

S T A T U T E S
OF THE
GDYNIA COTTON ASSOCIATION

(consolidated text)

Gdynia 2018

**The Statutes were endorsed with the resolution of the 60th Ordinary General Assembly
of members of the Gdynia Cotton Association held on 24 May 2001, in Jurata,**

with amendments approved by

**the 62nd Ordinary General Assembly of members on 23 May 2003, in Gdynia,
the 66th Ordinary General Assembly of members on 25 May 2007, in Gdańsk,
the 70th Ordinary General Assembly of members on 20 May 2011 in Gdynia,
the 72nd Ordinary General Assembly of members on 24 May 2013 in Sopot,
the 73rd Ordinary General Assembly of members on 30 May 2014 in Gdynia,
the 75th Ordinary General Assembly of members on 01 April 2016 in Gdynia,
the 77th Ordinary General Assembly of members on 25 May 2018 in Gdynia.**

S T A T U T E S
of the Corporation
named
GDYNIA COTTON ASSOCIATION

PART I
GENERAL PROVISIONS

Chapter I

*Business Name, Activities, Territory, Registered Office,
Legal Status and Representation*

§ 1

The name of the Corporation is "Izba Bawełny w Gdyni - Gdynia Cotton Association", hereinafter called "Association".

§ 2

The Association is an international corporation of domestic and foreign members founded in 1935 pursuant to the ordinance of the President of the Republic of Poland of 7 June 1927 – Industrial Law (OJ L No. 53/1927, item 468, as amended), acting further pursuant to the Act on autonomy of specific entrepreneurs, of 30 May, 1989 (OJ L. No. 35/1989, item 194, as amended), as well as on the basis of the present Statutes.

§ 3

The activities of the Association cover issues connected with cotton turnover and processing of cotton, cotton-like raw materials as well as finished and semi-finished products made thereof.

§ 4

The Association operates on the territory of the Republic of Poland. The Association may also carry on activities on the territories of other countries in which its members have their registered offices, or carry out business activity.

§ 5

The Association has its seat in Gdynia.

§ 6

The Association is a legal entity. It has the right to purchase and to sell property, as well as to enter into any obligations; it may sue in Courts and be sued.

§ 7

The Association shall use the following seals:

- 1) round – with the adapted open cotton boll in the centre and the inscription in the rim "Izba Bawełny w Gdyni - Gdynia Cotton Association",
- 2) oblong – with the inscription "Izba Bawełny w Gdyni" and its address,
- 3) oblong with the inscription "Izba Bawełny w Gdyni - Gdynia Cotton Association"

§ 8

1. The Association shall be represented by the President or the Vice President of the Board of Directors or the Managing Director.
2. Statements of will in the scope of the substantive rights and obligations of the Association shall be expressed by:
 - 1) the President or a Vice President of the Board together with the Managing Director, in the scope of the obligations resulting from the resolutions of the General Assembly and the Board of Directors,
 - 2) Managing Director or a person authorised by him/her, together with the Financial Manager, or with other person authorised by the Board of Directors, in the scope of obligations included in the Association's budget.

PART II
PARTICULAR PROVISIONS

Chapter II

Objectives of the Association

§ 9

The objectives of the Association shall be to undertake activities for realisation of the professional interests of its members, and as common interest of the members - to promote, support and to improve the turnover and the processing of cotton, cotton-like raw materials, as well as finished and semi-finished products made thereof.

§ 10

When carrying on its activity, the Association shall:

- 1) represent the interests of its members before the governmental authorities and other organisations,
- 2) approach the authorities and other organisations with initiatives in matters covered by the Statutes,
- 3) define and disseminate the principles of ethics and good practices in business relationships,
- 4) initiate and support activities for development of business in modern structural, technical and technological forms,
- 5) set up work to promote the techniques and economics of cotton turnover and of processing of cotton, cotton-like raw materials, as well as finished and semi-finished products made thereof,
- 6) initiate and carry on activities to lay down conditions and principles of contracts for buying-selling of cotton, cotton-like raw materials, as well as finished and semi-finished products made thereof,
- 7) establish a permanent Court of Arbitration, including arbitration on quality,
- 8) establish permanent and/or ad hoc Problem Committees,
- 9) organise and conduct training courses for experts,
- 10) establish and publish the value difference quotations, as well as publish other materials, and furnish information within the scope resulting from the provisions of the Statutes,
- 11) realises other tasks conferred on it at its motion or with its approval,

