



**EUROPEAN ORGANIZATION
OF
COSMETIC INGREDIENTS INDUSTRIES AND SERVICES**



BY-LAWS



TITLE I - PURPOSE – NAME - REGISTERED OFFICE – DURATION

Article 1

An association, governed by the law of July 1, 1901 and these by-laws, is formed between legal entities and individual persons who adhere or will adhere to the present by-laws, which is called:

UNITIS
European Organization
of Cosmetic Ingredients Industries and Services

Article 2

The Association shall have an unlimited duration.

Article 3

The registered office of the Association is:

24, rue Marbeuf
F - 75008 PARIS

It may be transferred to any other place on French territory pursuant to a decision of the Board of directors.

The operational offices of the Association are located:

24, rue Marbeuf
F - 75008 PARIS

Article 4

The purpose of this Association is:

The promotion and defence of the European cosmetic ingredient industry grouping together the manufacturers, the test companies and the services providers, and in particular:

- The study of all questions relating to the cosmetic ingredient industry.
- The elaboration of collective solutions relating to questions of general interest.
- The representation of the member associations with national or supranational organisations inside and outside of the European Union, official or competent professional, in all circumstances where common action will be deemed necessary.
- The aid according to its means to national or supra national authorities, inside and outside of the European Union at the time of the elaboration of regulations that may have an influence on the industry it represents.
- Recommendations made to the national associations.
- The collection, exchange and circulation to all levels of the cosmetic sector and to the public of any information necessary to achieve its purpose.
- The enhancement of the quality of the image of the industry it represents.
- The participation in congresses, exhibitions and all other events in relation with its purpose.

TITLE II - COMPOSITION OF THE ASSOCIATION – MEMBERS – **ADMISSION – STRIKING OFF**

Article 5

The Association is composed of:

- (I) legal entities – Incumbent members – that are legally incorporated in the form of commercial companies whose principal activity concerns:
- complete or partial manufacturing,
 - subcontracting,
 - analysis, evaluation, research and development,
 - marketing and distribution,
 - formation/training/education, consultancy and assistance,

and more generally all companies involved in the industry of the cosmetic ingredients.

Within the framework of international companies, a subsidiary of a company could not be member of the association if the headquarters have themselves an activity related to the industry of cosmetic ingredients and did not adhere, except if this subsidiary company has an activity of production.

- (II) individual persons - Honorary members - also involved or having been involved in the industry of the cosmetic ingredients.

Under its statutory representation in the Association, each legal entity will have only one permanent representative, hereafter called Delegate, which will have to justify of the authority for this purpose, emanating from the legal entity member of the association.

Each permanent representative will be able to appoint his substitute by written or electronic notification to the Chairman of the association.

There are two categories of members, the Incumbent members (I) and the Honorary members (II).

Incumbent members

The Incumbent members are divided in three subcategories:

- a) the Founding members, whose names are mentioned hereafter, are the legal entities having taken part in the creation of the association and whose registered office is established in the European Union.

- b) the Active members are the legal entities having their registered office located in a European Union or Council of Europe country, legally incorporated according to the laws and customs of their country of origin which, meeting the conditions mentioned in paragraph 1, have presented a request for adhesion in due form and whose candidature was accepted by the Board of directors.

The adhesion of new Active members is also subordinated to acceptance, by them, of the by-laws of the Association and its rules of procedure. They will be indebted of an annual contribution as fixed by the general assembly in accordance with the applicable rules under the terms of Article 10 hereafter.

- c) the Corresponding members are the legal entities having their registered office located in a country out of the European Union or the Council of Europe, legally incorporated according to the laws and customs of their country of origin which, meeting the conditions mentioned in paragraph 1, have presented a request for adhesion in due form and whose candidature was accepted by the Board of directors.

The adhesion of new Corresponding members is also subordinated to acceptance, by them, of the by-laws of the Association and its rules of procedure. They will be indebted of an annual contribution as fixed by the general assembly in accordance with the applicable rules under the terms of Article 10 hereafter.

(III) Honorary Members

The title of Honorary member can be decreed by the Board of directors to the individual persons who render or rendered services to the Association. This title confers to the people who obtained it, the right to take part in the general assembly, without voting rights and without having to pay a contribution.

