

As adopted by CE General Assembly 19 December 2024

STATUTES OF COSMETICS EUROPE AISBL

Article 1 - Name

An international non-profit making association is hereby established under the laws of Belgium. Its name is 'Cosmetics Europe - the Personal Care Association', abbreviated as "Cosmetics Europe". Both the full name and the abbreviated name can be used interchangeably.

All acts, invoices, announcements, publications, letters, orders, websites and other documents, whether in electronic format or not, issued by Cosmetics Europe, shall contain the following data:

- 1° the name of Cosmetics Europe;
- 2° its legal form, in full or in abbreviated form;
- 3° the precise indication of its registered office;
- 4° its number from the Crossroads Bank for Enterprises;
- 5° the terms "legal persons register" or the abbreviation "LPR", followed by the indication of the Court of the registered office of Cosmetics Europe;
- 6° as the case may be, the email address and website of Cosmetics Europe;
- 7° as the case may be, the indication that Cosmetics Europe is being wound up.

Cosmetics Europe is governed by the provisions of the Companies and Associations Code applicable to international non-profit associations..

The registered office of Cosmetics Europe is located in the Brussels- Capital Region.

The registered office may be transferred to any location within the Brussels-Capital Region by a decision taken by the Board. The decision to move the registered office must be published in the Annexes to the Belgian Official Journal, "Moniteur Belge".

In the present Statutes, the industry that Cosmetics Europe represents will be referred to as the "Cosmetics Industry" or the Industry.

Article 2 – Purpose, goals and activities

Cosmetics Europe is a non-profit making international organization whose purpose is promoting the Cosmetics Industry and furthering its scientific, technical, economic and legal objectives.

This purpose is achieved mainly by:

- a) the joint study of scientific data on substances used in cosmetic products (as defined by the European Union legislation regulating cosmetic products) , in particular data relating to their effects on human health and safety as well as on the environment; the collection and dissemination of the required scientific information to its members and to appropriate international organizations.
- b) the collection and study of relevant laws and regulations applicable to the Cosmetics Industry; the dissemination of such information to its members and to appropriate international organizations;
- c) fostering transparent and reliable relationships with public authorities and stakeholders, to best communicate the social, economic and scientific relevance of the Cosmetics Industry in Europe;
- d) contributing to the shaping of workable and fair policy frameworks regulating the European Cosmetics Industry; including ensuring the harmonized implementation of said legal frameworks at national levels within the European Union;
- e) addressing members' needs in an efficient and transparent way through timely information and decision making and focusing on issues and activities relevant for the Cosmetics Industry.

Article 3 – Duration

Cosmetics Europe has been established for an unlimited duration.

Cosmetics Europe can be dissolved by the General Assembly in accordance with the conditions foreseen by the Statutes.

Article 4 - Categories of members and rights and obligations of members

1) Cosmetics Europe shall be made up of five categories of members:

- (i) Active Corporate Members;
- (ii) Supporting Corporate Members;
- (iii) Active Association Members;
- (iv) Supporting Association Members;
- (v) Correspondent Members.

Members which cease to meet the membership requirements mentioned hereafter shall immediately have to notify it to the Director-General.

The quality of member of Cosmetics Europe is personal and may not be assigned to a third party.

The minimum number of members of Cosmetics Europe cannot be less than two.

If two or more members merge or if a member acquires sole control of another member, the absorbed/acquired member shall cease to be a member of Cosmetics Europe on the date on which the merger or acquisition is completed; the merger or acquisition shall be deemed to have been completed for the purposes of these Statutes when the transfer of control bringing about the merger or acquisition has been completed under the terms of the agreements between the parties concerned. Notwithstanding the above, the merged or acquired member shall remain liable for all its financial obligations vis-à-vis Cosmetics Europe until the end of the financial year in the course of which the merger or acquisition has been completed.

