



**S T A T U T E S**

**OF THE**  
**GDYNIA COTTON ASSOCIATION**

(consolidated text)

**Gdynia 2022**

**The Statutes were endorsed with the resolution of the 82<sup>nd</sup> Ordinary General Assembly of  
Members of the Gdynia Cotton Association held on 27 May 2022 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 referred to as the "Association".

§ 2

The Association is an international corporation of Polish and foreign members, founded in 1935 pursuant to the ordinance of the President of the Republic of Poland of 7 June 1927 – Industrial Law (JL No. 53/1927, item 468, as amended), continuing the activity pursuant to the Act on Autonomy of Specific Entrepreneurs of 30 May 1989 (JL No. 35, item 194, as amended) as well as on the basis of these Statutes.

§ 3

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

§ 4

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

§ 5

The Association has its registered office in Gdynia.

§ 6

The Association is a legal person. It has the right to purchase and to sell property, subject to § 43, 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 the Association address,
- 3) oblong with the inscription "Izba Bawełny w Gdyni - Gdynia Cotton Association"

§ 8

1. Statements of will shall be made on behalf of the Association by: the President of the Board of Directors together with a Vice President or with the Managing Director of the Association; or by a Vice President together with other Vice President, or a Vice President with the Managing Director of the Association.
2. The Board of Directors may appoint a Proxy. The Proxy shall made statements of will together with one of the individuals referred to under § 8 sec. 1.
3. The Board of Directors may grant powers of attorney for the purpose of realisation of legal actions.

**PART II**  
**PARTICULAR PROVISIONS**

**Chapter II**

*Objectives of the Association*

§ 9

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

§ 10

When carrying on its activity, the Association shall:

1. support activities for development of the textile-clothing industry and for laying down the legislation which would implement the objectives of sustainable development;
2. represent economic and social interests of its members before state authorities and administration, local government bodies, and other organisations;
3. in the scope of matters referring to the textile-clothing industry – approach the Association’s members, Polish government and Parliament, international institutions and organisations as well as economic-political federations of countries, including the European Union, with initiatives, opinions, assumptions, and drafts of legislative solutions;
4. define and disseminate the principles of ethics and good practices in business relationships;
5. initiate and support activities for development of business in the textile-clothing industry – in modern structural, commercial, technical and technological forms;
6. set up works to promote the techniques and economics of production, turnover and processing of cotton, cotton-like raw materials, and other textile raw materials as well as semi-finished and finished products made thereof;
7. initiate and carry activities to lay down conditions and principles of contracts for buying-selling of cotton, cotton-like raw materials, as well as semi-finished and finished products made thereof;
8. ensure functioning of the permanent Court of Arbitration, including arbitration on quality;
9. establish permanent and/or *ad hoc* Problem Committees;
10. organise and conduct training courses for cotton experts and other specialised training for industry staff;
11. collect, set out and publish information on:
  - global cotton production, processing, and trade,
  - cotton value differences quotations,
  - economic and social situation of national and international textile-clothing industry for the purpose of improvement of the Association members' professional skills as well as the industry prestige – commensurably to the role played by this industry in the economy;

12. realise other tasks conferred on the Association – at the Association motion, or with its approval.

#### § 11

1. The Association may accede as member to other corporations of similar objectives, as well as to economic organisations; it may carry its own economic activity 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 activities related to organisation of fairs, trade shows, and conventions,
  - 85.59.B other extra-scholar forms of education, n.e.c.,
  - 85.60.Z activities supportive to education,
  - 94.11.Z activities of business and employers' organisations,
  - 94.12.Z activities of professional organisations.

### **Chapter III**

#### *Members, Their Rights and Duties*

#### § 12

1. The Association's membership includes ordinary members, founder-members, honorary, and associated members.
2. Members' rights and duties are specified under § 17, 18, 19, and 29.

#### § 13

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

The ordinary or associated members may also be legal and natural persons carrying innovation and implementation business, publishing, training-educative, fair and exhibition activities related to textile-clothing industry.

#### § 14

The founder-members are ordinary members recognised by the Gdynia Cotton Association as legal successors of companies which were the founders of the Zrzeszenie Interesentów Handlu Bawełną w Gdyni (The Gdynia Cotton Association), the constitutive assembly of which was held on 26 March 1935.

§ 15

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. Honorary members, unless they are simultaneously ordinary members, shall pay no membership subscription.
3. Honorary and associated Members have the right to take part in the General Assembly meetings with an advisory voice.

§ 16

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 § 21 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.

