



STATUTE OF THE POLISH UNION OF COSMETICS INDUSTRY

GENERAL PROVISIONS

§ 1.

1. The organization of employers named Polski Związek Przemysłu Kosmetycznego [Polish Union of Cosmetics Industry], hereinafter referred to as the „Union”, is a voluntary, self-governing organization, which is independent in its statutory activities from official authority bodies, as well as from political, social and professional organizations.
2. At the same time, the Union uses its English name: "Polish Union of Cosmetics Industry".
3. The Union operates under the Act of 23 May 1991 on employers' organizations (Dz.U. [= Polish Journal of Laws] No. 55, Item 235, as amended).

§ 2.

1. The Union operates in the territory of the Republic of Poland.
2. The seat of the Union is Warsaw. § 3. The Union may join national and international organizations, and it may contribute fees in favor of the organizations which support execution of the statutory tasks of the Union.

PRIMARY GOALS AND TASKS OF THE UNION AS WELL AS THE METHODS AND FORMS OF THEIR EXECUTION

§ 4.

The primary goal of the Union is to protect the rights and to represent the interests of employers associated in the Union vis-à-vis organizations representing employees and official authority bodies.

§ 5.

In addition, other tasks of the Union include in particular:

1. Representing economic and social interests of cosmetics industry employers in the country and abroad;
2. Influencing the development of legislation affecting the interests of cosmetics industry employers;
3. Influencing the social and economic policy exercised by official authority organs and affecting the interests of cosmetics industry employers;



4. Submitting petitions and opinions on the acts of law affecting the interests of employers in the areas of employment relationships and economic policy to bodies possessing legislative initiative;
5. Cooperation with other employers' organizations;
6. Organization of training courses for employers;
7. Carrying out research, storage and dissemination of information in the scope concerning employers;
8. Carrying out economic consultancy and execution of expert opinions for cosmetics industry employers and organizations of employers.

§ 6.

The goals and tasks of the Union are executed through:

1. Presenting the Union's opinion on matters related to the economy;
2. Applying to the representatives of official authority bodies and judicial authorities in matters connected with interests of cosmetics industry employers;
3. Producing opinions on the assumptions for bills and draft bills, as well as on executory acts for such bills, in the scope covered by this Statute;
4. Participating in negotiations, in particular in order to resolve collective disputes, and in order to enter into collective labor arrangements and other agreements;
5. Delegating its representatives to advisory bodies of official authorities and judicial authorities, as well as of other entities where – pursuant to separate legal regulations – representatives of employers' organizations have the right to possess their representation;
6. Inspiring economic initiatives and carrying out organizational, legal, economic and technical consulting;
7. Carrying out research, popularization of economic, legal, and organizational knowledge;
8. Organizing seminars, conferences and other forms of opinion and experience exchange;
9. Organizing advisory teams and employing staff and experts for execution of statutory tasks.

§ 7.

1. In order to realize its statutory goals, the Union may pursue business activities, establish foundations and funds, and participate in other economic undertakings.
2. Any profit from business activities pursued by the Union is used for realization of its statutory goals and may not be distributed among the members of the Union.



MEMBERSHIP

§ 8.

1. Members of the Union are divided into
 - a. Ordinary members;
 - b. Associated members.
2. Parties eligible to become an ordinary member are entrepreneurs that pursue business activities in the cosmetics industry as a:
 - a. manufacturer, exclusive representative of a manufacturer or exclusive representative of brands offering final cosmetic products (according to the definition in the UE Directive No 76/768/EEC),
 - b. school providing education for the needs of the cosmetics industry,
 - c. laboratory carrying out orders for the cosmetics industry.
3. Parties eligible to become an associated member are entrepreneurs that pursue business activities in the cosmetics industry as a:
 - a. manufacturer or supplier of ingredients for cosmetics (raw material producer);
 - b. manufacturer or supplier of packaging for cosmetics;
 - c. manufacturer or supplier of machinery, apparatus or other equipment used for research, analysis and production of cosmetics;
 - d. publisher of trade (cosmetics) press;

§9.

