing activities required for the implementation of strategies and, if needed, proposing changes;
 - (iii) Drafting and working out strategic guidelines to be submitted to the Board for approval, such as:
 - operational purpose of the Association;
 - other topics that, in the option of the Board or the Director General, require a strategic decision at Board level;
- b) Reviewing and approving policy positioning;
- c) Deciding on organisation and representation matters and on Common Positions of the Association, if no consensus can be reached in the competent Programme Council(s) or if an Advisory Forum advises the Executive Committee to do so.
- d) Appointing and monitoring the progress of work of the Programme Councils, the Advisory Fora, the Cefic administration/Director General, the working groups and/or project coordinators;
- e) Representing the Association to public authorities, including EU institutions;
- f) Supporting the Director General in the day-to-day management and the exercise of its responsibilities, approve the yearly activity report of the Director General;
- g) Confirming the creation, dissolution of any working groups as it deems necessary;
- h) Deciding upon any other matter or activity serving the purpose of the Association that has not specifically and explicitly allocated by the present Statutes to another body of the Association.

30.2. Without prejudice to Article 30.3. of the present Statutes, the Executive Committee may, within the scope of his powers and authorities, delegate special management or representation powers of the Association regarding legal actions or legal acts involving the Association to one (1) or more Executive Committee members, to the Director General, to the President or to third parties. In this case, the scope of the delegated powers and the term of the mandate have to be specified.

30.3. Without prejudice to Article 30.2. of the present Statutes, the Executive Committee shall delegate the day-to-day management powers of the Association, including authority to sign

on behalf of the Association and powers of representation relating to such day-to-day management to the Director General of the Association.

Art. 31. – Composition

31.1. The Executive Committee represents the wider membership of the Association and is composed of a maximum of fifteen (15) Executive Committee members including:

- a) The President elected by the General Assembly according to Article 35 of the present Statutes;
- b) The Vice President(s) elected by the General Assembly according to Article 35 of the present Statutes cumulating such role with another specific role stipulated in Articles 31.1. c) to f) of the present Statutes;
- c) The ABM Chair elected by the Consultative Assembly of Business Members;
- d) The Cefic Industry Sector Representatives elected by the constituency of their respective Cefic Industry Sector;
- e) The Programme Council Chairs elected by the General Assembly on a proposal of the Nomination Committee among the permanent representatives Board members;
- f) The Advisory Forum Chairs elected by the General Assembly on a proposal of the Nomination Committee among the permanent representatives of the Board members.

The Executive Committee is completed by the AFEM Chair and the Director General having a seat as permanent guests in the Executive Committee.

Only natural persons may be proposed as candidate for an Executive Committee position and elected as Executive Committee members.

Except for the ABM Chair, and the AFEM Chair the Executive Committee members shall be assigned for a two (2) years term and may be re-elected.

Without prejudice to Article 31.2. of the present Statutes, the Executive Committee members shall serve as such in the above mentioned specific roles and portfolios until their death or disqualification, their resignation, their revocation, or until the General Assembly or the respective constituency elects their successor.

31.2. The tenure of an Executive Committee member shall end by (i) death or the disqualification of the Executive Committee member, (ii) by resignation, (iii) the revocation or (iii) the expiration of its term.

The members of the Executive Committee are free to resign at any moment by formally giving written notice at the head office of the Association.

Resignation shall be presumed and shall take automatically effect (i) if the Executive Committee member ceases his/her function of Chief Executive/Executive Director/board

member in the Corporate Member, Business member or Member Federation he/she represents or (ii) if the Corporate Member, Business Member or Member Federation he/she represents goes bankrupt or is dissolved.

The revocation of the Executive Committee as a whole or of an Executive Committee member by the General Assembly before the end of the term of their respective mandate shall (i) require a three-quarters (3/4) majority of the votes within each constituency of (i) Member Federations and Associate Federations, (ii) Corporate Members and (iii) Business Member Delegates, present or represented, or participating remotely, in the meeting. The Executive Committee member whose revocation is proposed has the right to be heard.