2) Can be admitted as **Active Corporate Member**

Companies that:

- (i) are operationally active in the Cosmetics Industry either directly or through affiliated companies in at least 1/5th of the countries represented at Cosmetics Europe's General Assembly;
- (ii) subject to the provisions of Article 12 (g) of the Internal Rules, are members of at least 50% of the Active Associations Members in all countries where they have an Operating Business (either selling or manufacturing); for the purposes of the present Statutes, the term "Operating Business" means a business owned or controlled by a company or by one of its affiliates, with established manpower and premises that sell, distribute and/or manufacture its own brands of Cosmetic Products; for the purposes of the present Statutes, the term "Cosmetic Products" has the same meaning as the meaning described under article 2 1. (a) of the Regulation (EC) No 1223/2009 of the European Parliament and of the Council of 30 November 2009 on cosmetic products, as subsequently amended;
- (iii) have a legal status and are legally established in accordance with the laws and customs of their country of origin;
- (iv) are engaged and committed to active participation in the goals and objectives of Cosmetics Europe.
- (v) Notwithstanding the provisions of Article 4 (2) (ii), give due consideration to becoming members of Active Association Members in all the countries where they have an Operating Business or place products on the market

Without prejudice to Article 8, the Active Corporate Members:

- (i) have the right to a seat at the Board;
- (ii) have a voting right in accordance with the rules laid down in the Internal Rules;
- (iii) have the right to be a member of the Corporate College, to attend, take part and vote in all meetings of the Corporate College, in accordance with Articles 5 and 11;
- (iv) have the right to attend and take part to all Working Groups of Cosmetics Europe, as provided under Article 19 and in accordance with the rules laid down in the Internal Rules;
- (v) have the obligation to contribute to the financing of Cosmetics Europe in accordance with the rules laid down in the Statutes and the Internal Rules;
- (vi) shall, as appropriate in the context of their relevant activities, provide fair and collaborative consideration to Cosmetics Europe's agreed decisions and strategies.

3) Can be admitted as **Supporting Corporate Member**:

Companies that:

- (i) are operationally active in the Cosmetics Industry either directly or through affiliated companies in at least one country that is a member of the European Union or of the European Free Trade area;
- (ii) subject to the provisions of Article 12 (g) of the Internal Rules, are members of at least 50% of the Active Associations Members in the country(ies) where they have an Operating Business (either selling or manufacturing); for the purposes of the present Statutes, the term "Operating Business" means a business owned or controlled by a

company or by one of its affiliates, with established manpower and premises that sell, distribute and/or manufacture its own brands of Cosmetic Products; for the purposes of the present Statutes, the term “Cosmetic Products” has the same meaning as the meaning described under article 2 1. (a) of the Regulation (EC) No 1223/2009 of the European Parliament and of the Council of 30 November 2009 on cosmetic products, as subsequently amended;

- (iii) have a legal status and are legally established in accordance with the laws and customs of their country of origin;
- (iv) are engaged and committed to active participation in the goals and objectives of Cosmetics Europe.
- (v) Notwithstanding the provisions of Article 4 (3) (ii), give due consideration to becoming members of Active Association Members in all the countries where they have an Operating Business or place products on the market

Without prejudice to Article 8, the Supporting Corporate Members:

- (i) have collegially the right to two seats maximum at the Board;
- (ii) have a voting right in accordance with the rules laid down in the Internal Rules;
- (iii) have the right to be a member of the Corporate College, to attend, take part and vote in all meetings of the Corporate College, in accordance with Articles 5 and 11;
- (iv) have the right to attend and take part to all Working Groups of Cosmetics Europe, as provided under Article 19 and in accordance with the rules laid down in the Internal Rules;
- (v) have the obligation to contribute to the financing of Cosmetics Europe in accordance with the rules laid down in the Statutes and the Internal Rules;
- (vi) shall, as appropriate in the context of their relevant activities, provide fair and collaborative consideration to Cosmetics Europe’s agreed decisions and strategies.

4) Companies that are operationally active in the Cosmetics Industry either directly or through affiliated companies in a country that is a member of the European Union or of the European Free Trade Area that meet also the other admission criteria for membership, have the freedom to opt for the Corporate Membership of their choice. Nevertheless, a shift of Corporate Membership category must be submitted to the General Assembly for entry into force on 1 January of the following financial year. All subscription fees and other financial obligations in the previous category remain due until the date of coming into force of the shift of membership category.

5) Can be admitted as **Active Association Member**:

Associations, organizations, institutions or other bodies (hereinafter the “Associations”), representative of the Cosmetics Industry in the countries that are members or former members of the European Union or of the European Free Trade Association, provided that these Associations (i) have a legal status and are legally established according to the laws and customs of their country of origin and (ii) are engaged and committed to active participation in the goals and objectives of Cosmetics Europe.

Several Associations per country can be admitted as Active Association Member, provided the Association is representative. For the purpose of the present Statutes, an Association will be considered as “representative” if it reports, for the last financial year, an aggregate market share for its own members of at least 40%, calculated in accordance with the provisions of the Internal Rules.

