

European Natural Sausage Casings Association *AISBL* (ENSCA)

ARTICLES OF ASSOCIATION

CHAPTER I – NAME AND LEGAL FORM, REGISTERED OFFICES AND PURPOSE OF THE ASSOCIATION

Article 1. – Name, legal form and presentation

An international non-profit association governed by Title III of the Belgian Act of June 27th 1921 on non-profit associations, international non-profit associations and foundations as amended by the Act of May 5th 2002 shall be established. It shall be known as the European Natural Sausage Casings Association *AISBL*, "ENSCA" for short, hereinafter referred to as the "Association". The working language of the Association is English.

Article 2. – Registered offices

The registered offices of the Association shall be located at 81A Rue de la Loi, 1040 Brussels, Belgium. Relocation to any other location in Belgium will be published in the Annexes to the Belgian Official Gazette within one month after the decision to relocate is taken.

Article 3. – Purpose

The Association shall have a non-profit making aim of international utility, and more precisely, the following objectives:

- a) to promote free and fair trade of natural casings as product of animal origin suitable for human consumption;
- b) to represent the national associations of the different member states of the European Union;
- c) to coordinate and support contacts of members with their national authorities in cooperation with the national member association concerned;
- d) to establish and improve official links between the natural sausage casings industry and organisations dealing with issues relating to the industry;

- e) to develop and encourage the adoption of common policies within the natural sausage casings industry towards European governmental and non-governmental bodies and institutions;
- f) to co-operate with such European bodies by providing expert advice;
- g) to provide members with information concerning the actions of these European bodies in order to encourage an exchange of information and experience, with special regard to legislation and the results of scientific research;
- h) by working together with European bodies, encourage the uniform adoption of objective science-based criteria when deciding on common standards for the trade in natural sausage casings;
- i) to initiate scientific research and to support the legal position of natural casings;
- j) the Association may join other related associations in order to support these objectives.

CHAPTER II – MEMBERS AND ORGANS OF THE ASSOCIATION

Article 4. – Categories of members

The Association shall consist of both full and associate members. Full members must be validly incorporated under the laws and customs of their country of origin. A register containing current lists of both categories of members shall be retained at the Association's offices.

Full members

Full membership can be granted to European associations (A-members) which:

- Are registered as national associations in their respective countries, representing natural sausage casing companies.

Full membership can also be granted to companies (B-members) which:

- have their main office within the European Union (or E.E.A.), marketing natural sausage casings and are members of the national associations, contributing to ENSCA, in the countries where they are officially registered at the Chambers of Commerce, and
- have duly paid their membership fee corresponding to the European membership conditions.

In case a national association does not exist, individual membership (B-members) can be granted. However, if two or more companies from the same country apply for membership they have to get organised in a national association, which has to become a member of ENSCA.

Full members have equal rights unless otherwise specifically provided for in the Articles of Association.

Associate members

Associate membership may be granted to those associations, companies or other organisations that have or represent a commercial, industrial or scientific interest in natural sausage casings and are not eligible as full members. Associate members should be charged a membership fee, but these members have no votes in the ENSCA plenary meetings.

Any application for associate membership needs to be supported by two Board members (written procedure) representing full members of Category A or B.

Upon request, exceptions on the different memberships can be made. Proposals need to be supported by two members of the Board. The final decision can only be taken by the General Assembly with a two-third majority of the votes cast by the full members present or represented.

Article 5. – Acceptance of members

Any application for full or associate membership from any association, company or organisation shall be sent to the Secretary of the Board, who shall submit the application to the Board, whose decision shall be in accordance with the provisions of Article 4.

Any decision rejecting an application for membership shall be reasoned. Where admission is rejected, the applicant may refer the relevant decision to the independent arbitration tribunal CEPANI (Belgian Centre for Arbitration and Mediation)¹, whose decision, based on the admission criteria defined in these Articles of Association, shall be final. Recourse to other legal proceedings is excluded.