- 31.3. If an Executive Committee position other than the President, AFEM Chair, the ABM Chair, the Cefic Industry Sector Representatives or Director General becomes vacant, the Nomination Committee shall have the power to propose a new Executive Committee member for decision by the Executive Committee to fill the vacancy until the first following General Assembly meeting at which an election shall be held in compliance with the provisions laid down in Article 31.1. of the present Statutes.

If the position of the President AFEM Chair, the ABM Chair, the Cefic Industry Sectors Representatives or Director General becomes vacant, it shall stay vacant until the General Assembly or the respective constituency elects their successor.

- 31.4. The Executive Committee reports to the Board twice a year.

Art. 32. – Meeting rules

- 32.1. The Executive Committee meets between Board meetings when necessary, but at least four (4) times a year.
- 32.2. The invitation to attend the Executive Committee meetings, including the agenda and the relevant documents, shall be sent by the Director General of the Association to the Executive Committee members, at least ten (10) calendar days before the date of the meeting. The invitation shall be sent by mail, fax, e-mail, special courier or any other written means of communication.
- 32.3. The Executive Committee meeting is chaired by the President, or in case of his/her absence, by one (1) of the Vice-President(s).
- 32.4. Subject to the provision and limitations stipulated in the present Statutes or in the By-laws of the Association, experts and other guests may be invited by the President to attend the Executive Committee meetings.

The AFEM Chair and the Director General shall be permanent guests of the Executive Committee.

Where necessary, members of the Leadership Team or the Cefic staff may attend the Executive Committee meeting.

- 32.5. Executive Committee meetings may be held with or without physical location designated as place of the meeting. Executive Committee members and as the case may be, experts,

guests, members of the Leadership Team or the Cefic staff may attend the meeting in person. They can also participate in the meeting via conference call, video conference web-conference or by any other electronic means which offer the possibility to the Executive Committee members, experts, guests, the members of the Leadership Team or the Cefic staff participating in the meeting (i) to hear each other at the same time, (ii) to speak to each other and (iii) as far as the Executive Committee members with voting right are concerned, to cast definitively although not simultaneously their vote on the agenda items. Any Executive Committee member, expert, guest, or the members of the Leadership Team or the Cefic staff participating by such means shall be deemed present at such meeting.

Art. 33. – Voting and quorum

33.1. Each Executive Committee member other than the Director General and the AFEM Chair shall have one (1) vote.

33.2. The Director General, the AFEM Chair, experts, guests, the members of the Leadership Team or the Cefic staff may attend the Executive Committee meeting, but without the right to vote.

33.3. A member of the Executive Committee who is unable to attend the Executive Committee meeting may be represented by another member of the Executive Committee by virtue of a written proxy. One (1) Executive Committee member, however, may not represent more than one (1) other Executive Committee member. Proxies must be notified in writing to the Director General of the Association.

33.4. The Executive Committee will be deemed validly constituted and has the quorum to take a decision if at least half (1/2) of the Executive Committee members are present, represented or participating remotely in the meeting.

33.5. The Executive Committee shall take its decisions by an absolute majority of the votes of the Executive Committee members present, represented or participating remotely in the meeting.

Abstentions, blank or invalid vote do not count in the calculation of the majority.

In the case of tie vote, the President has the casting vote.

33.6. Voting can be done by show of hand, by secret ballot or by electronic means in real time.

Voting by secret ballot takes place on sensitive matters and for any other purposes upon request of a minimum of five (5) Executive Committee members.

33.7. No decision can be taken on an item, which does not appear on the circulated agenda.

33.8. Votes cannot be expressed by correspondence or by e-mail prior to the meeting.

33.9. If a decision cannot be deferred until the following meeting of the Executive Committee, a written decision making procedure can be launched in which the Executive Committee may be consulted and exceptionally vote in a ballot without personal meeting, i.e. by fax, by-email or by exchange of written letter.