Without prejudice to Article 8, the Active Association Members:

- (i) have collegially the right to eight seats at the Board; this number of seats may be adapted in accordance with the rules set forth in article 13.1 of the Statutes
- (ii) have a voting right in accordance with the rules laid down in the Internal Rules;
- (iii) have the right to be a member of the Associations College, to attend, take part and vote in all meetings of the Associations College, in accordance with Articles 5 and 11;
- (iv) have the right to attend and take part in all Working Groups of Cosmetics Europe, as provided under Article 19 and in accordance with the rules laid down in the Internal Rules;
- (v) have the obligation to contribute to the financing of Cosmetics Europe in accordance with the rules laid down in the Statutes and the Internal Rules;
- (vi) shall, as appropriate in the context of their relevant activities, provide fair and collaborative consideration to Cosmetics Europe's agreed decisions and strategies.

6) Can be admitted as **Supporting Association Member**:

Associations, organizations, institutions or other bodies (hereinafter the "Associations") representative of the Cosmetics Industry in the countries that are members of the Council of Europe (not being members of the European Union or European Free Trade Area), provided that:

- (i) these Associations have a legal status and are legally established according to the laws and customs of their country of origin;
- (ii) these Associations do not meet the admission criteria as Active Association Member;
- (iii) the statutes of the Association applying for membership as Supporting Association Member allow for an open membership for all Active and Supporting Corporate Members of Cosmetics Europe;
- (iv) are engaged and committed to active participation in the goals and objectives of Cosmetics Europe.

Several Associations per country can be admitted as Supporting Association Member.

Without prejudice to Article 8, the Supporting Association Members:

- (i) do not have the right to a seat at the Board;
- (ii) do not have a voting right;
- (iii) have the right to be a member of the Associations College and to attend and take part in all meetings of the Associations College, but without voting right, in accordance with Articles 5 and 11;
- (iv) have the right to attend and take part to all Working Groups of Cosmetics Europe, as provided under Article 19 and in accordance with the rules laid down in the Internal Rules;
- (v) have the obligation to contribute to the financing of Cosmetics Europe in accordance with the rules laid down in the Statutes and the Internal Rules;
- (vi) shall, as appropriate in the context of their relevant activities, provide fair and collaborative consideration to Cosmetics Europe's agreed decisions and strategies.

7) Can be admitted as **Correspondent Member**:

Associations, organizations, institutions or other bodies -or companies provided that:

- (i) they have an established link with the Cosmetics Industry;

- (ii) they have a legal status and are legally established in accordance with the laws and customs of their country of origin;
- (iii) in respect of associations applying for membership of Cosmetics Europe, do not comply with the admission criteria for Active or Supporting Association Members
- (iv) do not sell, distribute and/or manufacture their own brands of Cosmetic Products;
- (v) in the case of an association applying for membership as Correspondent Member, the statutes of that Association allow for an open membership for all members of Cosmetics Europe and the application is being supported by the Associations College;
- (vi) are engaged and committed to active participation in the goals and objectives of Cosmetics Europe.

The Correspondent Members:

- (i) do not have the right to a seat at the Board;
- (ii) do not have a voting right;
- (iii) do not have the right to be a member of the Corporate College or the Associations College;
- (iv) take part in selected Working Groups of Cosmetics Europe, as provided under Article 19 and in accordance with the rules laid down in the Internal Rules;
- (v) have a limited access to Cosmetics Europe Extranet, based on pre-defined right of access;
- (vi) have the obligation to contribute to the financing of Cosmetics Europe in accordance with the rules laid down in the Statutes and the Internal Rules;
- (vii) shall, as appropriate in the context of their relevant activities, provide fair and collaborative consideration to Cosmetics Europe's agreed decisions and strategies.

Article 4A – Network Collaboration and Support

The provisions of Articles 4 (2) (ii) and 4 (3) (ii), and the provisions of Article 12 of the Internal Rules are adopted for the purpose of ensuring a minimum presence of corporate members in the AAM network to ensure an appropriate level of engagement at both European and national levels with the aim of improving the overall effectiveness of the associations.

In recognition of the crucial importance of a viable network of Active Association Members, and of effective advocacy at national level, and taking into account the provisions of Article 4 (2) (v) and 4 (3) (v), Active Association Members, Active Corporate Members and Supporting Corporate Members shall adopt and observe principles of support and collaboration in the Internal Rules.