Article 6

To be a part of the Association, it is necessary, with the exception of the Founding members, to have been approved by the Association's Board of directors, according to the Board of directors' usual conditions of quorum and majority, the latter taking its decision at each of its meetings on the requests for membership that have been presented.

The Active members hold all the rights provided for herein within the Association.

The Corresponding members have the same rights, with the exception of the voting right at general Meetings, of the right of eligibility at the Board of directors, as well as the right to attend working groups' meetings, except specific and particular invitation.

Article 7

Any legal entity wishing to become a member of the Association, either as an active member or as a corresponding member, must send a written application to the Chairman of the Board of directors under the sponsorship of two members of the association.

In case the two sponsors are not Founding members, they have had to be members of the association for at least two years.

Every application must be accompanied by the translation into English or French of the by-laws of the company and testify its official registration.

The application is added to the agenda of the next meeting of the Board, which is responsible, after taking its decision, of communicating it to the applicants concerned.

In the event of the rejection of the membership application, the reasons behind the rejection do not have to be communicated, unless the Board of directors considers that it is of interest to do so.

Article 8

The capacity of member is lost through the resignation, exclusion or disappearance of the member's corporate status:

1. Any Active or Corresponding member may withdraw from the Association at any time, after advising the Chairman of the Association's Board of directors by registered letter with acknowledgement of receipt.

The resignation of one of the Association's members shall become effective only at the end of the year during which the resignation is announced, if the resignation is confirmed during the 1st six-month period, and at the end of the 1st six-month period of the following year if the resignation is announced during the 2nd six-month period. The date of reference for the fixing of this provision is the date of reception of the registered letter announcing the resignation.

This resignation does not exempt the future ex-member of the payment of his dues for the period ranging between the date of resignation and its effective exit of the organization.

2. The exclusion of one of the members of the Association may occur at the request of the Board of directors, pursuant to a decision of an extraordinary general Meeting according to the conditions of convocation, period, quorum and voting mentioned in Article 23 of these by-laws, the member concerned having first been invited by registered letter to appear at the Board of directors to provide explanations during proceedings in the presence of both sides.

In the particular case of non-payment of the contribution, the participation in the life of Association will be suspended one month after the forwarding of a formal demand, by registered letter, to pay the owed sums, in waiting of a decision of the Board of directors.

3. The disappearance of the corporate status of one of the members shall result automatically in the loss of the status as member. This situation shall be recorded by the next general Meeting.

Article 9

Any member of the Association commits himself to respect the confidentiality of exchanged information, as well within the framework of the general assemblies as of the Board of directors, and not placing at the disposal of an unspecified third person, by some means as it is, the contents of this confidential information. Moreover, the members individually commit themselves not commenting on the decisions and options retained by the Association in terms having for objective or effect to weaken their impact on third parties.

TITLE III – THE ASSOCIATION’S RESOURCES

Article 10

The Association’s resources are composed of:

- dues from the legal entities being Founding members,
- dues from the legal entities being Active members,
- dues from the legal entities being Corresponding members.

The amount of each member’s dues is fixed every year by the ordinary general Meeting of the Association, upon the Board of directors’ proposal, such Board of directors being responsible for proposing amongst other to the general Meeting the amount of the dues fixed by category of member.

The dues are fixed on the basis of sales turnover net of tax carried out in the cosmetic field by members companies.

The scale of the dues of the Founding members will be the subject of a rebate compared to that of the Active members.

A fixed admission fee to be worth on the duties of the first exercise of membership will have to be paid as of acceptance of adhesion by the Board of directors, adhesion becoming effective only under this condition. Its amount will be also fixed by the general assembly on a proposal from the Board of directors.

The Association’s resources are composed in addition of subsidies that may be awarded to it and earnings from the securities and real estate that it might own.

TITLE IV – BOARD OF DIRECTORS AND EXECUTIVE COMMITTEE

Article 11

The Association is administered by a Board of directors from 8 to 16 Founding and Active members.

The Directors are elected for 3 years and may be re-elected at the end of their term of office.

The appointment of the Directors is the prerogative of the ordinary general Meeting of the Association which takes its decision according to the conditions of convocation, period, quorum and voting mentioned in Articles 17 and 20.

The members of the Board of directors cannot receive any remuneration because of the functions which are entrusted to them. Reimbursements of expenses are only possible, on presentation of written proof.