§ 11

1. The Association may accede as member to other corporations of similar aims, as well as to economic organisations; it may carry on the economic activity itself in Poland and abroad.
2. Decision defining the type and scope of business activity shall be made by the Board of Directors of the Gdynia Cotton Association.
3. The subject of the business activity of the Gdynia Cotton Association is, in particular:
 - 58.11.Z publishing of books,
 - 58.14.Z publishing of journals and periodicals,

58.19.Z	other publishing activities,
63.99.Z	other information service activities, n.e.c.,
64.99.Z	other financial services, n.e.c., except for insurance and pension funds,
66.19.Z	other activities supporting financial activities, except for insurance and pension funds,
68.20.Z	renting and managing of own and leased real estate,
71.20.B	other technical testing and analyses,
72.19.Z	research and development works in the field of other natural and technical sciences,
73.20.Z	market research and public opinion polling,
77.40.Z	leasing of intellectual property and similar products, except for copyrighted works,
82.30.Z	organisation of conventions and trade shows,
85.59.B	other education, n.e.c.,
85.60.Z	activities supportive to education,
94.11.Z	activities of business and employers membership organisations,
94.12.Z	activities of professional membership organisations.

Chapter III

Members, Their Rights and Duties

§ 12

The Association's membership includes ordinary, honorary and associated members.

§ 13

Legal entities and natural persons connected with cotton turnover or processing and testing of cotton, cotton-like raw materials, as well as finished and semi-finished products made thereof, shall be eligible as ordinary or associated members.

§ 14

1. Eligible as Honorary Members of the Association shall be natural persons who had remarkably contributed to the activities or development of the Association.
2. Honorary membership is conferred on such persons by the General Assembly's resolution and shall be for lifelong duration. An honorary member, unless he is simultaneously an ordinary member, shall not pay any annual subscription.
3. Honorary and Associated Members have the right to take part in the General Assembly meetings with an advisory voice.

§ 15

1. The application for membership should be made in writing and handed in to the Board of Directors of the Association.
2. The Board of Directors shall decide upon the admission of a member, subject to § 20 sec. 6.
3. Shall the application be not admitted, the Applicant has the right of appeal to the General Assembly, within three months of the receipt of the negative decision.

§ 16

1. Ordinary Members shall have the right:
 - 1) to avail themselves of the active and passive right of vote,
 - 2) to take part in all forms of the Association's activity,
 - 3) to show initiative in matters concerning the activities and development of the Association,
 - 4) to avail themselves of the facilities and help of the Association, according to principles settled by the Statutes.
2. Associated Members shall have the rights defined in sec. 1, pts. 2, 3 and 4-

§ 17

The duties of ordinary and associated members shall be:

- 1) to comply strictly with the provisions of the Statutes, regulations and Resolutions of the Association's authorities,
- 2) co-operate in realisation of the objectives and statutory tasks,
- 3) to pay the enrolment fees, and to pay in time the membership fee, subject to § 42 sec.3,
- 4) to take care of the good name of the Association, observe the principles of ethics and good practices in business.

§ 18

1. Ordinary and Associated members being legal entities shall act through their authorities of attorneys.
2. Members being natural persons shall act in person or through their attorneys.

§ 19

The membership shall cease by:

- 1) member's withdrawal,
- 2) deletion caused by the loss of the statutory required virtues of membership or the announcement of the member's bankruptcy,
- 3) deletion when the membership fee for the period of one year has not been paid, subject to § 42 sec. 3,
- 4) exclusion when the Statutes, rules and resolutions of the Association's authorities shall not be observed,
- 5) member's death.