Article 5 – Colleges

The Active Corporate Members and the Supporting Corporate Members will form a College, called the Corporate College.

The Active Association Members and the Supporting Association Members will also form a College, called the Associations College.

Supporting Association Members may voice their opinion and take part in the deliberations but are not entitled to vote in the Associations College.

The Correspondent Members are not members of the Corporate or the Associations College.

The Corporate College will (i) meet to discuss and decide on issues or topics of interest for Corporate Members and (ii) deliberate and agree on the name of a Chair and Vice Chair

The Association College will (i) meet to discuss and decide on issues or topics of interest for Association Members, (ii) deliberate and agree on the names of the candidates to be submitted as Board members and (iii) deliberate and agree on the name of a Chair and Vice Chair.

In addition, both the Corporate College and/or the Associations College have the right but not the obligation to deliberate and agree on decisions to be submitted to the General Assembly, in accordance with Article 11 hereafter.

Decisions of the Corporate College and/or Associations College will be valid irrespective of the number of members entitled to vote present or represented in each College.

Decisions of the Corporate College and/or Associations College shall be adopted by absolute majority, i.e. by more than half of the votes cast, as further described under Article 11.D).

Article 6 – Admission of members

The admission of any new member shall be decided by the General Assembly, in accordance with Article 11.

Any application for membership shall be made in writing and sent to the Director-General which shall examine whether or not the application meets the membership requirements. The Director-General shall submit the application and its assessment to the General Assembly, which shall take its decision by absolute majority, i.e. by more than half of the votes cast.

The decision to admit a new member may be validly taken by written resolutions, as provided under Article 11 G) of the Statutes. Any decision refusing an application for membership shall contain the grounds upon which the decision is made. Where admission is refused or where no decision is made within a period of 12 months as from the date of the application, the applicant may refer the relevant decision or lack thereof to the courts of Brussels.

Any applicant whose application is refused by the General Assembly and any member expelled in accordance with Article 8 shall have to wait twelve months from the date of the decision refusing its application for membership or expelling it before submitting any new application for membership.

Article 7 – Resignation of members

Members - in all categories - shall be free to terminate their membership from Cosmetics Europe by sending a 12-months notice of resignation, by registered letter, to the Director-General. For Corporate Members, a change of category from Active Corporate Member to Supporting Corporate Member (or vice-versa) will be considered as a formal resignation.

The notice period of 12 months shall start on the 1st January following receipt of the letter by the President.

Unless otherwise provided in the Statutes, all resigning members shall remain liable for all their financial obligations vis-à-vis Cosmetics Europe until the end of the financial year in the course of which the resignation comes into effect.

Article 8 – Suspension of the rights of members, deemed resignation of members and expulsion of members

1) The Board is entitled to suspend some or all rights of a member who fails to remedy any breach to the Statutes, Internal Rules of decisions of the bodies of Cosmetics Europe, or any breach referred below under Article 8.4), within thirty (30) calendar days after having been formally put on notice by registered letter of the President, notwithstanding the obligation of the suspended member to fulfil its outstanding financial obligations towards Cosmetics Europe. This suspension may include and is not limited to the voting right of the members entitled to vote or the right to attend and take part in Working Groups of Cosmetics Europe, as provided under Article 19 and in accordance with the rules laid down in the Internal Rules.

2) In addition, if a member fails to meet its financial obligations within thirty (30) calendar days after having been formally put on notice by registered letter of President, it shall be considered as having resigned as from the last day of the forthcoming financial year, notwithstanding the obligation of the member to fulfil its outstanding financial obligations towards Cosmetics Europe.

3) Finally, and to the full extent permitted by law, membership automatically ends in the case of bankruptcy, arrangement with creditors, winding up or any similar situation. However, the member shall remain liable for its financial obligations vis-à-vis Cosmetics Europe until the end of the financial year during which the membership ends (or is deemed to end).

4) Subject to Article 12(f) of the Internal Rules, a member (i) who fails to meet the criteria for membership, and/or (ii) fails to fulfil its duties under the Statutes or the Internal Rules (including the anti-trust guidelines), and/or (iii) acts in a manner which is seriously injurious to the interests of Cosmetics Europe, and/or (v) does not abide with the decisions of the bodies of the Cosmetics Europe that create obligations for the members, may be expelled by decision of the General Assembly.

