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Preamble

The European producers of non-halogenated phosphorus, inorganic and nitrogen (PIN) flame retardants (FRs) have decided to found a Sector Group which shall be called the Phosphorus, Inorganic & Nitrogen Flame Retardants Association (PINFA).

PINFA shall be a Sector Group of Cefic (European Chemical Industry Council) under Article 32 of the Statutes and By-laws of Cefic. Through its affiliation to Cefic, PINFA undertakes to comply with the general policies of Cefic and with the rules governing its activities, particularly in the field of competition law and environmental protection. Membership to PINFA is not limited to European companies.

PINFA shall operate in accordance with the following Operating Rules:

Title, Head Office, Objectives, Duration

Article 1 - formation of PINFA

A non-profit international Sector Group shall be formed, entitled The Phosphorus, Inorganic & Nitrogen Flame Retardants Association, in abbreviated form: PINFA.

PINFA shall operate as a Cefic Sector Group, in accordance with Article 32 of Cefic Statutes and By-laws. The Sector Group and the present Operating Rules shall be governed by Belgian Law.

Article 2 - seat

The seat of the Sector Group shall be at the same location as Cefic Head Office; it is at present situated at 1160 Brussels, avenue E. van Nieuwenhuyse, 4, Belgium.

Article 3 - objectives

Vision

- ◆ The members of PINFA believe that their products form an essential part of environmentally compatible fire safety solutions. PINFA shall be a forum for producers and other members of the value chain to promote the use of PIN FRs, deliberate the issues faced by the industry and to respond appropriately.
- ◆ The members of PINFA share the common concept of an ideal flame retardant as one which:
 - is not toxic to humans, animals and plants
 - does not migrate out of finished products
 - does not release additional toxic or corrosive gases in case of fire
 - does not impede the recycling of finished articles
 - is either degradable in the environment or remains neutral as naturally occurring substances

Mission

Therefore, the main objectives of the Sector Group shall be the following:

- ◆ To co-operate with members of the value chain including industry organisations involved in the use of non-halogenated phosphorus, inorganic and nitrogen flame retardants in order to communicate the advantages of this technology for the safe use of otherwise easily flammable materials.
- ◆ To cooperate with national and supranational organisations, particularly with institutions of the EU, OECD and the United Nations as well as other Industry Associations, consumer organisations and non-governmental organisations involved in corresponding issues.
- ◆ To analyse the challenges confronting the industry and develop appropriate initiatives.
- ◆ To ensure the development of scientific knowledge related to the whole life cycle of PIN FRs.

The views of the Sector Group may be transmitted through Cefic to the Commission of the European Community, the other European Institutions and other international bodies, particularly in cases where essential issues are involved.

Article 4 - representation of PINFA by members

It is accepted that there will be occasions when an individual member will be at a meeting or event and present themselves as representing PINFA rather than the company for which they work. The individual member should accept that to represent PINFA is a special privilege and in these circumstances they should adhere to Cefic Rules on Advocacy, Transparency, including Environmental and Health Communication (see Annex I).

Article 5 - rules and policies

The objectives and activities of the Sector Group shall at all times comply with the applicable laws of the European Union, its Member States and other jurisdictions when applicable.

The Sector Group shall specifically abide by the Cefic rules and general policies including Cefic statistics rules and Cefic policy on competition law. With regard to the latter, Cefic has always pursued a policy of compliance and transparency with the competition authorities involved.

All meetings of the Sector Group shall have an agenda and be held in the presence of a Cefic representative and be minuted.

Article 6 - duration

The Sector Group shall be formed for an unlimited period.

Membership

Article 7 - members, associated members, observers

The Sector Group shall be composed of the Members, the Associated Members and the Observers.

7.1 Members

Definition: Any producer of non-halogenated phosphorus, inorganic and nitrogen flame retardant chemicals shall be eligible for membership. The full membership for producers is mandatory and includes company's subsidiaries and joint ventures. Any company from outside of Europe who is a full member of a regional pinfa sister organisation is entitled to a discount of 33% on the regular pinfa membership fee, provided the non-European pinfa organisation offers the same discount scheme to pinfa Europe.

Rights: Members shall have the right to attend the General Assembly and to take part in the activities of the Sector Group in accordance with the rules established by the General Assembly. The Members shall have voting rights as fixed by the present Operating Rules.

7.2 Associated Members

Definition: Associated membership is open to other companies or associations of companies having an interest in non-halogenated phosphorus, inorganic and nitrogen flame retardant chemicals (i.e. formulators, blenders, distributors, agents, end users, etc).