§ 20

1. Withdrawal (§ 19 sec. 1) shall be effective when it is presented to the Board of Directors in writing.
2. The resolution about deletion (§ 19 sec. 2) shall be passed by the Board, after the Association acquires knowledge about the grounds thereof.
3. The resolution about deletion (§19 sec. 3) shall be passed by the Board after an ineffective summoning of the member to settle his duties.
4. The resolution about exclusion (§19 sec. 4) shall be passed by the Board after enabling the member to present an explanation that he regards important.
5. The member may bring an appeal against a resolution concerning deletion or exclusion to the General Assembly, within three months of the moment he took notice of such decision of the Board of Directors.

The decision of the General Assembly shall be final.

6. The Board of Directors may decide upon a readmission of a member whose membership expired, with the majority of 2/3 of votes.

If, however, the previous exclusion of a member took place by virtue of a resolution of the General Assembly, the readmission of the member shall fall within the scope of competence of the General Assembly.

§ 21

In the case of expiration of the membership:

- 1) the membership fee should be paid for the whole calendar year in which the membership expired,
- 2) a member shall have no claim to the Association's property, neither shall the fees and dues paid up be returned to him.

Chapter IV

Authorities

§ 22

1. Bodies of Authority of the Association are:

- 1) General Assembly,
 - 2) Board of Directors,
 - 3) Committee of Auditors.
2. Natural persons being the representatives of the Association's members may be elected to the Board of Directors and to the Committee of Auditors, subject to § 33 point 16.
3. Work in the authorities is based on honorary service, subject to § 33 point 16.

1. General Assembly

§ 23

The General Assembly is the highest authority of the Association. The General Assembly holds ordinary and extraordinary meetings.

§ 24

An ordinary meeting of the General Assembly should take place within six months after the end of every calendar year.

§ 25

1. An extraordinary meeting of the General Assembly shall be convoked:
 - 1) at the Board of Director's initiative,
 - 2) at a written, motivated request made by at least 1/5 of the total number of Ordinary Members of the Association,
 - 3) at a written request made by the Committee of Auditors.
2. An extraordinary meeting of the General Assembly should be convoked within one month of the date the request was submitted to the Board of Directors.
3. The resolutions made during an extraordinary meeting of the General Assembly shall be limited to such matters only for which it has been convoked.

§ 26

1. A General Assembly meeting is convoked by the Board of Directors.
2. Proper notifications shall be sent to all members by registered letters, three weeks in advance of the date fixed for the meeting. Such term shall be deemed maintained on the day of posting the letter.
3. The notification should contain the date, the place and the agenda of the General Assembly meeting, as well as the reservation resulting from § 30, section 2.

§ 27

Motions containing proposals as to an extension of the agenda of a General Assembly meeting should be posted by members by registered letters, not later than:

- 1) 14 days before the date of the meeting, as far as any matters specified in § 33, sections 7, 8, 9 and 14 are concerned,
- 2) 7 days before the date of the meeting, as far as other matters are concerned.

§ 28

1. At the General Assembly, every member of the Association may be represented by one representative.
2. Voting right at the General Assembly is exercised by ordinary members and each of them has one vote at the General Assembly.
3. Invited guests may take part in the General Assembly with an advisory voice.

§ 29

1. The General Assembly meeting shall be opened by the President of the Board of Directors of the Association or one of the Vice Presidents, or in the case of their absence - by the senior Board of Directors member.
2. The deliberations at the General Assembly meeting shall be conducted under the chairmanship of an ordinary member of the Association, elected in an open voting with a simple majority of votes.

§ 30

1. The presence of at least one-half of the ordinary members of the Association shall be required for the validity of resolutions to be passed by the General Assembly, except for § 48.
2. If, at the time fixed in the notification (§ 26) members should not appear in a number required under the above section 1, the General Assembly meeting shall commence in the second term, on the same day defined in the notification, after not less than 20 minutes after the time first defined, and its resolutions shall be valid irrespective of the number of those present. A reservation in this respect should be inserted in the notification (§ 26), under the rigour of nullity of the resolutions. Provisions of this sec. 2 shall not apply to matters specified in § 33, pt 7, 14, and 15 as well as in § 48, and also to amendments to the Statutes (§ 33 pt. 8) – in respect of matters under the articles and sections referred to above.