The decision to expel a member may not be taken by written resolutions, as provided under Article 11 G) of the Statutes.

The member in question shall always be entitled to present its defense before such decision is made by the General Assembly.

Any expulsion shall contain the grounds upon which the decision is made. The expelled member may refer the relevant decision to the courts of Brussels.

Article 9 – Claim on the assets of Cosmetics Europe

Any member ceasing to be a member of Cosmetics Europe as a result of resignation, deemed resignation or expulsion or for any other reason, shall have no claim upon Cosmetics Europe's assets. The member shall remain under the obligation to settle its outstanding financial obligations and any financial commitments decided by the General Assembly to which it has committed itself.

Article 10 – Composition of the General Assembly and representation of members

The General Assembly shall be made up of all members, but only those members having fulfilled their financial obligations towards Cosmetics Europe shall be admitted to the meetings of the General Assembly.

Third parties may be invited to attend a meeting of the General Assembly as observers, on proposal of the Board.

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

Each member is allowed to send as many representatives as deemed necessary to the General Assembly. Each member entitled to vote shall appoint among these representatives one delegate to carry its vote at the General Assembly, and inform the Director-General of the name of this delegate. The Correspondent Members may voice their opinion but do not have the right to vote.

Each member may give a proxy to another member. Each member may only represent one other member. Proxies must be sent in writing to the Director-General. However, if a meeting of the General Assembly must be held before a notary in accordance with the provisions of the Companies and Associations Code, the proxies may be granted to a third party and the proxy holder may hold an unlimited number of proxies.

A member of the Corporate College or the Associations College can give a proxy only to a member belonging to its College.

Article 11 – Powers and proceedings of the General Assembly

A) The following powers are restrictively reserved to the General Assembly:

1. to appoint and dismiss the members of the Board;
2. to elect and dismiss the President and Vice President ;
- 3.
3. to elect the Treasurer, who will be selected from the members of the Board apart from exceptional circumstances, where the Treasurer will be elected among members of the General Assembly. If the Treasurer belongs to a Corporate Member, he/she shall not belong to the same Corporate Member as the President;
4. to appoint and dismiss the Auditor(s) and determine its (their) remuneration
5. to ratify the budget approved by the Board, approve the annual accounts and give a release from liability to the Board members and the Auditor(s);
6. to fix the financial contributions for the members and the annual subscriptions, in accordance with the rules laid down in the Internal Rules;
7. to decide on admissions or expulsions of members;
8. to modify the Statutes;
9. to modify the Internal Rules;
10. to pronounce the dissolution of Cosmetics Europe in accordance with the legal provisions in this respect.

B) Decisions of the General Assembly will only be valid if more than half of the members entitled to vote are present or represented. Where this quorum is not reached, a new meeting of the General

Assembly shall be called no earlier than thirty (30) calendar days after the first meeting. The second meeting of the General Assembly shall be entitled to take valid decisions, irrespective of the number of members entitled to vote present or represented.

C) Unless otherwise provided by the Companies and Associations Code or the Statutes, decisions shall be adopted by absolute majority, i.e. by more than half of the votes cast.

D) In addition, the Corporate College and/or the Associations College will have the right but not the obligation to ask all or part of the decisions to be submitted to the General Assembly to be first adopted by their College, each of these Colleges voting separately. This request has to be submitted to the President at least fifteen (15) calendar days before the date of the meeting of the General Assembly; in their request the Corporate College or the Association College must identify the items on the Agenda of the meeting of the General Assembly upon which they want to deliberate and decide. If the absolute majority is not reached in one College, the decision is considered as rejected and is not put forward to the plenary session of the General Assembly. In that case, the Board will have to submit a new proposal or to confirm its proposal. As an exception to Article 14 of the Statutes, a Board meeting will be held immediately after the meeting(s) of the College(s), to allow the Board to make this new proposal or to confirm its proposal. If the new proposal of the Board is rejected by one College, the deadlock will be submitted to the President, whose decision will be binding for both Colleges. As soon as a decision has been validly taken by the Colleges or the President, in accordance with the foregoing, the decision is then submitted to the plenary session of the General Assembly for approval. As an exception to Articles 12 and 27, there would be no obligation to convene a new plenary session of the General Assembly to deliberate and discuss on the new agenda and, as the case may be, new working documents, even if the new agenda contains contemplated amendments to the Statutes or the Internal Rules.

