

**STATUTES**  
**Of the Incorporated Society**

**AVK - Industrievereinigung Verstärkte Kunststoffe**  
**AVK – Federation of Reinforced Plastics**

26 September 2005 / Revised November 2018

***Article 1 Name, legal form and registered office***

1. The name of the association is:  
**AVK - Industrievereinigung Verstärkte Kunststoffe**  
**AVK - Federation of Reinforced Plastics**
2. The association has its registered office in Frankfurt/Main.
3. It is entered in the register of associations in Frankfurt/Main.
4. The financial year shall be the calendar year.
5. Frankfurt/Main is the only place of jurisdiction.

***Article 2 Objectives and tasks***

1. The association is an industrial association which supports national as well as foreign companies dealing with reinforced plastics. Reinforced plastics, by definition, are fiber-reinforced and/or filled materials with a thermoplastic or a thermoset matrix.  
The association aims at supporting the promotion of new applications and processes as well as new machines and equipment in this sector by product marketing.
2. In addition, the association will actively support the efforts of national as well as international expert committees and study groups and, if necessary, may also set up new committees. Besides, it will enhance and promote innovations and knowledge of the pertinent groups of materials respectively reinforced and/or filled plastics.
3. The association intends to lend a voice to the industry and to develop market surveys as well as statistical market data. This data will then be made available to the members.
4. The association possesses a steadily growing international network of contacts which is available to all members.
5. To promote its objectives, the association will regularly:
  - a. publish bulletins for its members.
  - b. organise public expert conventions and seminars for interested participants from Germany and abroad; the lectures are to be

- published in suitable form, either by the association or possibly by third parties.
- c. provide support in defining appropriate quality and test criteria
  - d. present innovation awards.
  - e. provide information about relevant trade fairs and conventions as well as training opportunities and continuing education courses offered by third parties.
  - f. contribute to national as well as international standardisation projects.
  - g. protect its tradename from fraudulent use and other kinds of infringement.
  - h. stand up for trading integrity.
6. In addition, the association is to protect the general, intellectual, and commercial interests of manufacturers and processors of reinforced and/or filled plastics, insofar as the companies in question are not already employing other organisations for this purpose.
7. In order to fulfil its tasks, the association may join other organisations as a member, or it may procure their services in a suitable form.
8. The association has no political objectives and does not represent the individual interests of certain members. The association does not primarily operate along commercial lines. Such activities, insofar as they are pursued by the association, may under no circumstances affect the association's status as a tax-exempt professional organisation.

### **Article 3 Membership**

1. Membership with the association includes:

- a) full members,
- b) extraordinary members,
- c) scientific institutes,
- d) honorary members,
- e) corporate members.

2. Full members:

Full membership is open to companies operating under any legal form in Germany and abroad, manufacturing and/or processing reinforced and/or filled thermoset materials respectively thermoplastics as well as the pertinent starting materials and additives. This also includes companies with expertise covering state of the art technology and the corresponding equipment for production and quality control.

3. Extraordinary members:

Companies operating under any legal form in Germany or abroad, delivering machines and equipment for manufacturers and processors of reinforced and/or filled plastics. This also includes candidates who are interested in technical-scientific collaboration with AVK or who are offering consulting services.

4. Scientific institutes:

Scientific institutes in Germany or abroad that are actively involved in cooperation and exchange of documents with the association.

5. Honorary members:

Honorary members are appointed by the general assembly on the board's recommendation due to special services rendered to AVK. These members are relieved from membership contribution payments.

6. Corporate members:

Other organisations/associations may become members, too, if this is conducive to the association's objectives and tasks.

#### **Article 4 *Becoming a member***

1. The board decides about membership applications.

The association is not allowed to refuse membership as long as the requirements listed in Article 3 sub 2 are met; unless the applicant has been a member of this association before and was excluded later.

2. Appeals against the board's refusal to approve a membership application may be submitted to the board in writing within 4 weeks after the announcement of the rejection. If the board, after reconsidering the matter, confirms its refusal, then the appeal is to be submitted to the next general AVK assembly for a final decision. If the majority of the votes present or represented at the general assembly is in favor of admission of the candidate, then the membership application is, by definition, approved; otherwise the applicant is definitely rejected.