1. The decision on granting a Member's status is taken by the Management Board, pursuant to an application in writing from the interested employer.
2. In the event of refusal, the applicant is entitled to appeal to the Supervisory Board within 30 days from the delivery of the Management Board's resolution.

§ 10.

1. Ordinary members of the Union have the right to:
 - a. Participate in the works of the Union and its bodies;
 - b. Elect others and be elected to the Union's bodies (unlimited active and passive voting rights);
 - c. Take advantage of the Union's support in all matters covered by this Statute;
 - d. Have access to all information on the Union;
 - e. Submit motions concerning activities of the Union;
2. Associated members of the Union have the right to:
 - a. Participate in the works of the Union;



- b. Elect the members of Supervisory Board (limited active voting right);
- c. Take advantage of the Union's support in all matters covered by this Statute;
- d. Have access to all information on the Union;
3. Submit motions concerning activities of the Union;
4. Associate members may not be elected to governing bodies of the Union (no passive voting right).

§ 101

1. Members of the Union participate in the Union's works through their representatives.
2. A prerequisite for effective appointment of a natural person to a Union's body is submission of a written authorization to act in the Union's body on behalf of a Union's Member.
3. In case of Management Board Members of capital companies, the requirement specified in Item 2 is not applicable. In the situation referred to in the preceding sentence, a candidate member of a Union's body submits a statement on representing a given Union's member for the minutes of the meeting of the body where the choice has been made, or submits a statement in writing.
4. A member of the Union has the right to withdraw the authorization referred to in Item 2 above at any time.
5. If the natural persons referred to in Item 3 above cease to perform their functions in the Management Board of the Union's member, the Union's Member may withdraw their authorization for representing that Union's Member on the principles specified in Item 4 above.
6. The provisions of Item 5 above shall apply if the natural persons referred to in Item 2 above are elected to the Management Board of a capital company being a member of the Union in a later period.
7. Deposition of a statement of will on withdrawal of authorization to represent a member of the Union produces the effects referred to § 16 Item 6 Point d, and in § 18 Item 8 Point d, as of the date of submission of such a statement of will to the President of the Supervisory Board of the Union, and in the event where such a statement refers to the President of the Supervisory Board of the Union, as of the date of submission of such a statement to the President of the Management Board of the Union. The statement referred to in the preceding sentence should be made in writing.
8. In the event where the person appointed to the Union's bodies has been authorized to act in the name of several members – the statement referred to in Item 7 above is effective provided it has been submitted by at least one such member.



§ 11.

Members of the Union are obligated to the following:

1. Participate in the works of the Union;
2. Observe the provisions of the Union's Statute as well as of the regulations passed;
3. Pay the membership fees in a timely manner;
4. Provide the Union's bodies with information necessary for operation of the Union;
5. Provide the Union with assistance in execution of its statutory tasks; 6. Observe the Union's Code of Ethics.

§ 11¹

1. A member of the Union is obligated to advise the Management Board in writing on each and every dispute between such a member and another Member of the Union, if possible before the dispute is subjected to judicial proceedings or arbitration proceedings. Such a dispute may be subjected to conciliatory proceedings on the principles specified in Enclosure No. 1 to this Statute, which constitutes an integral part of the Statute.
2. Members of the Union may submit to the Management Board a written motion for commencement of conciliatory proceedings referred to in Item 1 above also in relation to any dispute arisen between them, which is already being resolved in judicial proceedings or arbitration proceedings.

§ 12.

1. Membership in the Union expires in the following cases:
 - a. withdrawal from the Union;
 - b. dissolution of the Union;
 - c. exclusion from the Union by the Management Board due to:
 - i. actions to the detriment of the Union on part of a member;
 - ii. failure to pay the membership fees for the period of one year;
 - iii. failure to observe the provisions of the Union's Code of Ethics,
 - d. liquidation of a member.
2. Declaration on withdrawal from the Union should be deposited at least six months prior to the expiration of a calendar year, i.e. until 30 June, in writing, with the effect as at the end of the year when the withdrawal declaration has been submitted.
3. Exclusion from the Union takes place by virtue of a Management Board's resolution passed by the majority of 2/3 votes in presence of at least ½ of the Management Board Members, and pursuant to a motion submitted by at least one member of the Union.