The calling notice for the written decision-making shall be sent together with the text of the proposal and all supporting documents to all Executive Committee members at least ten (10) calendar days before the deadline for voting. The vote shall only be valid if at least half (1/2) of the Executive Committee members having the right to vote have sent a reply. Except in urgent cases, replies shall be sent within ten (10) calendar days. Any decision taken by this route shall be notified for confirmation at the subsequent meeting of the Executive Committee.

Art. 34. – Minutes of meeting

34.1. The minutes of the Executive Committee, including a record of all resolutions of the Executive Committee shall be drawn up under the responsibility of and signed by the Director General.

A copy of the minutes of the meeting shall be sent to all Executive Committee members by post mail, e-mail or by any other means of communication within thirty (30) calendar days of the meeting.

34.2. The original minutes have to be entered into a separate electronic or physical register, signed by the Director General and kept at the head office of the Association, where Executive Committee, the Board members and Members may consult these.

34.3. Further provisions regarding the composition of the Executive Committee, the Executive Committee meeting rules or decision-making process may be laid down in the By-laws or the Operating Rules of the Association.

SECTION IV.4. PRESIDENCY- VICE-PRESIDENCY

Art. 35. – Election of the President – Vice President(s)

35.1. The General Assembly shall elect a President and the Vice-President(s) for a term of two (2) years.

Only natural persons, being the Chief Executives, Executive Directors, Board members of Corporate Members and Business Members or equivalent level, and President or member of the board of Member Federations as far as the representatives of AFEM are concerned may be proposed as candidate for a position and elected as President or Vice-President(s).

35.2. The President and the Vice-President(s) may be re-elected for a further period of two (2) years maximum.

35.3. The President may not be appointed in the position of the Director General and vice-versa.

Art. 36. – Role and responsibilities of the President – Vice President(s)

36.1. The President is the highest representative of the Association in policy and strategic matters. He/she shall be responsible for ensuring that the activities of the Association are pursued in compliance with the present Statutes and in accordance with the decisions adopted by the General Assembly and the Board.

In particular the responsibilities of the President include, but are not limited to the following:

- a) Establishing overall long and short-term goals, objectives and priorities for the Association in collaboration with the other Board members;
- b) Chairing the Board and the Executive Committee and providing leadership and direction;
- c) Ensuring the coherence and integration of different initiatives and actions that support the strategy and the policies;
- d) Addressing the General Assembly;
- e) Being the primary spokesperson for the Association for the public at large and the Membership;
- f) Ensuring that the structure of the Association is evaluated at regular intervals and that it meets the needs of the Association.

36.2. The Vice-President(s) assist(s) the President. If the President is absent or for whatever reason unable to perform his/her duties, he/she is replaced by one (1) of the Vice-President(s).

Art. 37. – End of mandate

37.1. The tenure of the President or Vice-President(s) shall end by (i) death or legal disqualification, (ii) resignation, (iii) the revocation by the General Assembly or (iii) the expiration of his/her term.

The President or Vice-President(s) are free to resign at any moment by formally giving written notice at the head office of the Association.

In addition, resignation shall be presumed and shall take automatically effect (i) if the President or Vice-President(s) ceases to be Chief Executive, Executive Director, Board member in the Corporate Member or Business Member or equivalent level, and President or member of the Board of Member Federations as far as the representatives of AFEM are concerned, or (ii) if the Corporate Member, the Business Member or the Member Federation he/she represents goes bankrupt or is dissolved.

The revocation of the President or Vice-President(s) by the General Assembly before the end of the term of his/her respective mandate shall (i) require a three quarters (3/4) majority of the votes within respectively each constituency of (i) Member Federations and Association Federations, (ii) Corporate Members and (iii) Business Member Delegates present,

represented or participating remotely in the meeting. The President or Vice-President(s) whose revocation is proposed has the right to be heard.