All new members shall be required to sign the register of members, to indicate their membership of the Association, their agreement with the Articles of Association and the internal regulations.

Article 6. – Resignation, suspension, cessation and change of membership

Any member may resign from the Association at any time by giving three months' notice by recorded delivery letter/registered mail addressed to the Secretary of the Board. The resignation shall come into effect at the end of the accounting period concerned.

Any member may change its membership at any time by giving six months' notice by recorded delivery letter/registered mail addressed to the Secretary of the Board. The change in membership shall come into effect at the end of the accounting period concerned.

Any full or associate member who fails to meet the criteria for membership, who fails to fulfil its duties under these Articles of Association or the internal regulations or acts in a manner which is injurious to the interests of the Association or who acts contrary to the common values and ethics of the Association may be suspended by a resolution of the Board, which after having

¹ Or any other independent organisation

heard the rebuttal of the member concerned, shall take its decision by a two-third majority of the votes cast by the members present or represented. The decided suspension shall come into effect immediately.

The possible cessation of membership shall be put on the agenda of the next meeting of the General Assembly, which, after having heard the rebuttal of the member concerned, shall take its decision by a two-third majority of the votes cast by the full members present or represented. The decided cessation shall come into effect immediately.

A member who has resigned or whose membership has been suspended or discontinued shall have no claims against the assets of the Association.

Article 7. – Organs of the Association

The organs of the Association shall be as follows:

- The General Assembly;
- The Board.

CHAPTER III – GENERAL ASSEMBLY

Article 8. – Composition and tasks

The General Assembly shall consist of all full members. Associate members may attend in order to voice their opinions in an advisory capacity.

The resolutions passed at the meetings of the General Assembly shall be binding to all members, including those absent or dissenting.

The following items are hereby allocated to the General Assembly:

- a) approval of the minutes of the previous meeting;
- b) approval of membership fees for full members and for associate members;
- c) appointment of candidates and election of Board members;
- d) elaboration and/or approval of an annual programme of activities;
- e) endorsement of budgets and accounts;
- f) amendments to the Articles of Association;
- g) cessation of memberships;
- h) cessation of the Board and of the activities of members of the Board.

Article 9. – Meetings of the General Assembly

An ordinary meeting of the General Assembly shall take place at least once within a (calendar) year before the end of November, at the place, date and time laid down in the notice calling the meeting.

The ordinary meetings of the General Assembly shall be called by the Board. An extraordinary meeting shall be called by the Board when the interests of the Association require so, or upon the request of one quarter of the full members.

Article 10. – Notices

The notice calling the meeting must be sent to all full and associate members by written procedure (letter, facsimile or email) at least six weeks prior to the date of the meeting. The agenda of the meeting shall be sent 21 calendar days prior to this date.

The validity of the notice calling the meeting cannot be challenged if all full members are present or represented.

Article 11. – Conditions of admission to meetings of the General Assembly

The following persons may attend the meetings of the General Assembly: one or more representatives of each member, the members of the Board and other people invited in accordance with the criteria laid down by the Board.

Article 12. – Committee

The meetings of the General Assembly will be chaired by the President or, in his/her absence, by one of the Vice-Presidents, or failing same, by a Board member chosen by the full members present or represented at the General assembly. The Secretary of the Board will be appointed as secretary of the meeting.

Article 13. – Representation

A single representative of each full member who shall bear a proxy entitling him/her to vote shall cast the vote.

A member may be represented by the representative of another member who may be either a full or associate member or by a member of the Board holding a written proxy.

A representative may not hold proxies for more than 20% of the total number of votes.

Article 14. – Votes

The right to vote is based on type of membership, either full membership or associate membership.

Associate members have no voting rights.

Each full member decides on its placement into a certain Category. There are six different categories: Category A-1, -2, -3 for national associations and Category B-1, -2, -3 for individual members.

- For category A-1, national organisations, 3 votes.
- For category A-2, national organisations, 5 votes.
- For category A-3, national organisations, 10 votes.
- For category B-1, private companies, 1 vote.
- For category B-2, private companies, 2 votes.
- For category B-3, private companies, 3 votes.