§ 17

1. Ordinary Members shall have the right:
  - 1) to exercise their right to vote and right to stand for election,
  - 2) to take part in all forms of the Association's activity,
  - 3) to show initiative in matters concerning the business 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. Honorary and associated members shall have the rights defined under § 17 sec. 1, pts. 2, 3 and 4.

§ 18

1. 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) to co-operate in realisation of the Association's objectives and statutory tasks,
  - 3) to pay the enrolment fee, and to pay on time the membership fee, subject to § 44 sec.3,
  - 4) to take care of the good name of the Association, observe the principles of ethics and good practices in business.
2. Honorary members shall have the duties determined under § 18 sec. 1 pts. 1, 2, and 4.

§ 19

1. Ordinary members and associated members being legal persons shall act through their authorities or attorneys.
2. Ordinary members and associated members being natural persons shall act in person or through their attorneys.
3. Honorary members shall act in person.

§ 20

The membership shall cease in result of:

- 1) member's resignation,
- 2) deletion caused by the loss of the statutory required virtues of membership or by 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 § 44 sec. 3,
- 4) exclusion when the Statutes, rules, and resolutions of the Association's authorities are not observed, or when continuation of membership cannot be reconciled with the Association's objectives, or when it slights the Association's reputation.
- 5) member's death.

#### § 21

1. Resignation (§ 20 sec. 1) shall be effective when the member's statement in writing is presented to the Board of Directors.
2. The resolution on deletion (§ 20 sec. 2) shall be passed by the Board of Directors, after the Association acquires knowledge about the grounds thereof.
3. The resolution on deletion (§ 20 sec. 3) shall be passed by the Board of Directors after an ineffective summoning of the member to settle their dues.
4. The resolution on exclusion (§ 20 sec. 4) shall be passed by the Board of Directors after prior notifying the member of the commencement of the procedure and presentation of the grounds and letting the term for making an explanation.

Deletion/exclusion of a member shall enter into force on the day of passing the resolution by the Board of Directors and it shall remain valid until the General Assembly decides otherwise.

5. The member who was deleted or excluded from membership may, with intermediation of the Board of Directors, bring an appeal to the General Assembly, within three months of being notified of deletion or exclusion.

The decision of the General Assembly shall be final.

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

If the membership was terminated by a resolution of the General Assembly, the readmission of the member shall be decided by the General Assembly.

#### § 22

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 the member.

### **Chapter IV**

#### *Association's Authorities*

#### § 23

1. Bodies of Authority of the Association are:
  - 1) General Assembly,
  - 2) Board of Directors,
  - 3) Committee of Auditors,
  - 4) Convention of Honorary Members.
2. Individuals being the representatives of the Association's members may be elected as members of the Board of Directors and of the Committee of Auditors, subject to § 34 sec. 16.
3. Work in the bodies of authority is based on honorary service, subject to § 34 sec. 16.

## 1. General Assembly

### § 24

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

### § 25

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

### § 26

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 15% 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 of an extraordinary meeting of the General Assembly shall be limited to such matters only for which the meeting has been convoked.
4. The General Assembly meetings may be held remotely using means of electronic communication which enable distance communication, except for matters specified under § 50. The method of holding the General Assembly meetings shall be decided by the resolution of the Board of Directors.
5. Attendance of the General Assembly meeting referred to under § 26 sec. 4 shall, in particular, take place by means of:
  - 1) real time broadcast of deliberations of the General Assembly meeting;
  - 2) two way, real time communication during which the members may speak in the course of deliberations of the General Assembly meeting when they stay in a place other than the place of deliberations;
  - 3) exercising the right to vote – personally or through an attorney – prior to or in the course of the General Assembly meeting;
  - 4) securing a secret voting procedure by means of providing technical facilities enabling verification of the eligibility to vote and safe polling.
6. Requirements referring to means of electronic communication which enable distance communication, the way of carrying the General Assembly meeting, principles regarding taking the floor, participation in voting, and submission of formal motions shall be determined by the rules drafted by the Board of Directors.

### § 27

1. A General Assembly meeting is convoked by the Board of Directors.
2. Notifications convoking the General Assembly meeting 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. Instead of the form of a registered letter, the notification can have the form of an electronic mail message, if a member had granted the written consent and submitted the electronic mail address to which the notification should be sent.
3. The notification should contain the date, the place, and the agenda of the General Assembly meeting, as well as the reservation resulting from § 31 sec. 2.

§ 28

Motions containing proposals as to extension of the agenda of a General Assembly meeting should be posted by members by registered letters. Instead, such motions can be sent by electronic mail, not later than:

- 1) 14 days before the date of the meeting, as far as any matters specified under § 34, pts. 7, 8, 9, and 14 are concerned,
- 2) 7 days before the date of the meeting, as far as other matters are concerned.