Rights: Associated Members shall have the right to attend the General Assembly, and participate in other activities or groups as identified by the General Assembly. The Associated Members shall have no voting rights in the General Assembly, but for all other groups mentioned, it will be determined by the General Assembly, for each group. For the participation in specific projects with dedicated budgets full voting rights shall be granted. In the event of merger, take-over or other event that changes the corporate identity of a Member or



Associated Member, membership or associate membership of PINFA and all obligations related thereto will be assigned to that new entity.

7.3 Observers

The General Assembly may decide to open either certain activities or all activities to observers such as trade associations, consultants, academics and individuals. The observers can be nominated and dismissed by project leaders or by the PINFA Board. The observers shall have no voting rights.

Article 8 - current members and observers

An updated list of the Members, Associated Members and Observers shall be kept at the Secretariat of the Sector Group.

Article 9 - application and admission

Written application for Membership or Associate Membership shall be sent to the Sector Group Manager which shall then submit such application to the General Assembly. Membership and Associate Membership admission shall be granted by the General Assembly on a majority of three quarters of the votes of the Members present or represented. The decision shall be final.

Article 10 - withdrawal

Any Member or Associated Member wishing to withdraw from membership shall give written notice to the Sector Group Manager of the withdrawal by the end of December at the latest, the withdrawal being effective at the end of the following year; during this period, the membership and obligation to pay the fee(s) and all financial commitments shall remain unaffected.

Article 11 - expulsion

Any Member or Associated Member who does not comply with the Operating Rules and with the objectives as specified under Article 3 or does not fulfil anyhow with the membership conditions (as mentioned in Article 6) can be expelled by a decision of the General Assembly.

The Member or Associated Member shall have the right to present its defence beforehand. Membership or Associate Membership shall also terminate in the event of a Member or an Associated Member being declared bankrupt or upon the completion of winding-up procedures.

Article 12 - claims to funds

A Member or Associated Member who ceases to be part of the Sector Group shall have no claim on the Sector Group's funds.

General Assembly

Article 13 - tasks

The General Assembly shall have full power enabling the objectives of the Sector Group to be achieved. The General Assembly shall, inter alia:

- ◆ set the general policy of the Sector Group as described in Article 3;
- ◆ approve the budget and the financial accounts;
- ◆ elect the Chairman and one or two Vice-Chair(s) of the Sector Group. They shall be elected for two years and may be liable for re-election;
- ◆ decide upon any modification of these Operating Rules.

Article 14 - voting

The General Assembly shall be composed of all the Members and Associated Members. Members shall be entitled to vote. Each Member shall have one vote. Votes cannot be expressed by correspondence.

However, a written consultation of all Members can exceptionally take place when a decision cannot be deferred until the following meeting of the General Assembly but is not sufficiently important to justify an Extraordinary Meeting of the General Assembly. Except in urgent cases, replies must be given within 21 days. The absence of a reply within this period shall signify acceptance.

Any decision taken by written consultation shall be submitted for confirmation at the subsequent General Assembly.

The agenda for each meeting of the General Assembly shall be communicated by the Sector Group Manager to each Member at least 21 days in advance.

Each Member shall be represented by one delegate.

The name of the delegate empowered shall be notified to the Sector Group Manager. These designations may be changed at anytime subject to proper notification to the Sector Group Manager.

A Member who is prevented from attending may be represented only by another Member. One Member, however, may not represent more than one other Member. The written proxy shall be presented to the Sector Group Manager, before each meeting.

Article 15 - majority, agenda

Decision by the General Assembly shall require a simple majority of the votes of the Members present or represented, except when these Operating Rules provide otherwise.

No decision can be taken on an item which does not appear on the circulated agenda.

Article 16 - frequency and notification of meetings

An Ordinary Meeting of the General Assembly shall be held at least once a year, under the leadership of the Chairman of the Sector Group or the Vice-Chairman if the Chairman could not attend. Notice of each General Assembly session shall be transmitted to each Member and Associated Member at least 21 days in advance.

The Chairman is obliged to convene an Extraordinary Meeting if at least one third of the Members request it.

The proceedings of the General Assembly shall be valid if at least half of its Members are present or represented.

Board

Article 17 - membership and meetings

In the interval between the meetings of the General Assembly and in accordance with the decisions reached by the latter, the Sector Group shall be governed by the Board. The Board may empower the Sector Group Manager with some responsibilities as the day-to-day management of the Sector Group.