4. A member may appeal against the resolution on exclusion taken by the Management Board to the Supervisory Board within 30 days from the delivery date of the Management Board resolution. Until the examination of such an appeal by the Supervisory Board, the member is suspended in its rights and duties.
5. No claims whatsoever to the Union's estate are eligible in connection with termination of the membership.

§ 12¹.

1. Parties participating in the Union's works may also include Observers.
2. The status of an observer may be obtained by entities that are not employers in the meaning of Article 3 of the Labor Code.
3. The issues of granting and denying the observer status are governed by § 9 Items 1 and 2 of the Statute.

§ 12².

An observer shall have a right to:

1. Participate in the Union's works, in particular in the works of the Union's working groups, but without the right to chair those groups;
2. Participate in the sessions of the Union's General Assembly, but without voting rights and without the right to be elected to the Union's governing bodies;
3. Take advantage of the Union's support. § 123 . The contents of § 11 Items 2-6, § 111 and § 12 shall apply accordingly to the Observers.

GOVERNING BODIES OF THE UNION

§ 13.

1. The Union has the following governing bodies:
 - a. General Assembly;
 - b. Supervisory Board;
 - c. Management Board.
2. Resolutions of collective bodies of the Union are passed in an open voting by an ordinary majority of votes in presence of at least half of the members having voting rights, unless the Statute provides otherwise.
3. Elections of the members of the Supervisory Board and the Management Board are executed in a secret voting by an ordinary majority of votes.



§ 14.

1. The supreme governing body of the Union is the General Assembly.
2. The Management Board convokes the General Assembly once in three years, advising all the members of the Union about its date and time, place and proposals for its agenda by registered mail or in any other effective method at least 14 days prior to the commencement date of the debate.
3. The General Assembly should be attended at its first appointed time by at least half of the members having voting rights, while at the second time, which may be set an hour later on the same day, the Meeting may effectively debate irrespectively of the number of its participants.
4. The General Assembly is attended by members of the Union.
5. Each member of the Union is entitled to one vote.
6. Each member is represented by one delegate elected by the competent governing bodies of that member of the Union.
7. The General Assembly expresses its will in the form of resolutions, which are passed by an ordinary majority of votes.
8. The Management Board is obligated to convoke an Extraordinary General Assembly within 2 months from the submission of a motion to that effect by at least $\frac{1}{4}$ of the Supervisory Board members.

§ 15.

1. The competences of the General Assembly include:
2. Election and dismissal of the Supervisory Board members out of the candidates proposed by ordinary members of the Union;
3. Passing action programs for the Union;
4. Passing the Statute and amendments thereto;
5. Examination and approval of Supervisory Board's reports;
6. Dissolution of the Union and adoption of resolutions determining the allotment and allocation of the Union's assets.

§ 16.

1. The Supervisory Board is the Union's body that supervises the Union's works in the period between the General Assembly sessions.
2. The term of office of the Supervisory Board is three years.
3. The Supervisory Board is composed of its President and 2 to 6 members.
4. The Supervisory Board, subject to Item 3 above, may co-opt a new member by an ordinary majority of votes in presence of at least 2/3 of the Supervisory Board members.



5. A resolution on the matter of supplementing the Supervisory Board's composition pursuant to the provisions of Item 4 above is to be submitted for acceptance at the next General Assembly. The General Assembly may revoke the Supervisory Board's resolution by the majority of 2/3 votes.
6. The mandate of a Supervisory Board member expires in the following cases:
 - a. Termination of the membership in the Union of the Union's member whose representative performs the function in the Supervisory Board,
 - b. Resignation from performing the function in the Supervisory Board,
 - c. Dismissal by the General Assembly,
 - d. Cancellation of the authorization for representing a member of the Union,
 - e. Death.
7. Sessions of the Supervisory Board take place at least once a year, and are convoked by the President of the Supervisory Board or by the President of the Union.
8. Meetings of the Supervisory Board are chaired by either the President or a member of the Supervisory Board named by the President, and in the absence of the President – by a person indicated in a resolution adopted by the Supervisory Board.