§ 31

1. Resolutions of the General Assembly shall be passed by the simple majority of votes. In case of equal number of votes, Chairman of the Assembly shall have the casting vote.
2. Resolutions concerning any matters specified in § 33 pts 7, 8, 14 and 15 shall require the majority of 3/4 of votes.
3. Should during the election of the Board of Directors the candidates obtain an equal number of votes, an additional voting shall be carried out for their election.

§ 32

1. Voting at the General Assembly meeting shall be open, unless at least one of the ordinary members of the Association, present at the Assembly, requests a secret voting.
2. An ordinary member of the Association, enjoying the voting right, shall be represented at the General Assembly by an individual constituting the member's authorities, or by an attorney. Relevant powers of attorney should be submitted in writing, prior to commencement of the deliberations of the General Assembly. It is permitted that one attorney represents no more than one other member - besides the member whose representative he/she is.

§ 33

The scope of competence of the General Assembly shall be:

- 1) to elect the Chairman of the General Assembly and to decide on the rules of proceedings;

- 2) to define the directions of the Association's activity;
- 3) to examine and approve reports on activity of the Association and annual financial statements, after they have been endorsed by the Committee of Auditors;
- 4) to pass resolutions about the way of distribution of the net profit or covering the loss;
- 5) to adopt or to reject the Board of Director's report;
- 6) to vote the budget;
- 7) to set the amounts of the enrolment fees and membership subscriptions;
- 8) to amend the Statutes;
- 9) to resolve the By-laws and Rules, as well as their modifications;
- 10) to elect the Board of Directors;
- 11) to elect the Committee of Auditors;
- 12) to examine motions submitted by the Board of Directors and individual members, as well as the appeals against the resolutions of the Board;
- 13) to confer Honorary Membership, at the Board of Director's motion;
- 14) to vote the winding-up and liquidation of the Association or its structural re-organisation.
- 15) to give or deny consent for establishing on the real estate a mortgage, acquisition or divestment of real estate, perpetual usufruct right or share in a real estate.
- 16) The General Assembly may also appoint the Association's director for the function of the executive vice president of the Board of Directors and revoke him/her from this function. The Executive Vice President – Director shall take part in the meetings of the Board of Directors and the Presidium of the Board of Directors. The Executive Vice President – Director, on the current basis, manages and carries on the Association's current works, its finance and material assets, supervises the employees and is fully responsible for adequate and concordant with law functioning of the Association.

§ 34

The minutes of the General Assembly meeting shall be drawn up by the Secretary appointed by the Chairman.

The minutes shall be signed by the Chairman and the Secretary.

2. Board of Directors

§ 35

1. The Board of Directors shall consist of 7 to 15 members.
2. The members of the Board of Directors shall be elected by the General Assembly, from among the candidates being the representatives of the ordinary members of the Gdynia Cotton Association, subject to § 33 point 16, whereas each member may propose one candidate only.
3. The term of office of the Board lasts two years.
4. The mandate of the Board member expires when:
 - 1) the membership of the company represented by the Board member ceases,
 - 2) the member resigns from this post,
 - 3) the Board member's employment in the member firm (or other similar relationship) is terminated, unless the firm prolongs the Board member mandate,
 - 4) death of the Board member.
5. The Board of Directors shall elect from among themselves the President and one or two Vice Presidents. The President of the Board shall be eligible to take this post for not longer than two consecutive terms of office.

§ 36

1. The Board of Directors' sessions shall be convoked by the President or Vice-President, as frequently as necessary. Furthermore, the Board of Directors' sessions should be convoked at a motivated request submitted by the Committee of Auditors, or by at least 3 members of the Board of Directors, within two weeks of the submission of such request. The session of the Board of Directors shall be presided by the President or other Board member appointed by the President.