The Board shall comprise the Chairman and the Vice-Chair(s) and the representatives elected by the General Assembly.

The Board shall meet at least 2 times a year.

Sector Group Manager

Article 18 - appointment and duties

A Sector Group Manager shall be appointed by Cefic.

The Sector Group Manager shall have in charge the day-to-day management of the Sector Group, in accordance with the decision reached by the General Assembly, to ensure that the Sector Group is functioning properly. Key duties shall include communication, managerial and administrative activities.

In performing these duties, the Sector Group Manager shall report to the Chairman on the execution of his/her mission, and hierarchically to the Cefic Management responsible for the Sector Group.

Authorised Signatories and Representatives in Law

Article 19 - chairman and sector group manager

Instruments which bind the Members of the Sector Group with regard to third parties, and which are not considered as day-to-day management matters, shall be subject to the agreement of the Members duly registered in the General Assembly minutes or through a written consultation of the Members. These instruments shall be signed by the Chairman duly mandated for that purpose by the Members.

Instruments concerning the day-to-day management shall be signed by the Sector Group Manager.

Any legal suits shall be brought or defended by the President or a specially authorised (by the Chairman) Member and/or by a legal counsel chosen in consultation with Cefic. A status report on such litigation shall be presented to the General Assembly annually. Settlement of any litigation shall require the advance unanimous approval of the Members.

Groups and task forces

Article 20 - creation by General Assembly

In order to fulfil the objectives of the Sector Group, the General Assembly shall be empowered to set up any necessary groups and task forces to fulfil specific purposes, the composition, mandate, duration and rules of which shall be determined by the General Assembly.

Subscription / Budget

Article 21 - annual subscription

The Members shall share the expenses, on the basis of equal share, of the Sector Group by means of subscription fixed annually by the General Assembly on proposals submitted by the Sector Group Manager.

Contributions by Associated Members and observers, if any, may be decided by the General Assembly.

In addition to the expenses to be shared equally between the Members and the contribution of the Associated Members, if any, each Member, Associated Member and observer, if any, shall be a Member or a Partner of Cefic and shall pay corresponding annual subscription to Cefic.

Multi-membership: Any company from outside of Europe who is a full member of a regional pinfa sister organisation is entitled to a discount of 33% on the regular pinfa membership fee, provided the non-European pinfa organisation offers the same discount scheme to pinfa Europe members.

This specific clause cannot apply to Cefic fees. Each entity which is registered as the European pinfa member shall pay the corresponding Cefic annual subscription. This clause does not apply to Accom members of Cefic, for which the fees paid once to Cefic applies to all subsidiaries membership.

Article 22 - budgeting

The financial year shall extend from 1 January to 31 December of each calendar year.

Each year, the Sector Group Manager shall submit to the General Assembly, for approval, the accounts of the past financial year and the budget of the following year.

The Sector Group Manager shall prepare the budget and the annual accounts, in consultation with Cefic.

If deemed necessary, the General Assembly shall designate two auditors.



When, for appropriate reasons, the budget agreed by the General Assembly has to be increased in the course of the financial year, a special vote has to be organised at the next General Assembly.

A favourable vote of at least two third of the Members present or represented shall be required for all decision concerning financial matters mentioned above.

For the “technical studies and research” involving only part of the Members and / or the Associated Members, if any, a special budget may be established and approved by those Members participating to it. In such a case, it may be decided to share the expenditures according to a scheme agreed on a case by case basis.

Amendments of Operating Rules and Dissolution

Article 23 - amendments

In case of a proposed amendment to the present Operating Rules, the text of the latter shall be attached to the agenda of the General Assembly which shall deliberate on this matter.

Decisions to amend the present Operating Rules and to dissolve the Sector Group shall require a favourable vote of two third of the vote of the Members present or represented at the General Assembly.

Article 24 - dissolution

Upon dissolution of the Sector Group and after payment of all indebtedness and obligations of any kind of the Sector Group, the General Assembly shall decide on the method of liquidation and the destination of the Sector Group's funds.

General Provisions

Article 25 - Belgian law

All matters which are not covered by the present Operating Rules shall be settled in accordance with the provision of the Belgian law.

Article 26 - advice from Cefic

In appropriate conditions, the Sector Group may seek advice from Cefic on different activities and issues such as, but not limited to: accounting, statistics, anti-dumping, legal matters, competition law compliance, environmental and regulatory affairs and external trade.