- 37.2. If the position of the President becomes vacant before the end of his/her mandate, the Board of Directors designates one (1) of the Vice-President(s) to fill the vacancy until the first following General Assembly meeting at which an election shall be held in compliance with the provisions laid down in 35 of the present Statutes.
- 37.3. Further provisions regarding the election, the end of the mandate, the role and responsibilities, right and duties of the President and the Vice-President(s) may be laid down in the By-laws or the Operating Rules of the Association.

SECTION IV.5. NOMINATION COMMITTEE

Art. 38. – Role and responsibilities

- 38.1. A Nomination Committee shall be created to assist the Board every two (2) years or when necessary, by making recommendations and preparing the list of candidates (i) for the elections by the General Assembly according to Article 19.1., e), g) and h) of the present Statutes and (ii) for the appointment of the Director General by the General Assembly according to Article 19.1., i) of the present Statutes.

In particular, the key responsibilities of the Nomination Committee are:

- a) With regard to the election and assessment of the President, the Vice-President(s), the members of the Board, the Executive Committee members, the members of the Audit and Finance Committee and of the Nomination Committee and the Chair of each Programme Council and Advisory Forum:
- (i) Providing recommendations concerning the size and composition of the Board, the Executive Committee and the repartition of the roles and portfolios in the Board and the Executive Committee;
 - (ii) Preparing objective selection criteria and procedures, selecting and proposing suitable candidates for election and reviewing appropriate candidates as proposed by the Consultative Assemblies;
 - (iii) Selecting and proposing suitable candidates for vacant positions and reviewing appropriate candidates as proposed by the Consultative Assemblies;
- b) With regard to the appointment of the Director General by the General Assembly recommending individuals for the appointment as Director General.

Art. 39. – Composition

39.1. The Nomination Committee shall be composed of the President, the Vice-President(s), and one (1) representative of respectively AFEM, ACOM and ABM and the Director General.

All members of the Nomination Committee other than the President, the Vice-Presidents and the Director General are non-Executive Committee members.

39.2. The Director General Director shall be a permanent guest of the Nomination Committee and has a consultative role in the selection procedures of the Nomination Committee.

39.3. The members of the Nomination Committee are appointed by the Board.

The duration of the mandate of a member of the Nomination Committee may not exceed the duration of his/her Board membership.

Art. 40. – Conflict of interest

40.1. If a member of the Nomination Committee is a potential candidate and currently fulfilling one (1) or more positions mentioned in Article 39.1. of the present Statutes, he/she shall refrain at any time from taking a position or influencing the other Nomination Committee members on the inclusion of his/her name on the list of candidates to be proposed by the Nomination Committee. He/she shall leave the Nomination Committee while the list of candidates for that position posing a conflict of interest for him is discussed and determined.

Art. 41. – Reporting

41.1. The Nomination Committee shall report exclusively and on a regular basis to the Board.

41.2. Further provisions regarding the composition, the role, the functioning and the meeting rules of the Nomination Committee may be laid down in the By-laws and the Operating Rules of the Association.

SECTION IV.6. AUDIT AND FINANCE COMMITTEE**Art. 42. – Role and responsibilities**

42.1. An Audit and Finance Committee shall be created by the Board to assist the Board in the governance of the financial matters of the Association.

In particular, the key responsibilities of the Audit and Finance Committee include, but are not limited to the following:

- a) Monitoring the financial affairs, the annual accounts and the budget of the Association;
- b) Establishing overall long and short term financial goals, objectives and priorities;

- c) Establishing the yearly budget proposals and monitoring of incomes/expenses;
- d) Assessing the financial risks.

Art. 43. – Composition

- 43.1. The Chair and the members of the Audit and Finance Committee shall be elected among Board members by the General Assembly for two (2) years and may be re-elected.
- 43.2. The members of the Audit and Finance Committee are exclusively composed of non-Executive Committee members.
- 43.3. Further provisions regarding the composition, the role, the functioning and the meeting rules of the Audit and Finance Committee may be laid down in the By-laws and the Operating Rules of the Association.