In order to be valid, resolutions passed by the Board of Directors shall require the personal presence at the session of at least half the number of the Board members, subject to sec. 2, 3 and 4.

2. Resolutions shall be passed by the simple majority of votes, except for matters defined in § 37, sections 3, 4, and 11, which shall for their validity require the presence at the session, of at least of 2/3 of the number of the Board members and the majority of 2/3 of votes. In the case of an even number of votes, the voice of the Chairman of the session shall be casting.
3. In order to be valid, resolutions on matters referred to in § 48 shall require the presence at the session of at least 3/4 of the number of Board Members and the majority of 3/4 of votes.
4. Resolutions of the Board of Directors which are passed in writing shall be permitted. Such resolutions shall be valid if all Board members have been notified in writing of the intended contents of the resolutions. Provision of sec. 2 sentence 2 shall not apply. In the case of an even number of votes, the voice of the President of the Association shall be casting. Provision of this section shall not apply to matters specified under § 48.

§ 37

The scope of competence of the Board of Directors shall be:

- 1) to realise the resolutions of the General Assembly
- 2) to elect the President of the Board and the Presidium of the Board from among the Board members
- 3) to employ and dismiss the Managing Director of the Association and to settle the principles of his/her remuneration,
- 4) to submit to the General Assembly motions concerning amendments to the Statutes and the By-laws and Rules as well as the amounts of the enrolment fee and membership subscriptions.
- 5) to submit to the General Assembly reports on the Association's activity, annual financial statements and budget estimates for the next year,
- 6) to call into existence and to discontinue existence of Problem Committees, to appoint chairmen as well as to determine guidelines for activities thereof,
- 7) to fix the amounts of fees for the statutory services rendered by the Association,
- 8) to appoint arbitrators and experts,
- 9) to submit other motions to the General Assembly,
- 10) to convoke meetings of the General Assembly and fix their agendas,
- 11) to enter into financial obligations in the amount not exceeding 1/5 of the annual budget,
- 12) to grant the "Meritorious Person of the Gdynia Cotton Association" honorary award, at the motion of the Presidium of the Board,
- 13) to carry on other matters not stipulated to fall within the competence of the General Assembly.

§ 38

1. The President and Vice Presidents shall constitute the Presidium of the Board of Directors. The tasks of the members of the Presidium shall be allotted by the President of the Board.
2. The scope of competence of the Board's Presidium shall comprise, in particular:
 - 1) all matters reserved for the decision of the Board of Directors which require settlement in between the Board's sessions,
 - 2) matters ordered by the Board of Directors,
 - 3) supervising of the work of the structural units of the Association,
 - 4) settling the organising principles of bookkeeping and finances of the Association,

- 5) choosing a chartered auditor to examine the financial statements,
 - 6) all matters not reserved for the decision of the General Assembly and the Board of Directors,
3. Matters specified in sec.2 point 1) are to be endorsed by the Board.
 4. Sessions of the Presidium of the Board are convoked by the President or in the substitution thereof - by a Vice President. Resolutions of the Presidium shall be passed by the simple majority of votes. In the case of an equivalent number of votes, the vote of the Chairman of the session shall be casting. The resolutions of the Presidium of the Board shall be valid if at least 2 members of the Presidium are present. Persons invited by the Chairman as well as the Executive Vice President - Director may take part in the sessions of the Presidium.
 5. Passing of the Presidium's resolutions in writing or by the use of telecommunications means shall be permitted. A resolution shall be valid when all members of the Presidium of the Board have been notified in writing of the intended contents of the resolutions.

3. Committee of Auditors

§ 39

1. The Committee of Auditors shall consist of three persons elected by the General Assembly from among the ordinary members of the Association.
2. The Committee of Auditors shall exercise control over the statutory and financial activities of the Association, submit reports on their activity to the General Assembly and present motions of discharging or refusal to discharge the Board of Directors of their duties.
3. Members of the Committee of Auditors shall have the right to take part in the Board of Directors' sessions and the General Assembly meetings with an advisory voice.
4. The term of office of the Committee of Auditors lasts two years.
5. Provision of § 35, section 5 shall apply accordingly.