§ 29

1. At the General Assembly meeting, every member of the Association may be represented by one representative.
2. Voting right at the General Assembly meeting shall be exercised by ordinary members, and each of them has one vote at the General Assembly meeting.
3. The Convention of Honorary Members has one vote at the General Assembly meeting.
4. The General Assembly meetings may be attended by Honorary Members, associated members and invited guests who have an advisory voice.

§ 30

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.

§ 31

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 meeting, subject to § 50.
2. If, at the time fixed in the notification (§ 27), members should not appear in a number required under § 31 sec. 1, the General Assembly meeting shall commence in the second term, on the same day as defined in the notification, after not less than 20 minutes following the time first defined, and its resolutions shall be valid irrespective of the number of those present. A reservation in this respect should be included in the notification (§ 27) – otherwise the resolutions being null and void. Provisions of this sec. 2 shall not apply to matters specified under § 34, pt. 7, 8, 14, and 15 as well as under § 50.
3. Provisions of § 31 sec. 1 and 2 shall apply accordingly to General Assembly meetings organised as remote meetings.

§ 32

1. Resolutions of the General Assembly shall be passed by the simple majority of votes. In the case of equal number of votes, Chairman of the Assembly shall have the casting vote.
2. Resolutions concerning any matters specified under § 34 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.

§ 33

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 meeting. It is permitted that one attorney represents no more than two ordinary members of the Association – in addition to the

ordinary member represented by that attorney who, as an individual, participates in authorities of this member organisation.

#### § 34

The scope of competence of the General Assembly shall be:

1. to elect the Chairman of the General Assembly meeting 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 on the way of distribution of the net profit or covering the loss;
5. to approve or to reject the Board of Directors' 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 modifications thereof;
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 appeals against the resolutions of the Board;
13. to confer Honorary Membership – at the Board of Directors' motion;
14. to vote the winding-up and liquidation of the Association or its structural re-organisation;
15. to grant or deny consent for establishing a mortgage on the real estate, acquisition or divestment of real estate, perpetual usufruct right or share in a real estate, subject to § 43 sec. 1 and § 50.
16. At the request of the Board of Directors of the new term of office, the General Assembly may also appoint and revoke the Association's Managing Director for the post of the Executive Vice President – Director.  
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 works, its finance and material assets, supervises the employees and is fully responsible for an adequate functioning of the Association in compliance with law.
17. At its own motion, or at the justified motion of the Board of Directors, the General Assembly may:
  - 1) revoke a Board of Directors member, in particular when such member:
    - a. does not observe the Statutes, rules, and resolutions of the Association's authorities;
    - b. acts to the Association's detriment;
    - c. avoids taking part in the Board of Directors works, or if during the period longer than 6 months, due to other unjustified reasons, does not fulfil the duties in the Board which the member was conferred on.
  - 2) supplement the composition of Board Members in the case when their number decreased in the course of the term of office. If the number of members falls below 7 (§ 36 sec. 1), the supplementation up to the required minimal number shall be compulsory.

#### § 35

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

### § 36

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 ordinary members or representatives of the ordinary members of the Gdynia Cotton Association, subject to § 34 sec. 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 shall expire 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 company (or other similar relationship) is terminated;
  - 4) death of the Board member;
  - 5) the expiration of the mandate of the Board member – in compliance with provisions of § 36 sec. 4 pt. 3 shall not take place if the Board member:
    - a. was granted a written mandate prolongation by the Association's member which is no more the Board member's employer,
    - b. received the mandate from other member of the Association – confirmed in writing by such 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.

### § 37

1. The Board of Directors' sessions shall be convoked by the President or a 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 a Vice President, or other Board member appointed by the President.

In order to be valid, resolutions of the Board of Directors shall require the personal presence at the session of at least half the number of the Board members, and are passed by the simple majority of votes, subject to § 37 sec. 2, 3, and 5.

2. Resolutions concerning matters defined under § 38, sec. 2, 3, 4, 5 and 11, 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 of those present. In the case of an even number of votes, the vote of the Chairman of the session shall be casting.
3. In order to be valid, resolutions on matters referred to under § 50 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 of those present.
4. The Board of Directors' meetings may be held remotely using means of electronic communication which enable distance communication. The method of holding the Board of Directors' meetings shall be decided by the President of the Board of Directors. Provisions of § 26 sec. 5 and 6 shall apply accordingly.
5. 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 vote of the President of the Board of Directors shall be casting. Provision of this section shall not apply to matters specified under § 50.