E) For all subjects addressed by a General Assembly:

- (i) no decision can be taken on items which would not have been included in the agenda appended to the notice;
- (ii) the President shall determine the methods of voting. However, there shall be a secret ballot if at least three of the members entitled to vote present or represented make such a request;
- (iii) in the event of a draw in the votes, the President shall have a casting vote.

F) The number of votes allocated to each member entitled to vote will be calculated on the basis of the rules laid down in the Internal Rules.

G) Unless otherwise provided in these Statutes, decisions of the General Assembly, the Corporate College or the Association College may also be taken by written resolutions provided that each member has been informed at least fifteen (15) calendar days in advance of the decisions to be taken. The decisions come into effect on the date mentioned on the written resolutions and are deemed to be taken at the registered office of Cosmetics Europe.

H) The meetings of the General Assembly can be validly held by conference call, videoconference, web-conference or any other way indicated in the convening notice. Decisions taken by conference call, videoconference and web-conference are deemed to take place at the registered office of Cosmetics Europe.

l) The Board (or any person designated by it to that end), under conditions which it determines, may authorize members to remotely vote (including in electronic form) before a General Assembly meeting.

Article 11 A - President and Vice President

1 Apart from in exceptional circumstances, the President shall be elected from members of the Board. In any case, the President must belong to the Cosmetics Industry and to a company member of an Active Association Member;

2 The Vice President shall be elected from the Directors General or equivalent position of an AAM member

3 The President and Vice President shall stand for election as a joint candidacy subject to one non separable vote in the General Assembly. This is without prejudice to the right of any qualified candidates to stand as a joint candidacy.

4 In the event that the Vice President is not a member of the Board at the time of his or her election, he or she will become a Board member for the duration of his or her terms with full voting rights

Article 12 – Meetings, notices and minutes of the meetings of the General Assembly

1. Without prejudice to Article 27, the General Assembly shall meet in ordinary session at least once a year, under the chairmanship of the President, who shall convene the General Assembly with a notice of thirty (30) calendar days. The notice indicates the place, date, hour and agenda of the General Assembly and is sent by letter, facsimile, or any other written means (including electronic format). As the case may be, working documents will be attached to the notice.

2. The President must convene an extraordinary session of the General Assembly if at least a fifth of the members entitled to vote so request, with a notice of thirty (30) calendar days.

3. Proceedings and decisions of the General Assembly will be recorded in minutes which shall be signed by the President and the Director-General.

4. The minutes are kept in a register, accessible to the members, at the registered office of Cosmetics Europe. A copy of the minutes will also be sent out to the members.

Article 13 – Composition and powers of the Board of Directors

1. Cosmetics Europe shall be run by a Board of Directors (hereby called the "Board") which is made up of:

- (i) a delegate of each Active Corporate Member, presented by each Active Corporate Member;
- (ii) eight delegates of the Active Association Members, elected by the General Assembly on the basis of a list of candidates submitted by the Associations College;
- (iii) two delegates of the Supporting Corporate Members, elected by the General Assembly on the basis of a list of candidates submitted by the Supporting Corporate Members;

- (iv) Where the President is not elected from the Board members in the exceptional circumstances referred to in Article 11 A 1, the President;
- (v) Where the Vice President is not a member of the Board, the Vice President in accordance with Article 11A 4

it being understood that at all times, the Board must be composed of at least 1/3rd of delegates of the Active Association Members, elected by the General Assembly in accordance with Article 13 1. (ii) above.

2. Each member of the Board has only one vote. The President shall determine the methods of voting. Nevertheless a Board member can carry two proxies from other Board members.

In the event of a draw in the votes, the President (or in the absence of the President, the Vice President) shall have a casting vote.

3. The mandate of the Board members shall be two years. The mandate is renewable. It is not remunerated. Unless otherwise provided by the General Assembly, the mandate will expire at the end of the meeting of the General Assembly approving the annual accounts of the last financial year.

4. The Chairman of each Strategic Core Team (or a permanent delegate selected by the relevant SCT) is invited to the meetings of the Board. They may voice their opinion but do not have the right to vote.

5. In order to further cooperation between Cosmetics Europe and the country that holds the Presidency of the Council of the European Union, the Board of Directors has the right but not the obligation to appoint for a six-month period an Observer representative of an SME of the country holding the Presidency. This seat may be attributed to a representative of the Active Association Member(s) of that country provided such Member(s) are not already represented in the Board of Directors. The term of the Observer's mandate and his/her rights and obligations are further described in the Internal Rules.