The Board is responsible for the administration and management of the Association. It executes the decisions taken by the general Meeting, or ensures they are executed.

It meets at least twice a year and may meet more often on request of the majority of the directors or in an emergency at the initiative of the elected Chairman.

The presence of at least half of the numbers of directors is necessary for the validity of the deliberations, but the Board decisions are taken by the relative majority of the votes expressed.

The Members of the Board of directors can be represented by another member of the Board while giving him a proxy.

In the event of a vacancy, the Board may provisionally co-opt by a relative majority a replacement of its members. The co-optation of these members must be ratified by the next general Meeting.

The powers of such elected members end at the time the term of office of the replaced members normally expires.

The secretary general will be present at Board of directors' meetings without participating in the voting.

It is held an official report of the meetings. The official reports are signed by the president and the secretary. They are written without space, nor erasures, on pages numbered and preserved by the Association.

Article 12

The Board of directors elects among its members an Executive Committee composed of a Chairman, a Secretary, a Treasurer and, possibly one or two Deputy Chairmen, for the duration of their term of office as a director.

The members of the Executive Committee are elected by priority among the directors representing the Founding members then among the directors representing the Active members having adhered for at least two years.

The Executive Committee has in charge, by delegation of the Board of directors, the operational management and animation of the Association.

It meets, in a formal or informal way, as often as necessary for the achievement of its mission.

It is assisted in a permanent way by the Secretariat general.

TITLE V – WORKING GROUPS

Article 13

The Board of directors has the option of creating permanent or punctual working groups in the Association which are operational.

The Board is given full freedom as to the choice of the persons composing these working groups and as to the composition and functioning of these working groups, it being specified that any representative of a member company may be a member of the working groups.

The working groups are advisory bodies placed under the Board of directors' authority.

TITLE VI – SECRETARIAT GENERAL

Article 14

The Board of directors designates a Secretariat General which will be responsible for the organisation and management of the Secretariat General of the Association, and which will act according to the instructions of the Board of directors.

It assumes the daily management of the Association for which it is responsible in respect of the Board of directors, which fixes its powers.

It assists the Chairman and the members of the Executive Committee, as well as the members of the Board of directors when those are implied operationally in the strategic action on behalf of the Association.

TITLE VII - CHAIRMANSHIP

Article 15

The Chairman and the Deputy Chairmen of the Association are elected by the Board of directors. The Board of directors is elected by the ordinary general Meeting of the members.

The Chairman represents actively and operationally the Association, particularly with the public authorities, administrative authorities and any public or private body.

According to the topics he will be, each time it is useful or necessary, assisted by or delegating to a deputy chairman, members of the Board, Secretary General, representative members of working groups, or representatives of companies having necessary competences.

He convenes and chairs the general Meetings and Board meetings.

He is authorised to accomplish any administrative or judicial formality whatsoever in the name of the Association for whatever is necessary in the Association's existence.

In the event of equality of vote, the President has a casting vote in the Board of directors and the General assembly.

The Chairman of the Association may delegate his powers for a specific purpose to a Deputy Chairman or a member of the Board of directors.

In the event of a vacancy in the chairmanship of the Association for any reason whatsoever or an impediment observed by the Board of directors, the duties of the Chairman will be exercised by a Deputy Chairman until the next ordinary general Meeting following such vacancy or impediment.

TITLE VIII - GENERAL MEETING

Article 16

The General Meeting is the deciding structure of the Association,

The general Meetings, both ordinary and extraordinary, are composed of delegates of Founding, Active and Corresponding members of the Association up to date of their dues.

Each of the Corresponding members of the Association is entitled to one delegate who may attend general Meetings, but without having a voting right.

Article 17

The general Meetings, both ordinary and extraordinary, are convened by the Board of directors at its initiative.

They meet on the day, at the time and in the place indicated in the convocation sent by the Board of directors to each of its members.

If the techniques allow it, the participation of the delegates in the general Meetings could be done by any available technical system of videoconference type.

Meetings are convened at least 15 days in advance by letter sent to each of the members indicating the purpose of the convocation.

The agenda is established by the Board of directors.

The general Meeting is chaired by the Chairman of the Board of directors or, failing this, by a Deputy Chairman.

