



Schweizerischer Kosmetik-
und Waschmittelverband

Association suisse des cosmétiques
et des détergents

The Swiss Cosmetic
and Detergent Association

Articles of Incorporation

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Art. 1 Name and domicile

Under the name

Schweizerischer Kosmetik- und Waschmittelverband SKW

Association suisse des cosmétiques et des détergents CDS

The Swiss Cosmetic and Detergent Association SCD

an association registered in the commercial register is herewith established pursuant to Art. 60 ff. of the Swiss Civil Code. The domicile of the Association is Zurich.

Art. 2 Purpose

The purpose of the Association is to protect and promote the common interests of the cosmetic and detergent industries and their individual sectors, in particular by:

- a) representing them in dealings with the authorities, official bodies, commercial associations, consumer organisations and the media;
- b) acting on their behalf as a collective member of international industry associations;
- c) promoting contact among the members.

The Association shall operate on a not-for-profit basis.

Art. 3 Duration

The Association shall be established for an unlimited duration.

Art. 4 Fiscal Year

The fiscal year corresponds to the calendar year.

Art. 5 Membership

Members of the Association must be registered in the commercial register and be involved in the research, development, production or sale of cosmetic products, detergents and cleaning agents or related products.

Art. 6 Admission of new members

1. New members shall be admitted by resolution of the Managing Board on the basis of a written application.
2. The Managing Board reserves the right to reject applications without giving reasons for its decision.

3. New members admitted in the first half of the calendar year shall pay the full annual fees determined by the General Assembly. Those admitted in the second half of the year shall pay half the annual fees.

Art. 7 Membership fees

1. The General Assembly shall determine the appropriate membership fees annually, on the basis of the respective member's domestic turnover in the cosmetic, detergent and cleaning agent sectors. These may be divided into different fee categories.
2. The General Assembly may fix membership fees on the basis of costs assigned to each sector.
3. The General Assembly may impose exceptional fees for special services.

Art. 8 Withdrawal of Members

Membership shall be withdrawn if

- a) a member gives at least three months' written notice of withdrawal at the end of the calendar year;
- b) a member no longer fulfils a requirement of membership laid down in the Articles of Incorporation.

Art. 9 Expulsion of Members

The Managing Board shall be authorised to expel members who infringe the Articles of Incorporation of the Association or contravene the Association's resolutions. An expelled member may, within thirty days of its expulsion, lodge an appeal with the Association President, to be considered at the next General Assembly. The decision of the General Assembly shall be final and reasons need not be given.

Art. 10 Effect of withdrawal and expulsion

1. Members who withdraw or are expelled from the Association shall have no entitlement to any assets of the Association.
2. Loss of membership does not release members from their obligations to the Association.

Art. 11 Liability

Any assets of the Association bear sole liability for the obligations of the Association. The members and bodies of the Association bear no personal liability whatsoever.

Art. 12 Bodies of the Association

The bodies of the Association are:

- a) the General Assembly
- b) the Managing Board
- c) the Administration
- d) the Audit Body.

Art. 13 General Assembly

1. The General Assembly is the supreme body of the Association. It is normally held during the first half of the fiscal year.

If necessary, the Managing Board, the President or the Audit Body may arrange for additional General Assemblies to be convened. Such a meeting may also be called if one-tenth of all members submit an appropriate written request with details of the items for discussion.
2. The convening of all General Assemblies must, as a rule, be communicated in writing to all members, together with details of the agenda, ten days before the meeting date. In urgent cases, this period may be reduced to a minimum of five days.
3. The General Assembly has the following non-transferable powers:
 - a) Drafting and amending the Articles of Incorporation;
 - b) Electing the President, Managing Board, Managing Board Committee and Audit Body;
 - c) Approval of the annual report;
 - d) Approval of the annual accounts;
 - e) Taking decisions concerning the formal approval of the actions of the Managing Board and chief accountant;
 - f) Fixing membership fees;
 - g) Dissolving the Association.
4. Each member has at least one vote. Members who achieve turnover in Switzerland of between CHF 50 and 100 million through cosmetic products, detergents and cleaning agents or related products shall have two votes and those achieving turnover greater than CHF 100 million through the aforementioned products shall have three votes.