Advocacy and Transparency

Cefic Governance and Compliance Policy

One of the fundamental driving values is - Maintenance of high credibility vis-à-vis institutions

Principles

- Organisations and companies should always be represented in a non equivocal manner, on the basis of clear definition of aims and issues to be discussed. They should always introduce themselves immediately in a direct and transparent manner. When dealing with EU Institutions they should comply with the Communication of the Commission: European Transparency Initiative - A framework for relations with interested representatives – COM (2008) 323 final, 27 May 2008.
- Members will work together to ensure consistency and cohesion of advocacy, ensuring clear distinctions between Cefic positions and any diverging opinions which they may hold on behalf of the company or federation they represent.
- Cefic representatives must behave with full integrity, with the highest behavioural ethical standards.
- Information required by the organisation must be obtained by lawful means.
- Institutions' codes of conduct or recommendations on dealing with Institutions and civil servants, when existing, will be complied with. Members must declare their Cefic representation in all such dealings.
- Requirements governing the protection of private life will be strictly complied with. This is especially important in relation to database, electronic networks, etc.
- Any forms of active or passive corruption (such as blackmail, offers of influence, promises and gifts) are strictly forbidden.
- Statistics regarding the industry will be used in a strictly honest and transparent way.
- Behavioural ethical principles will be strictly followed when making "environmental and health" communication, advocacy and advertisement (see Cefic Recommendations).

Guidance for staff and members involved in Cefic activities

The objective is to ensure that different audiences receive the same message from different Cefic spokespersons. Cefic is represented by its own staff or authorize representatives (members of national or sectoral federations, individual companies, consultants...). All refer to agreed common objectives and guidelines to speak in the name of Cefic:

- When working in an advocacy team, individuals should refrain from acting in isolation, retaining information which may be useful to everyone.
- There is a need for a networking system to act in a collegial and coherent manner (Cefic/federations).

Members will work together to ensure consistency and cohesion of advocacy.

They are expected to support Cefic positions as adopted in accordance with its Statutes and rules of operation. In case of disagreement Members are expected not to use the Cefic name when holding diverging opinions.

In the event that minority views are expressed they may be reflected in Cefic positions as per the Statutes.

Conflicts of interest between the personal interest of staff and the interests of Cefic must be avoided.

Staff and Members Representatives must act purely in the interests of Cefic, and not be influenced by their personal interests.

Gifts and invitations which may be interpreted as an attempt to corrupt must not be offered. Similarly, any behaviour which may be interpreted as soliciting third parties with the intention to receive gifts or invitations must be avoided.



Recommendations on environmental and health communication, advocacy and advertisement

These recommendations should apply to communication, advocacy and advertisement (“communication”) activities containing environmental and health claims i.e. those in which directly or indirectly reference is made to environmental and health aspects of the production or substances of the chemical industry (“products”) and should guide Cefic staff, members, sector groups and affiliated organisations when communicating to stakeholders or consumers (“the audience”).

Honesty

Communication should be framed in a way which does not abuse the audience’s concerns for the environment and health, or exploit its possible lack of environmental and health knowledge. Communication should not contain any statement or presentation likely to mislead the audience about the environmental and health aspects or advantages of products. Environmental and health jargon or scientific terminology is acceptable provided it is relevant and used in a way that can be readily understood by those to whom the message is directed. Communication can refer to specific products or activities, but should not imply without justification that they extend to the whole performance of a company, group or industry.

Comparative Claims

Environmental and health superiority of one product over another product should not be claimed but objective differences may be presented when a significant advantage can be demonstrated. Claims should not mention competitive products but may emphasise on the presence of positive ingredients or effects as well as on the absence of a harmful ingredient or a damaging effect in a given product.

Scientific Evidence

Descriptions, claims or illustrations relating to verifiable facts should be capable of substantiation. Communication should only use technical demonstrations or scientific findings about environmental and health impact, when supported by reliable scientific evidence.

Testimonials

In view of the rapid developments in environmental and health science and technology particular care should be taken to ensure that testimonials or endorsements used to support an environmental and health claim in communication are still valid.

Signs and Symbols

Environmental and health signs or symbols should only be used when the source of those signs or symbols is clearly indicated and there is no likelihood of confusion over their meaning. Such signs and symbols should not be used in such a way to suggest official approval or third-party certification if this is not the case.

For Cefic, its members, groups and affiliated organisations: for further clarification and questions, contact Nicole L Maréchal, Cefic Senior Legal Counsellor & Governance Officer
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