Chapter V

Managing Director

§ 40

1. The Director:
 - 1) shall be the Association's employee and shall represent the Association as an employer, in the employment matters,
 - 2) shall administer the property and manage the work of the Association's divisions in accordance with the Statutes, the Rules of the Association, and resolutions passed by the General Assembly, the Board of Directors and the Presidium of the Board,
 - 3) shall take part in the General Assembly meetings and the sessions of the Board of Directors, with an advisory voice, subject to § 33 point 16.
 - 4) shall submit to the Board of Directors reports on the Association's current activity,
 - 5) settles together with the President of the Board the matters concerning employment and the amount of salaries of the Association's staff.
2. A person who is an employee of the member institution either ordinary or associated (§ 13) shall not be eligible for the Director's office.
3. The amount of salary of the Director is settled by the President of the Board of the Association

Chapter VI

Property and Financing Sources

§ 41

1. The property of the Association consists of immovable and movable property, financial means, as well as of other substantive and non-substantive rights.
2. Activity of the Association is financed by:
 - 1) the enrolment fees and membership fees,
 - 2) proceeds from the Association's activity,
 - 3) proceeds from the Association's property,
 - 4) subsidies, donations, inheritances and legacies,
 - 5) proceeds from business activity carried out on the basis of other regulations.
3. Financial means acquired by the Association serve the realisation of its statutory objectives. These means as well as the whole property specified in sec. 1 may not be allocated for distribution among the members of the Association.

§ 42

1. Ordinary and Associated Members should pay the enrolment fee immediately after the resolution about the their enrolment among the Gdynia Cotton Association members is passed (§ 15 sec. 2 and sec. 3).
2. The membership fees shall be payable within three months of the date of the General Assembly meeting.
3. The Board of Directors may in exceptional and well grounded cases consider the motion of:
 - 1) an Ordinary Member for suspension of his payment of the membership fee for the period not longer than one year;
 - 2) an Associated Member for decreasing the amount of the membership fee of suspending thereof, for the period not longer than one year;

The Board of Directors shall pass the Resolution with the majority of 2/3 of votes.

§ 43

The amounts of fees other than those mentioned in § 42 shall be fixed by the Board of Directors.

§ 44

The Association shall administer its affairs on the basis of its budget approved by the General Assembly for each budget year, and until the time the budget for the current year is approved by the General Assembly, on the basis of a provisional budget approved by the Board of Directors.

§ 45

1. The Association's accounts shall be kept in accordance with the requirements of law.
2. The annual report on the activity of the Association, as well as the financial report for the fiscal year shall be signed by the President and Vice Presidents, as well as by the Association's Managing Director.

§ 46

The Association shall supply to its Members annual reports concerning its activities, as well as financial reports.

Chapter VII

Winding-up and Liquidation

§ 47

In the case when the legal basis of the functioning of the Association changes, same may be restructured without commencing of the liquidation procedure.

§ 48

1. The motion of winding-up of the Association may be submitted by an ordinary member of the Association and it shall be subject to consideration by the Board of Directors and then by the General Assembly, exclusively when it is well grounded with important reasons.
2. The General Assembly of the Members of the Gdynia Cotton Association shall consider the motion in the form of a resolution passed in the presence of 3/4 of the ordinary members of the Association with the qualified majority of 3/4 of votes cast at two consecutive meetings held in the interval of at least 8, and of the most 28 days.
3. Simultaneously, in the same manner of two consecutive sessions, the General Assembly attended by at least 3/4 of the ordinary members of the Association shall pass with the qualified majority of 3/4 of votes the resolution on the earmarking of the property which would remain after all the substantive claims against the Association are satisfied.

§ 49

The liquidation of the Association shall be carried out either by the Board of Directors or by a Liquidation Committee appointed for that purpose, depending on the decision of the General Assembly.

§ 50

The Board of Directors or the Liquidation Committee shall submit to the General Assembly reports on the progress of the liquidation and termination thereof.