In the event of the unavailability of these people, the general Meeting is chaired by a member of the Board of directors, having been designated in advance for this purpose, the delegation having then to be signed by the Chairman or a Deputy Chairman and recorded during the meeting as documentary proof.

In order to determine the number of persons present, an attendance sheet is drawn up by the General Secretariat, which must be signed by all the members of the general Meeting on entering the session.

Article 18

Each delegate at the general Meeting has one vote.

However, a delegate may have two additional votes (maximum) with procuration given to him by members unable to attend the meeting.

The total of the possible votes by member present at the meeting is therefore a maximum of three votes for each of the resolutions proposed to the vote of the meeting.

No one may represent a delegate if he is not himself a delegate.

Article 19

The ordinary general Meeting meets at least once per year on a date fixed by the Board.

During this ordinary annual general Meeting, the Chairman and the Treasurer or any qualified person of their choice present respectively a report on the Association's activities and a financial report on the management of the preceding calendar year.

The accounts of the past year are approved and the budget of the following year is approved.

Article 20

For the ordinary general Meeting to be validly held it must be composed of at least one-third of the delegates entitled to attend and the decisions are taken by a majority of the votes of the delegates present or represented.

If this proportion is not reached, the general Meeting is convened a second time according to the above-mentioned conditions.

At the time of this second convocation, the general Meeting may deliberate validly whatever the number of delegates present or represented and these decisions are taken by a majority of the votes of the delegates present and, as the case may be, represented.

Article 21

The ordinary general Meeting also confirms the admission of new members who have been approved by the Board of directors.

Article 22

The extraordinary general Meeting is composed in the same way as the ordinary general Meeting.

It meets whenever the Board of directors considers it necessary and in any case when dealing with amendments to the Association's by-laws.

The extraordinary general Meeting also rules in the case of the Association's early dissolution, merger or union with an association of the same kind, having the same purpose.

The extraordinary general Meeting also rules for any decision to exclude a member of the Association upon the Board of directors' proposal.

Article 23

For the extraordinary general Meeting to be held validly, it must be composed of at least two-thirds of the delegates entitled to attend.

If this proportion is not reached, the general Meeting is convened a second time in accordance with the provisions referred to above.

At the time of this second convocation, the general Meeting may deliberate validly whatever the number of delegates present or represented.

The decisions of the extraordinary general Meeting, whatever the quorum, are taken by a three-quarters majority of the votes of the delegates present or represented.

Article 24

The decisions of the general Meeting, both ordinary and extraordinary, are recorded in minutes written up in a special register and signed by the Chairman of the meeting, and by two delegates present at the meeting.

TITLE IX - REGULATIONS

Article 25

Internal regulations may be established by the Board of directors, which then has them approved by the ordinary general Meeting by a qualified majority.

Any modification made to the internal regulations will be adopted by the ordinary general Meeting according to the same conditions.

These regulations, if any, are intended to define the various points provided for in the by-laws, particularly those concerning the internal administration of the Association, and they will be enforceable against all its members.

Therefore, all members of the Association must attest at the time of their adhesion they have been made aware of the internal regulations.

TITLE X - DISSOLUTION - LIQUIDATION

Article 26

The Association may be dissolved by a decision of an extraordinary general Meeting according to the conditions of convocation, period, quorum and voting mentioned in Article 23.

The extraordinary general Meeting also designates one or more liquidators who are responsible for carrying out the liquidation operations and the assets, if necessary, are transmitted in accordance with Article 9 of the law of July 1, 1901 and the decree of August 16, 1901.

TITLE XI - FINANCIAL YEAR

Article 27

The Association's financial year will start on January 1 and end on December 31 of a same calendar year.

As an exception to the foregoing, the Association's first financial year will start on October 1, 2002 and end on December 31, 2002.

TITLE XII - MISCELLANEOUS PROVISIONS

Article 28

These by-laws will enter into force only when they have been adopted by the constituent general Meeting of the Association.

The Chairman shall accomplish the declaration and publication formalities required by the law.

Full powers are granted to him for this purpose.

Article 29

These by-laws are subject to French law.

The French language is the language of the contract of association.

The languages of communication between the members of the Association are English and French.

These by-laws have been adopted in a general Meeting held at Paris on September 17, 2002 under the chairmanship of Mr Jean-Pierre BARRERE.