SECTION IV.7. STAKEHOLDER ADVISORY COMMITTEE

Art. 44. – Role and responsibilities

- 44.1. The Board may decide to create a Stakeholder Advisory Committee to provide advice to the Board.

In particular, the key responsibilities of the Stakeholder Advisory Committee include, but are not limited to the following:

- a) Providing external feedback and advising the Board on the performance of Cefic and the European chemical industry, in the widest sense.
- b) Inform the Board of key issues that have an impact on the European Chemical Industry and where the industry should focus on.

- 44.2. The Stakeholder Advisory Committee shall not advise on the Cefic Common Positions.
- 44.3. The Stakeholder Advisory Committee shall report once (1) per year to the Board.

Art. 45. – Composition

- 45.1. The composition and functioning of the Stakeholder Advisory Committee may be laid down in the By-laws and in the Operating Rules of the Association, as approved by the Board.
- 45.2. The Stakeholder Advisory Committee is chaired by a member of the Board and supported by the Director General.

Art. 46. – Meeting Rules

- 46.1. The Stakeholder Advisory Committee shall meet at least once (1) per year.
- 46.2. Further provisions regarding the role and the meeting rules of the Stakeholder Advisory Committee may be laid down in the By-laws and the Operating Rules of the Association.

SECTION IV.8. RISK MANAGEMENT COMMITTEE

Art. 47. – Role and responsibilities

47.1. The Executive Committee may decide to create a Risk Management Committee to assist the Executive Committee in identifying potential upcoming issues and overseeing upcoming societal, scientific, regulatory and advocacy risks impacting the European Chemical Industry as a whole in the future.

47.2. The Risk Management Committee shall report once (1) per year to the Executive Committee.

Art. 48. – Composition

48.1. The composition and functioning of the Risk Management Committee may be laid down in the By-laws and in the Operating Rules of the Association, as approved by the Executive Committee.

48.2. The Risk Management Committee is chaired by a member of the Executive Committee and supported by the Director General.

Art. 49. – Meeting rules

49.1. The Risk Management Committee shall meet at least once (1) per year.

49.2. Further provisions regarding the role and the meeting rules of the Risk Management Committee may be laid down in the By-laws and the Operating Rules of the Association.

SECTION IV.9. PROGRAMME COUNCILS

Art. 50. – Role and responsibilities

50.1. The Executive Committee shall create Programme Councils to assist it in performing its mission according to the Statutes. The Chair of each Programme Council (hereinafter the "**PC Chair**") shall be a member of the Executive Committee elected by the General Assembly and shall report twice a year to the Board.

The Executive Committee shall delegate to the Programme Councils the responsibility for building positions, defining and implementing specific activities and policies in consistency with the Board's strategic objective setting. The Programme Councils shall oversee specific policy areas and present positions and actions to the Executive Committee.

50.2. Further provisions regarding the composition, the role, the functioning and the meeting rules of the Programme Councils may be laid down in the By-laws and the Operating Rules of the Association.

SECTION IV.10. WORKING STRUCTURES BELOW THE PROGRAMME COUNCILS

Art. 51. – Role and responsibilities

- 51.1. Working Structures may be set up by each Programme Council within and across Programme Councils in order to assist them in carrying out their activities as specified in the Operating Rules.
- 51.2. Further provisions regarding the composition, the role, the functioning and the meeting rules of the Working Structures below the Programme Councils may be laid down in the By-laws and the Operating Rules of the Association.

SECTION IV.11. ADVISORY FORA

Art. 52. – Role and responsibilities

- 52.1. The Executive Committee shall create Advisory Fora to guard certain aspects of the Cefic policy and advocacy, through an advisory role to the Programme Councils and the Executive Committee.
- 52.2. The Chair of each Advisory Forum (hereinafter the "**Advisory Forum Chair**") shall be a member of the Executive Committee elected by the General Assembly and shall report twice a year to the Board.
- 52.3. The Advisory Fora have a key role in providing advice to Programme Councils and, if applicable, to the Executive Committee on their work programs and policy positions and may oversee their respective fields.
- 52.4. Further provisions regarding the composition, the role, the functioning and the meeting rules of the Advisory Fora may be laid down in the By-laws and the Operating Rules of the Association.