### § 38

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 appoint and dismiss the Managing Director of the Association and to settle the principles of the Managing Director's 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 rates 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;
14. to supervise works of the organisational departments of the Association;
15. to set out the organising principles of bookkeeping and finance of the Association;

#### § 39

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 assigned 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) all matters not reserved for the decision of the General Assembly and the Board of Directors.
3. Matters specified under sec. 2 pt. 1) are to be endorsed by the Board of Directors.
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 even 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 may take part in the sessions of the Presidium as well as the Executive Vice President - Director.
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**

#### § 40

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, shall have the right to choose the chartered auditor to audit the financial statements, the Committee submits reports on their activity to the General Assembly and presents motions of discharging or refusal to discharge the Board of Directors members 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 § 36, sec. 5 shall apply accordingly.

## **4. Convention of Honorary Members**

### § 41

1. The Convention of Honorary Members consists of Honorary Members.
2. The Chairman or an appointed representative of the Convention of Honorary Members is eligible to attend the General Assembly with the right to vote.
3. At the request of the Board of Directors of the Association, the Chairman or an appointed representative of the Convention of Honorary Members may attend the sessions of the Board of Directors, having the advisory voice.
4. In the Rules of the Convention of Honorary Members, the Convention shall determine its internal structure and shall set out the detailed way of holding deliberations and making decisions.
5. The Convention of Honorary Members shall be represented by the Chairman thereof or by an appointed representative.

## **Chapter V**

### *Managing Director*

#### § 42

1. The Managing 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 departments in accordance with the Statutes, the rules, and resolutions of 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;
  - 4) shall submit to the Board of Directors reports on the Association's current activity;
  - 5) shall settle with the Presidium of the Board the matters concerning employment and 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 Managing Director or of the Executive Vice President – Director shall be settled by the Board of Directors.

## **Chapter VI**

### *Property and Financing Sources*

#### § 43

1. The property of the Association consists of real estate and movable property, financial resources, as well as of other substantive and non-substantive rights. The Association's assets in the form of the said real estate constitutes the integral resource necessary for the Association's functioning and it may not be divested otherwise than by means of liquidation of the Association.
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 resources acquired by the Association serve the realisation of the Association statutory objectives. These resources as well as the whole property specified under sec. 1 may not be allocated for distribution among the members of the Association, subject to § 50 sec. 3.

#### § 44

1. Ordinary and Associated Members should pay the enrolment fee immediately after the resolution on their enrolment among the Gdynia Cotton Association members is passed (§ 16 sec. 2 and sec. 3).
2. The membership fees shall be payable within three months of the date of the General Assembly meeting.
3. In exceptional cases and well grounded, the Board of Directors may consider the application of:
  - 1) an ordinary member for suspension of 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 or 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.

#### § 45

The amounts of fees other than those specified under § 44 shall be fixed by the Board of Directors.

#### § 46

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.

#### § 47

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 statement for the fiscal year shall be signed by the President and Vice Presidents as well as by the Association's Managing Director.

#### § 48

The Association shall supply to its Members annual reports on the Association's activities as well as financial statements.

### **Chapter VII**

#### *Winding-up and Liquidation*

#### § 49

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

#### § 50

1. The motion of winding-up of the Association may be submitted by a group representing at least 30% of the ordinary members of the Association. The motion shall be subject to consideration by the Board of Directors and then by the General Assembly meeting, exclusively if it is well grounded with important economic reasons.

Motion for winding the Association up shall be considered neither by the Board of Directors nor by the General Assembly if within last 5 years any amendments were made to provisions of the Association's Statutes in points referring to the rates of membership subscriptions, § 34 sec. 7, and those referring to the method of voting as set out under § 50 sec. 2, 3, and 4.

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 and of the Chairman or an appointed representative of the Convention of Honorary Members – with the qualified majority of 3/4 of votes cast in two consecutive meetings held in the interval of at least 8, and of the most 28 days, whereas § 31 sec. 2 shall not apply.
3. Simultaneously, in the same manner of two consecutive meetings, the General Assembly attended by at least 3/4 of the ordinary members of the Association and by the Chairman or an appointed representative of the Convention of Honorary Members shall pass with the majority of 3/4 of votes the resolution on earmarking of the property which would remain after all the substantive claims against the Association are satisfied.
4. Resolutions of the General Assembly meetings on winding-up of the Association and on earmarking the Association's property, passed in the manner provided for in the Statutes of the Gdynia Cotton Association under § 50 sec. 3 and 4, shall be valid provided that the meeting is attended by all founder-members recognised by the Association as legal successors of the founding companies in compliance with § 14 of the Statutes of the Gdynia Cotton Association, and that they actively take part in the meeting.

#### § 51

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.

#### § 52

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