Votes can only be cast undivided.

The annual membership fee is in accordance to the number of votes and is calculated by the Board in accordance with Article 27.

Full members which are charged a membership fee and whose membership fees have not been paid timely shall not be entitled to vote.

Article 15. – Procedures

Each member or his/her representative shall sign an attendance list, indicating the member's name, on the day of the meeting.

The members of the General Assembly may only deliberate on the matters set out in the agenda, unless all full members that are present and decide unanimously to discuss other matters.

A General Assembly shall be deemed to be quorate when half of the Category A-members are present or represented.

Where the meeting is not quorate a subsequent meeting should be called within the next 30 days after the first meeting.

This second meeting of the General Assembly shall be entitled to take valid decisions irrespective of the number of full members present or represented.

Unless otherwise provided for, decisions of the General Assembly shall be taken by a simple majority of votes cast by the full members present or represented. Upon request of one member a secret ballot can be demanded.

In the absence of a meeting, decisions may be taken in writing provided (i) that each full member has been informed and invited to cast his/her vote on the decisions to be taken and (ii) that no full member objects to the written procedure.

Article 16. – Minutes

The decisions taken by the General Assembly shall be recorded in the minutes of the meeting.

The minutes shall be drafted by the Secretary of the Board, confirmed by the Chairman of the meeting and sent out to each member.

CHAPTER IV – BOARD

Article 17. – Composition and tasks

The Board has a minimum of five members and shall consist of:

- the President
- two Vice-Presidents
- Board members,

to which two representatives of full members can be added.

The Board is elected by the General Assembly and serves for a period of two years. At least half of the Board shall be appointed by the General Assembly from the candidates from members of Category A. A member of the Board whose company is no longer a full member of the association shall resign automatically (in accordance with Article 6).

Once elected, the Board agrees on a President and the other Board functions.

Tasks: The Board shall take all efforts necessary to achieve the objectives of the Association as defined in article 3, in close and faithful cooperation with the General Assembly. The Board shall have power for any task which is not explicitly attributed to the General Assembly by the present articles. It shall, for instance, prepare the meetings of the General Assembly and propose upon budgets and accounts.

The Board can appoint non-Board members as Treasurer and Secretary of the Board. These persons have no voting rights as described in Article 24. These persons will report to the Board directly.

The Board can also appoint different committees to perform specific tasks. A Board member shall sit in each appointed committee. The Board appoints the members of these committees. Committees' decisions need to be endorsed by the Board. The committees will report to the Board directly and will make an annual presentation at the General Assembly.

The Board may delegate the day-to-day management of the Association to a member of the Board and will determine his/her powers as well as his/her possible compensation. The Board may also delegate any special powers to external representatives of its choice.

Article 18. – Election of officers and terms of service

Each full member as defined in Article 4 shall have the right to propose candidates for the Board in due time, by written procedure. The election is conducted during an annual meeting of the General Assembly.

In general, the term of office is two years. Individual members can be re-elected twice consecutively.

Article 19. – Vacancy before term

In the event that a vacancy occurs, a new member of the Board can be appointed by the General Assembly in accordance with the provisions laid down in Articles 17 and 18. The Association members will be informed immediately about any changes.

The term of office of the replacing Board member shall expire at the same time as that of the member he/she has replaced.

Article 20. – Meetings

The Board shall meet at least twice annually at the place, date and time laid down in the notice calling the meeting.

Article 21. – Notices

The President or any two Board members shall call meetings of the Board. The notice calling the meeting shall contain the agenda and must be sent to the Board members by written procedure (letter, facsimile, or email) at least thirty calendar days before the meeting unless otherwise dictated by the circumstances.

The validity of the notice calling the meeting cannot be challenged if all Board members are present or represented.

Article 22. – Committee

The meetings of the Board will be chaired by the President or, in his/her absence, by one of the Vice-Presidents. The Secretary of the Board will be appointed as secretary of the meeting.