Article 14 – Meetings, notices and minutes of the meetings of the Board of Directors

The Board shall meet at least four times a year, with a notice of fifteen (15) calendar days. An extraordinary meeting must be convened if at least three Board members call for such a meeting in which case a notice of fifteen (15) calendar days has to be respected and the agenda must contain at least the issues raised by the Board members who asked for this meeting.

The notice period of fifteen (15) calendar days may be shortened in the case of urgency duly justified.

The notice is issued by the President and indicates the place, date, hour and agenda of the meeting. It is sent by letter, facsimile, or any other written means (including electronic format). As the case may be, the working documents are attached to the notice.

The Decisions of the Board will only be valid if more than half of its members are present or represented.

Without prejudice to Article 16, the decisions of the Board are taken by absolute majority, i.e., by more than half of the votes cast.

Proceedings and decisions of the Board of Directors shall be recorded in minutes which shall be signed by the President and Director-General.

The minutes are kept in a register, at the disposal of the Board members, at the registered office of Cosmetics Europe. A copy of the minutes will also be sent out to all Board members.

The meetings of the Board can also be validly held by conference call, videoconference, web conference or any other way indicated in the convening notice. Decisions taken by conference call, videoconference and web conference are deemed to take place at the registered office of Cosmetics Europe.

The Board, under conditions which it determines, may authorize members of the Board to remotely vote (including in electronic form) before a Board meeting.

In addition, decisions may be taken by written resolutions provided that each member of the Board has been informed at least seven (7) calendar days in advance of the decisions to be taken. The decisions come into effect on the date mentioned on the written resolutions and are deemed to be taken at the registered office of Cosmetics Europe.

Article 15 – Powers of the Board of Directors

The Board shall have all powers except those reserved to the General Assembly by the Companies and Associations Code or the Statutes.

The Board may delegate, under its responsibility, a part of its powers for particular or specific purposes to a Board member or a third party.

Article 16 – Qualified majorities for some decisions of the Board of Directors

The proposals expressed by the Board concerning items 8 and 10 of Article 11 A) require an 80 % majority of the votes cast.

Votes concerning these resolutions may only take place if at least 2/3rd of the Board members are present or represented. Where this quorum is not reached, a new meeting of the Board shall be called no earlier than fifteen (15) calendar days after the first meeting. The second meeting of the Board shall be entitled to take valid decisions, irrespective of the number of Board members present or represented.

Article 17 – Representation

Cosmetics Europe shall be validly represented with respect to all acts by the signature of the President or Vice President who shall not be obliged to offer proof to third parties of a prior decision of the Board.

The Director-General shall individually represent Cosmetics Europe with respect to all acts of daily management and shall not be obliged to offer proof to third parties of a prior decision of the Board.

Cosmetics Europe is also validly represented by an attorney-in-fact, within the limits of his/her power-of-attorney.

As an exception to the above, all legal actions or court proceedings, of whatever nature, are followed and managed by the Board represented by its President or a Board member appointed to this end.

Article 18 – Limited liability

Members of Cosmetics Europe shall not be personally liable for the commitments of the Association. Their liability is limited to the payment of their financial obligations.

The members of the Board, the Observer and the Director-General shall not be personally liable for the obligations of Cosmetics Europe. Their liability is limited to the proper performance of their function.

Article 19 – Working Groups

The Board shall be empowered to set up and disband Working Groups, to either advise the Board or to develop and implement plans in line with guidance provided by the Board.

The Board may set up as many Working Groups which it deems to be advisable to establish, in order to help Cosmetics Europe in achieving its mission in accordance with the Statutes. The Board shall determine the composition, the duration and the terms of reference of the Working Groups, nominating the Chairmen and the members thereof, in accordance with the rules laid down in the Internal Rules.

Article 20 – Executive Committee

The Board shall establish an Executive Committee.

The composition and role of the Executive Committee shall be laid down in the Internal Rules.

Article 21 – Daily management

The Director-General shall be in charge of the daily management of Cosmetics Europe and is responsible to the Board, which shall fix his/her powers.

The Director-General will be convened to all meetings of the General Assembly and the Board and will attend, without any voting right.