If unable to attend, a member may be represented by another member in possession of written authority. However, no member may represent more than two members in total (itself and one other).

5. As a rule, votes and elections shall be open. They shall be held in secret if requested by one-fifth of votes present or represented. General Assembly decisions and elections require an absolute majority of the votes cast, unless otherwise provided for by the law or the Articles of Incorporation.
6. The discussions and decisions of the General Assembly shall be recorded in minutes to be sent to all members. Any objections to the wording of the minutes must be submitted in writing to the Administration within 14 days; otherwise, the minutes will be considered approved.

Art. 14 Managing Board

1. The Managing Board is the body that runs the Association. It takes all decisions that are not the responsibility of the General Assembly or Audit Body. In particular, it has the following duties and powers:
 - a) Implementing the resolutions of the General Assembly;
 - b) Taking all necessary measures to ensure that the purposes of the Association are achieved;
 - c) Admitting new members;
 - d) Electing the Director and drawing up his list of duties;
 - e) Arranging authorised signatories.
2. The Managing Board shall comprise the President and at least ten members, who must occupy management positions in a member company.
Their mandate is personal.
3. Members of the Managing Board shall be elected for a renewable three-year term.
The President shall be elected annually.
4. The Managing Board shall meet as often as required by the business agenda, but at least twice a year. It shall also meet if requested by three or more of its members.
Meetings shall be convened by or on behalf of the President.
5. Each member of the Managing Board shall have one vote. Representation shall not be permitted. All votes shall be open. Decisions shall be taken with an absolute majority of votes cast. In the event of a tie, the President's vote shall count double.
6. The discussions and decisions of the Managing Board shall be recorded in minutes to be sent to all Board members. Any objections to the minutes shall be dealt with in accordance with Art. 13 Sect. 6.

7. The Managing Board shall be authorised to delegate part of its duties and powers to a Committee, to be elected from its members by the General Assembly and chaired by the President.

Art. 15 Circular resolutions

1. In urgent cases, the President, for the Managing Board, or the Managing Board, for the Association members, may organize written circular resolutions, which shall be equivalent to a resolution of the Managing Board or General Assembly, respectively.
2. Circular resolutions, based on precisely worded proposals, if necessary with an appended commentary, shall take the form of a ballot paper, which can be completed with a "yes" or "no" response and must be posted before a deadline set by the Board of Directors. Only responses completed correctly and posted on time shall count as valid votes and be taken into consideration in the calculation of an absolute majority. Failure to respond shall count as abstention.

Art. 16 Administration

The Administration shall look after the day-to-day business of the Association.

It shall be managed by the Director, in accordance with the instructions of the Managing Board and its Committee.

Art. 17 Audit Body

1. The General Assembly shall elect two Association members to act as the Audit Body and one member as substitute, each for a three-year term. Alternatively, it may appoint an auditing company to act as the Audit Body.
2. The Audit Body shall check the annual accounts and report back to the General Assembly.

Art. 18 Amendments of Articles of Incorporation

Resolutions to amend these Articles of Incorporation shall require a majority of two-thirds of the votes present or represented at the General Assembly.

Art. 19 Dissolution of the Association

1. The Association may only be dissolved at a General Assembly called specifically for this purpose. Such a General Assembly shall only be quorate if at least three-quarters of all members are present or represented and at least three-quarters of their votes approve the motion for the Association to be dissolved.

Should the required quorum not be reached, a further General Assembly shall be convened within one month. Provided a three-quarters majority agrees to the dissolution, the number of members present or represented shall be irrelevant.

2. The General Assembly shall decide how to utilize any assets that may exist when the Association is dissolved.

These Articles of Incorporation were approved by the General Assembly on May 3, 2001.

Rolf Münch
President

Dr. Kurt Gehri
Director