SECTION IV. 12. DIRECTOR GENERAL

Art. 53. – Role and responsibilities

- 53.1. The Director General shall have charge over the general management of the Association and in particular the day-to-day management.
- 53.2. The Director General shall represent the Association and may be granted specific powers as referred to in Articles 24, 30 and 59 of the Statutes.
- 53.3. The Director General shall participate in the meetings of the General Assembly, the Board and the Executive Committee.

SECTION IV.13. NATIONAL ASSOCIATIONS BOARD

Art. 54. - Composition

54.1. The National Associations Board is composed of ten (10) members to be elected by AFEM amongst the AFEM members on the basis of the criteria to be defined in the Operating Rules.

The National Associations Board includes the AFEM Chair who will chair the National Associations Board.

54.2. The Director General can attend the National Associations Board as a permanent guest, without the right to vote.

SECTION IV.14 LEADERSHIP TEAM

Art. 55. – Role and responsibilities

55.1. The Leadership Team shall manage effectively and efficiently the decision making process, the alignment of the strategies, and coordinate the operational management of the Association's activities as defined in the By-laws and the Operating Rules.

Art. 56. – Composition

56.1. The Leadership Team is the operational body of the Association to ensure its proper functioning.

56.2. The Leadership Team shall be composed of the Director General and the Executive Directors of the Association.

V. RECOGNITION OF GROUPS

Art. 57. – Recognition of Groups within Cefic

57.1. The Board shall be entitled to recognise Groups within the Cefic such as Sector Groups and any other type of groups as defined by the Board provided these Groups pursue an objective compatible with the present Statutes (hereinafter the "**Recognised Groups**"). These Groups shall be recognised by the Board upon proposal by the governing bodies of the relevant Cefic Industry Sectors.

57.2. Through their recognition by the Board these Recognised Groups shall operate in the framework of the Association and its general policies and shall comply with the present Statutes, the By-laws, the Operating Rules and the governance rules determined by the Association.

57.3 The Recognised Groups will contribute to the costs of the common structure and operations of Cefic.

- 57.4 The recognition of Groups within Cefic does neither mean nor imply that the Association assumes the liabilities that these Recognised Groups and their members could incur as a result of their actions or abstentions.
- 57.5. The Recognised Groups have no legal personality and are not Members of the Association.
- 57.6. Without prejudice to Articles 57.1. of the present Statutes, the Board is empowered to define the conditions of access of the Recognised Groups within Cefic and their members to the activities of the Association (including related modalities) to which they may be invited to participate.
- 57.7. The Recognised Sector Groups shall be regrouped and placed under the different Cefic Industry Sectors.

VI. ESTABLISHMENT OR ENROLMENT OF CEFIC INDUSTRY SECTORS

Art. 58. – Establishment or enrolment

- 58.1. The Board shall be entitled to establish or enrol Cefic Industry Sectors. Cefic Industry Sectors shall act for one (1) particular sector of the chemical industry and regroup Recognised Sector Groups within Cefic acting in that particular industry sector.
- 58.2. Cefic Industry Sectors shall operate in the framework of the Association and its general policies, and comply with the present Statutes, the By-laws, Operating rules and the governance rules determined by the Association.
- 58.3. Cefic Industry Sectors will contribute to the costs of the common structure and operations.
- 58.4. The establishment or enrolment of Cefic Industry Sectors does neither mean nor imply that the Association assumes the liabilities that these Cefic Industry Sectors and their members could incur as a result of their actions or abstentions.