Article 22 – Financial obligations of members

Members shall contribute to the running costs of Cosmetics Europe by way of a subscription fee fixed annually by the General Assembly, following proposals from the Board, and on the basis of the rules laid down in the Internal Rules.

Projects (including but not limited to consortia agreements) will be financed by members and/or third parties, on the basis of the rules laid down in the Internal Rules.

In addition to the subscription fees and project financing described here above, and upon proposal of the Board, the General Assembly may exceptionally, in accordance with the rules laid down in the Internal Rules:

- (i) decide the payment of additional fees by Corporate Members; and/or,
- (ii) exempt some members from the payment of their annual subscription fees, partially or wholly; and/or,
- (iii) grant a limited financial support to members to allow them to participate to meetings of Working Groups and key events of Cosmetics Europe,

(i) to (iii) being collectively referred to as the "**Exceptional Financial Support**".

The decision of the General Assembly to vote in favour of an Exceptional Financial Support is only valid for one financial year. The decision must be substantiated by proper written evidence gathered by the Board that some members are not able to settle their subscription fees, partially or wholly, or to effectively contribute to or support the achievement of the Cosmetics Industry's objectives at EU level.

Article 23 – Payment of the financial obligations of members

Each member shall pay the subscription fixed by the General Assembly.

The Director-General (or his/her delegate) shall inform each member in writing of the amount of the financial obligations that are owed. Should payment not be made within the requested period, interest may rightfully be applied at the legal rate, without any prior notice.

In addition to the subscription fees, the Board may decide to establish a reserve fund, set its amount and the procedures for each member's contribution to this fund.

Article 24 –Financial year

The financial year shall run from 1st January to 31st December.

Article 25 – Annual accounts, budget and audit

Each year, the Board shall submit for approval by the General Assembly the annual accounts for the previous financial year and shall submit for ratification the budget for the year to come.

These annual accounts will be checked by one or several Auditors.

When required by the law, the audit of the financial situation, the annual accounts and the verification that the transactions set out in the annual accounts comply with the legal requirements or the Statutes must be entrusted to one or several auditors, appointed amongst the members of the Institute of Auditors ("Institut des Réviseurs d'Entreprises"). They hold the title of statutory auditor ("commissaire").

Even if not required by the law, the audit of the financial situation, the annual accounts and the verification that the transactions set out in the annual accounts comply with the legal requirements or the Statutes may be entrusted to one or several auditors, appointed or not amongst the members of the Institute of Auditors ("Institut des Réviseurs d'Entreprises "). They hold the title of auditor ("auditor").

The report of the Auditor(s) will be sent to the members of the Board at least thirty (30) calendar days before the date of the meeting of the General Assembly.

Article 26 – Internal Rules

Upon proposal of the Board, the General Assembly may approve Internal Rules compatible with the provisions of the Statutes, so as to ensure the correct functioning of Cosmetics Europe and its administration.

Article 27 – Amendments to the Statutes and liquidation

When proposals are made to modify the Statutes, the texts thereof shall be appended to the notice to the meeting of the General Assembly.

In this specific case, the notice shall be sent at least thirty (30) calendar days before the meeting.

Decisions concerning amendments to the Statutes or the dissolution of Cosmetics Europe must be taken according to the voting procedure foreseen in Article 11.

Any decision related to the amendments to the Statutes or the liquidation of Cosmetics Europe shall be published in the Annexes to the Belgian Official Journal, "Moniteur Belge".

In the event that Cosmetics Europe is to be dissolved, the General Assembly shall decide by a simple majority of the votes cast on (i) the appointment, powers and remuneration of the liquidators, (ii) the methods and procedures for the liquidation of Cosmetics Europe and (iii) the destination to be given to the net assets of Cosmetics Europe. The net assets of Cosmetics Europe are to be allocated to a non-profit making association.

In the event of deficit and of legal commitments after the dissolution of Cosmetics Europe, members are bound to honour these, each for up to a maximum amount equal to the subscriptions it has paid during the two previous financial years.

Article 28 – Applicable law and competent courts

Any dispute in connection with the Statutes, the Internal Rules (including the anti-trust guidelines) and/or any decision of the bodies of Cosmetics Europe, shall be governed by Belgian law and shall be submitted to the French speaking Courts of Brussels.

Article 29 – Language

These Statutes shall be written in the French and English languages. The French version of the Statutes shall take precedence.

English shall be the working language of Cosmetics Europe, without prejudice of the legislation on the use of languages in employment matters.