§ 17.

The competences of the Supervisory Board include:

1. Election and dismissal of the President out of the candidates proposed by ordinary members of the Union;
2. Election and dismissal of two to eight Vice-presidents out of the candidates proposed by ordinary members of the Union; 11
3. Examination and approval of Management Board's reports, including financial statements;
4. Examination of appeals against Management Board's resolutions on admission or exclusion of Union members;
5. Control over activities of the Management Board.

§ 18.

1. On-going works of the Union are supervised by the Management Board, pursuant to the resolutions of the General Assembly and of the Supervisory Board.
2. The term of office of the Management Board is three years.
3. The Management Board is composed of the President and two to eight Vice presidents.
4. Subject to Item 3 above, the Management Board may co-opt additional members by an ordinary majority of votes, in presence of at least 2/3 of Management Board Members.



5. Information on changes in the Management Board composition made pursuant to the provisions of Item 4 above is passed by the President of the Union to the Supervisory Board for acceptance. The Supervisory Board may revoke the Management Board's decision on co-opting additional members by a majority of 2/3 votes.
6. Meetings of the Management Board should take place at least six times a year.
7. Meetings of the Management Board are chaired by the President, and in event of his absence, by the Vice-president of the Union named by the President.
8. The mandate of a Management Board member expires in the following cases:
 - a. Termination of a membership in the Union of the Union's member whose representative performs the function in the Management Board ,
 - b. Resignation from performing the function in the Management Board ,
 - c. Dismissal by the Supervisory Board,
 - d. Revocation of the authorization to represent a member of the Union,
 - e. Death.

§ 19.

The Management Board's competences include:

1. Preparation of proposals and actions plans for the Union;
2. Preparation and adoption of budget drafts of and financial policy assumptions, as well as supervision over realization of the budget;
3. Submission of activity reports, including financial statements, to the Supervisory Board;
4. Making decisions on acquisition and disposal of fixed assets by the Union;
5. Adoption of resolutions on establishment of funds;
6. Approval of plans and proposals for the Union's Office operation;
7. Passing internal regulations for the Management Board's operation;
8. Supervision over of the Union's Office activities;
9. Adoption of resolutions on joining and withdrawing from national and international organizations;
10. Adoption of resolutions on establishment of foundations;
11. Adoption of resolutions on all matters which are not reserved for the competence of other Union's bodies;
12. Adoption of resolutions on admission and exclusion of the Union's members;
13. Establishment of the entry fee and the amount of membership fee, as well as the dates of their payment;
14. Passing of the Code of Ethics of the Union and amendments thereto.



§ 20.

The competences of the President of the Union include the following:

1. On-going management of the Union's activities;
2. Execution of the resolutions passed by the General Assembly, the Supervisory Board and the Management Board;
3. Making decisions on commencement of business activities;
4. Appointment and dissolution of commissions, teams and other collective organs, approval of the regulations for their operation, and supervision of their activities;
5. Making decisions in other matters which are not reserved for the competence of the Union's bodies.

§ 21.

The following persons are authorized to undertake financial obligations, represent the Union outside, and make statements of will on behalf of the Union: President of the Union acting individually, or two Vice-presidents of the Management Board acting jointly.

THE UNION'S OFFICE

§ 22.

The Union's Office ensures efficient functioning of the Union, in particular smooth flow of information between the Union and the Union's Members, and provides a technical and organizational base for the meetings of the Union's bodies and members.

ASSETS OF THE UNION

§ 23.

The Union's assets arise out of the membership fees, donations, contributions, inheritance, legacies, the Union's own activities, and the profit obtained from existing Union's assets. FINAL PROVISIONS

§ 24

1. The resolution on dissolution of the Union may be adopted by the General Assembly by an ordinary majority of votes in the presence of at least 2/3 representatives.
2. The resolution on dissolution of the Union should specify the method of the Union's liquidation and the way of allotting and allocating the Union's assets.
3. A resolution on amending the Statute of the Union may be taken by an ordinary majority of votes in the presence of at least half of the members having the right to vote at a General Assembly.