Article 23. – Representation

Board members are indispensable. A Board member may not hold proxies for more than 20% of the total number of votes.

Article 24. – Procedures

Decisions shall be valid when at least two-thirds of the members are present.

Decisions of the Board shall be taken by a simple majority of the votes cast by the members present. All Board members shall have one vote each. In the case of a tied vote, the chairman of the meeting will have a casting vote.

In absence of a meeting, decisions may be taken in writing provided that (i) each member has been informed and invited to cast his/her vote on the decisions to be taken and that (ii) no member objects to the written procedure.

Decisions of the Board may also be taken by telephone conference provided that (i) each Board member has been informed and invited to cast his vote on the decisions to be taken, (ii) no Board member objects to the telephone conference, (iii) the decisions are immediately minuted and dispatched to each Board member. The decisions need to be endorsed by written procedure or at the next meeting of the Board.

Article 25. – Minutes

Decisions taken by the Board shall be recorded in the minutes of the meeting.

The minutes shall be drafted by the Secretary of the Board, confirmed by the Chairman of the meeting and sent to each member of the Board.

Article 26. – Representation of the Association

Any decision binding upon the Association, including court decisions, other than those concerned with the day-to-day management, shall, in the absence of a special decision of the Board, be signed by at least two Board members.

CHAPTER V – ENSCA RESARCH & DEVELOPMENT COMMITTEE

Article 27. – Composition and tasks

The R&D Committee has a minimum of four members and shall consist of:

- the chairman
 - Committee members,
- to which extra members can be added.

The appointed Board member will serve as chairman of the committee in accordance with his/her own term as Board member. Committee members need not represent ENSCA members.

Tasks: The R&D Committee shall develop, propose and execute research projects with relevance to the natural casing industry. Research institutes or other organisations may be contracted to take part in any stage of these projects.

CHAPTER V – ACCOUNTS, BUDGET AND SUBSCRIPTIONS

Article 28.

The Treasurer shall submit all accounts for the previous accounting period to an external auditor for certification of accurateness and completeness. The ordinary meeting of the General Assembly has to endorse the budget report and decide on the budget and fees for the next accounting period. An accounting period normally lasts for the period between two General Assemblies, but not longer than thirteen months.

The annual membership fee intended to cover the budget shall be calculated by the Board and will be based on the different categories of the members.

The Treasurer or his/her representative shall inform each member about the actual annual fee. This subscription shall be due within one month of receipt of a written demand.

Each member charged with a membership fee shall be required to pay the subscription due from him, but shall not be individually liable for commitments entered into by the Association.

CHAPTER VI – AMENDMENTS TO THE ARTICLES OF ASSOCIATION, DISSOLUTION AND LIQUIDATION OF THE ASSOCIATION

Article 29.

Any proposal to amend the Articles of Association or to dissolve the Association shall only be valid, when the Board or one quarter of the full members supports it.

Motions containing amendments to the Articles of Association or the dissolution of the Association shall not be voted on unless attached to the notice calling the meeting.

Decisions regarding amendments to the Articles of Association or the dissolution of the Association shall only be passed with a two-thirds majority of the votes cast by the full members present or represented.

In the event that the Association is dissolved, the General Assembly shall decide by a simple majority on the appointment, responsibilities and remuneration of the liquidators and the methods and procedures for the liquidation of the Association. After liquidation of the Association, the General Assembly shall decide on the allocation of any excess funds choosing an allocation as similar as possible to the purpose of the Association.

CHAPTER VII – FINAL PROVISIONS

Article 30.

These Articles of Association shall be written in the official language (French) of the registered office of the Association and in the working language of the Association, English.

Article 31.

The Association shall be governed by Title III of the Belgian Act of June 27th 1921 on non-profit associations, international non-profit associations and foundations as amended by the Act of May 5th 2002. This Act will regulate anything not foreseen in these Articles of Association.

Brussels, 19 / 02 / 2008

English version not signed.
Official French version signed on date.