#### **Article 5 *Members' rights***

All members are entitled to consultation and services with regard to any questions in conjunction with the association's tasks.

Membership permits exclusive participation in the study groups offered by AVK.

**Article 6 Members' duties**

1. The members are obliged to comply with the conditions of these statutes and act in accordance with the statutory decisions of the general assembly. They are to support the association in its efforts to meet its statutory obligations. Members are not allowed to contravene any measures initiated by the board in conjunction with its statutory power.
2. Members are obligated to pay their membership fees in accordance with the table of contributions.
3. Inasfar as the AVK board specifies certain quality requirements regarding the manufacturing and processing of certain products, especially in conjunction with the manufacture and/or processing of so-called 'characterized and monitored moulding compounds', the concerned manufacturers and/or processors involved who would like to use the pertinent quality conformance certificate are to sign a monitoring contract with a supervisory agency accredited by the association; they are obliged to continue this agreement as long as they use the conformance certificate. The board will set down documented procedures to define all details regarding the conformance certificate as well as the pertinent monitoring contracts.

**Article 7 Termination of the membership**

1. Membership ends with the member's resignation. Termination of membership must be declared at least six months before the end of a given financial year by serving a written notice of termination upon the AVK management by certified letter. Parties discontinuing their membership are still obliged to pay membership fees for the entire year in which membership was terminated.
2. Besides, membership is terminated in the event of liquidation or insolvency of the member company in question or in case of death of a natural person, insofar as this individual is a member of the association.
3. In addition, membership is terminated by expulsion if a member is culpable of gross negligence in violating the obligations toward the association, or if the member fails to pay membership fees despite receiving two requests for payment. The expulsion decision is up to the board. Objections may be raised in writing against this judgment within a period of 4 weeks after the announcement. The appeal is to be addressed to the board. If the board confirms its decision, then the appeal is to be referred to the association's next general assembly for a final decision. In this case, the member in question is still liable for membership contribution payments until a final decision is reached by the general assembly. Based on a majority of votes among attendees and those having sent a representative, the general assembly then

arrives at a binding decision regarding the expulsion. Once excluded, members are no longer entitled to vote.

4. Parties resigning from their membership are not entitled to any refunds of membership fees paid nor any other reimbursements; neither do they have any claims to a percentage share of the net assets of the association.

### ***Article 8 Organs of the association***

The organs of the association are:

- a) the general assembly,
- b) the board,
- c) the management.

### ***Article 9 The general assembly***

1. The general assembly of the association consists of members respectively their deputies. Full members, extraordinary members and scientific institutes have a vote each. Transfer of votes is possible, although any given deputy may only hold up to 10 votes. Honorary members and corporate members have only advisory votes.
2. The general assembly decides about all fundamental issues in conjunction with the association, at least insofar as these are not already the board's or the management's responsibility. In particular, the general assembly is responsible for:
  - a) electing the board of directors,
  - b) receiving and approving the annual reports,
  - c) receiving the annual statement of accounts,
  - d) exonerating the board,
  - e) accepting the budget estimate submitted by the board,
  - f) setting up a table of contributions,
  - g) selecting the auditors,
  - h) changing these statutes,
  - i) altering the purpose of the association
  - k) making decisions about a possible disincorporation of the association and the utilization of its assets.
3. The general assembly is convened:
  - a) regularly once during each financial year (meeting of full members),
  - b) according to the board's decision (extraordinary meeting),
  - c) upon a substantiated motion justified in writing and submitted by ten percent of all members that are entitled to vote.

4. The board chairman or his deputy, by simple letter, sends out written invitations to the general assemblies, including the agenda. These invitations are to be sent at least two weeks prior to the date of the general meeting at the latest.
5. Decisions and votes may only concern the issues listed on the agenda. The general assembly constitutes a quorum if it is duly convened and at least 10 % of all members that are entitled to vote are either personally present or have sent a representative.

If the general assembly fails to attain the required quorum, then the board chairman or his representative are obliged to immediately convene a new meeting addressing the same issues. Written invitations for this meeting have to be sent at least two weeks before the date of this meeting which, by definition, constitutes a quorum. This should be pointed out explicitly in the invitation to the new meeting.