VII. REPRESENTATION – POWERS

Art. 59. – Representation

- 59.1. Unless otherwise stipulated in the present Statutes and without prejudice to Articles 24.3., 30.2. and 30.3. of the present Statutes, the Association is validly represented with respect to all legal acts towards third parties, by (i) either the President alone or (ii) one (1) of the Vice-President(s) of the Association alone, who do not have to justify towards third parties, the powers conferred to this end.
- 59.2. The President may grant authority to the Director General to sign on behalf of the Association either specific instruments, or categories of instruments as to the powers defined in Article 36 of the Statutes.
- 59.3. The Association shall be validly represented in law in all legal actions or arbitration, as

plaintiff or defendant before courts, tribunals or other jurisdiction by (i) either the President alone or one (1) of the Vice-President(s) of the Association alone or (ii) the Director General alone; they shall inform the Executive Committee in such cases.

VIII.FEES, CONTRIBUTIONS, BUDGET, ACCOUNTS

Art. 60. – Fees - Contribution

60.1. The Members shall share in the expenses of the Association by means of a Membership fee fixed annually by the General Assembly on proposal submitted by the Board. A Partnership contribution may be requested to the Partners as defined under Article 8 of the present Statutes to be decided by the General Assembly on proposal submitted by the Board.

60.2. Each Member and Partner of the Association shall be liable for the Membership fee or the Partnership contribution fixed annually by the General Assembly, but shall not incur any individual responsibility as regards the commitments entered into in the name of the Association.

Art. 61. – Budget – Accounts

61.1. The financial year shall extend from 1st January to 31st December of each year. The accounts shall be sent to the authorities, in accordance with the Law of 27 June 1921.

61.2. The Board shall submit every year for the approval of the General Assembly the accounts of the past financial year and the budget of the following financial year.

IX. COMPETITION COMPLIANCE

Art. 62 – Competition law

Referring to Article 3.1 of the present Statutes commanding that all activities of the Association should comply with competition law, any participant to any group, body and structure of the Association shall ensure that discussions must remain strictly limited to what is necessary for the purposes of the activities of the Association and may not in any case involve the exchange of sensitive individual company information.

X. HIERARCHY OF NORMS

Art. 63. – By-laws – Operating Rules

63.1. By-laws on internal proceedings compatible with the provisions of the present Statutes shall be adopted and amended by the General Assembly in order to implement and further detail these Statutes.

63.2. Operating Rules further detail the present Statutes and the By-laws to facilitate the effective and operational functioning of the bodies of the Association and its management.

Art. 64. – Hierarchy of norms

64.1. The following hierarchy of norms applies within the Association:

- a) Statutes;
- b) By-laws;
- c) Operating Rules.

64.2. In the case of any contradiction between two (2) or more norms of the Association of a different level, the norm mentioned in the higher level shall prevail over the norm mentioned in the lower level of the above-mentioned hierarchy of norms.

64.3. In the case of any contradiction between two (2) or more norms of the Association of the same level, the most recently adopted norm shall prevail over any formerly adopted norm.

XI. AMENDMENTS TO THE STATUTES AND DISSOLUTION**Art. 65. – Amendment**

65.1. In the case of a proposed amendment to the Statutes, the text of the latter shall be attached to the notice of the General Assembly which will deliberate on this matter.

65.2. Decisions to amend the Statutes the Association must receive a majority of three quarters (3/4) of each voting constituency, as defined under Article 22.4. of the present Statutes.

Art. 66. – Dissolution

66.1. Decisions to dissolve the Association must receive a majority of three quarters (3/4) of each voting constituency, as defined under Article 22.4. of the present Statutes.

66.2. In the event of voluntary dissolution, the General Assembly shall decide in the resolution of dissolution the modalities of liquidations, appoint two (2) or several liquidators, determine their powers and indicate the allocation of the net assets of the Association. The net assets after liquidation may only be allocated to a legally incorporated legal entity that either pursues a similar purpose to the purpose pursued by the Association, or at least a not-for-profit aim.

XII. GENERAL PROVISIONS

Art. 67. All matters which are not covered by the Statutes shall be settled in accordance with the provisions of Belgian law in particular the Law of 27 June 1921.