Enclosure No. 1 to the Statute

CONCILIATORY PROCEEDINGS

1. A member of the Union is obligated to advise the Management Board in writing on each and every dispute between such a member and another Member of the Union (each of them referred to hereinafter as the “Party”, and jointly as the “Parties”), if possible, before such a dispute is subjected to judicial proceedings or arbitration proceedings. Moreover, the Party or the Parties may address to the Management Board a written motion for the commencement of conciliatory proceedings also in relation to any dispute arisen them which is already being resolved in a judicial proceedings or arbitration proceedings. Disputes regarding payment are not subject to conciliatory proceedings.
2. A letter from a Member of the Union constitutes the basis for convoking an Extraordinary General Assembly, during which the Management Board appoints an Arbiter and advises both Parties about the latter, addressing at the same time to the other Party a copy of the received notification about the dispute or a copy of the motion for commencement of conciliatory proceedings in relation to a dispute which is already being resolved in judicial of arbitration proceedings.
3. A Member of the Management Board who represents a Party in the Union does not take part in the sessions referred to in Items 2 and 4.
4. The Arbiter is obligated to resign from participation in the case if there is any relationship whatsoever between the Arbiter and any of the Parties which may raise doubts as to the Arbiter’s impartiality and fairness. In the event of any of the Parties losing their trust in the Arbiter, the Management Board shall convoke an Extraordinary Assembly, and appoint a new Arbiter.
5. The Arbiter agrees the date and time of the arbitration session with the Parties.
6. Pursuant to the motion from a Party or on the Arbiter’s own initiative, the Arbiter determines the date and time of the subsequent arbitration session, giving at the same time the Parties a period of time for considering the motions or proposals submitted during the session, or for submitting other materials, documents or explanations which may facilitate conciliation between the Parties. During the sessions, the Parties may be accompanied by experts of their own choice.
7. Depending on the complexity or the nature of the dispute, the Management Board may assign one or two consultant Arbiters to the Arbiter for assistance.
8. The Arbiter provides the Parties, in an independent and fair way, with assistance in their negotiations aimed at amicable resolution of the dispute. The Arbiter does not resolve the dispute between the Parties, but only helps the Parties achieve such a resolution, and suggests its terms if necessary.



9. The Arbiter controls the course of conciliatory proceedings pursuant to the rules of fairness, impartiality and independence, and taking into consideration the Parties' motions.
10. Any third parties may take part in conciliatory proceedings only subject to approval from the Parties and the Arbiter.
11. After inspecting the materials and documents, and acquainting himself/herself with the positions of the Parties, the Arbiter suggests the terms of arrangement. The Parties express their opinion on those terms within the term specified for by Arbiter. Should the Parties fail to respond within the specified period of time, the conciliatory proceedings are deemed to be terminated.
12. If conciliation is achieved, the Parties enter into a written agreement, which constitutes a settlement in the meaning of the Civil Code. Such an agreement is then signed by duly authorized representatives of the Parties.
13. The fact of carrying out conciliatory proceedings and the course of such proceedings have a confidential character. The information delivered to the Arbiter by the Parties or any other persons during the conciliatory proceedings may not be disclosed by Arbiter.
14. The Arbiter should not be called upon as a witness in any judicial proceedings, arbitration proceedings or any other proceedings with regard to any facts and claims disclosed during the conciliatory proceedings.
15. The Parties, the Management Board and other persons participating in the conciliatory proceedings are obligated to observe the confidentiality of the conciliatory proceedings, and they may not either use or present as evidence in any judicial proceedings, arbitration proceedings or any other proceedings, any arrangements or adopted agreements, or documents created in the course or as a result of the conciliatory proceedings.,.
16. The Parties each time determine the necessity of bearing the costs of the arbitration proceedings, their level and allocation. The costs connected with participation of the Arbiter in the conciliatory proceedings shall be borne by the Union.
17. The Arbiter shall advise the Management Board on the stages of a given conciliatory proceedings, stating whether the dispute has been resolved or whether it is still pending, or whether the conciliatory proceedings have ended, but have not lead to any settlement of the dispute. The Arbiter should present the above information to the Management Board each time before the Management Board session.