6. The general assembly can make decisions based on a majority of votes among attendees and those having sent a representative, unless a 2/3 majority is needed for a particular decision in accordance with paragraph Article 9 sub 7.
7. Decisions regarding amendment of the articles of the association, changing the purpose of the association, updating the table of contributions and/or potential dissolution of the association and the utilization of its assets require a 2/3 majority of votes among attendees and those having sent a representative in order to be effective.
8. The events at each general meeting and the decisions made by the assembly are to be laid down in a protocol to be signed directly by the chairman of the meeting, his deputy, and the managing director. Presiding at the meeting is the acting chairman of the board or – in his absence - his deputy. Exceptions are elections of the board of directors, requests for exoneration of the board, or claims being raised against board members. In these cases the chairman of the meeting will be elected by the general assembly.

### ***Article 10 The board***

1. The board consists of up to five (always an uneven number) secretly elected full members resp. extraordinary members or scientific members of the general assembly who are appointed for a period of three financial years. The majority of the board must be composed of full and extraordinary members. The board may coopt up to three persons.
2. The full and extraordinary board members must be owners, board members, managing directors, or top executives of a full member company. Their board membership and their voting rights as board members expire if and when the member company no longer offers this function or if the persons in question leave the member company they

belonged to at the time of the board election. If a person belongs to a member company at the time of the election to the Board but then leaves that company, they continue to be a Board member until the next election. This is on the condition that they continue to hold an appropriate function in a regular or associate member company. However, a person can only continue as a Board member if there is ... if there is no conflict of interest between their company's AVK membership and membership in other industry associations. This question must be decided by the other Board members.

3. Board members remain in office up until their successors' entry.
4. From their midst, the board members elect the chairman and the second deputy.
5. The chairman of the board and his two deputies constitute the board of directors according to section 26 of the German Civil Code (BGB). Two of them represent the association at law as well as out of court.
6. The board heads the association and appoints the management. The board is subject to the decisions made by the general assembly.
7. At the request of two board members, the chairman – or, if he is prevented, one of his deputies – must convene a board meeting.
8. The board constitutes a quorum if more than half of its members are personally in attendance. Board members may not appoint any stand-ins for board meetings. The board makes its decisions by a simple majority vote among all attendants. Board members have one vote each. At a parity of votes, the chairman of the board tips the scales with a second vote.
9. In order to perform certain tasks, the board may appoint permanent committees or – if needed – panels for particular objectives.
10. Members of the board serve the association on a voluntary basis. The association is permitted to provide reasonable compensation to members of the board for their time and work. From the financial year 2015, the level of compensation will be determined by resolution of the annual general meeting of members.

### ***Article 11 The management***

1. The management is responsible for the implementation of the decisions made by all groups and subdivisions as well as the realization of current operations. The management is accountable to the board and bound by the board's instructions. It is entitled to dispose of the funds mentioned in the approved budget as intended.
2. The management attends the meetings of all groups and subdivisions without a vote. The management is responsible for drawing up the protocols. These are considered to be approved unless objections are submitted to the management within 4 weeks after the sending date.

The board - in the absence of the management – may also discuss and decide managing issues.

3. Absolute neutrality is vital. Besides, the management is under obligation to observe absolute confidentiality regarding all matters that may transpire in conjunction with official business.

### ***Article 12 Subdivision***

The association may appoint committees, working groups, and study groups to perform certain tasks.

### ***Article 13 Data privacy***

The association has taken sufficient technical and organisational precautions to ensure data privacy as stipulated by the General Data Protection Regulation. The latest version of the current privacy policy is available on the AVK website.

### ***Article 14 Anti-trust legislation***

Whenever members take part in an AVK study group, they expressly agree that they shall be subject to the AVK Anti-Trust Guidelines for Collaboration in their latest version.

### ***Article 15 Utilization of the net assets of the association***

If the association is disincorporated or its objectives become obsolete, then the net assets that are left after discharging all liabilities are not to be paid to the members. These assets may be used exclusively in accordance with the association's objectives upon decision in accordance with Article 9 sub 2.k of these statutes. Before acting upon any decisions regarding the allocation of these funds, the local tax office must be heard to make sure that this office has no objections.

### ***Article 16 Authorization***

In accordance with section 26 of the German Civil Code (BGB), the board is entitled to carry out at its own discretion any formal or editorial amendment of statutes as required by the judge in charge at the local district court.

15 November 2018