

International non-profit association

YLFA International

Articles of Association

SECTION I – NAME, REGISTERED OFFICE, TERM, PURPOSE AND ACTIVITIES

Article 1: Name, registered office and term

- 1.1. The association (hereinafter referred to as the “Association”) shall have the status of international non-profit association and shall be governed by the Belgian Act of 27 June 1921 on non-profit associations, international non-profit associations and foundations (hereinafter referred to as “*the Act*”) as well as by these articles of association.
- 1.2. The name of the Association is:
“YLFA International – Association of Yoghurts and Live fermented milks,” abbreviated as “**YLFA International.**”
The full or the abbreviated name may be used together or separately. It must always be preceded or followed by the wording "association internationale sans but lucratif" [international non-profit association] or by the initials "AISBL" [INPA].
- 1.3. The registered office of the Association is situated at avenue d’Auderghem 22-28, 1040 Brussels. Any change of registered office shall fall under the exclusive purview of the General Meeting of the Association which will vote on this item, in accordance with Article 10 § 1 below and shall be published by the Board of Directors in the annexes to the “Moniteur belge” [Belgian Official Gazette].
- 1.4. The Association is formed for an unspecified period.

Article 2: Purpose and activities

- 2.1. The purpose of the association is to promote and defend the “yoghurts, live fermented milks and other live fermented dairy products.”
- 2.2. To attain its purpose, the Association intends to pursue the following activities:
 - a) Generate, coordinate, and use all studies (scientific, consumer, economic, etc.) intended to show the benefits to consumers provided by "live" products and to promote knowledge about and the image of Yoghurt products and other live fermented milks.
 - b) Encourage relations and exchanges with international scientific experts studying yoghurts and other live fermented milks and their health benefits.
 - c) Define the concepts of yoghurts and other live fermented milks.
 - d) Act with national and international public authorities, particularly at the legislative level, to promote and ensure the recognition of the definition of yoghurts and other live fermented milks.
 - e) Conduct information exchanges among its members in compliance with the purpose of the Association and with competition legislation. To this end, the association shall adopt specific operating rules to help its bodies to comply with competition legislation.
 - f) More generally, the Association may perform any action related directly or indirectly to its purpose.

SECTION II – MEMBERS

Article 3: Member classes

- 3.1. The Association is composed of active members, associate members, and honorary members. It shall comprise at least 3 (three) active members.
Only active members shall have the right to vote in the General Meeting.
- 3.2. The following may be members, subject to compliance with the admission procedure described in article 4 infra: organisations, companies, institutions, entities and natural persons (the latter as honorary members only) which are directly interested in the development of the yoghurt and other live fermented milk products industry.
- 3.3. **Active members** are members that manufacture yoghurts and other live fermented milks. Active members shall regularly participate in the activities and thus contribute actively to the achievement of the objectives.
Active members shall pay annual dues.
Among the active members, the 4 (four) signatory members of the deed of association shall be classified as "founding members"; however, the capacity of founding member shall not give them a special position with respect to the operations of the Association.
- 3.4. **Associate members** are organisations, companies, institutions and entities that are directly or indirectly interested in the development of the yoghurt and live fermented milks industry, without, however, producing them.
Associate members may be invited to sit on the Commissions formed by the Board of Directors and are invited to General Meetings in an advisory capacity.
Associate members shall pay annual dues, different from the dues for active members.
- 3.5. **Honorary members** are natural persons who render or have rendered services to the Association or the sector. They are appointed by the General Meeting on the recommendation of the Board of Directors.
Honorary members are exempted from having to pay dues.
Honorary members are invited to General Meetings in an advisory capacity.
- 3.6. The organisation of relations between the active members, associate members and honorary members of the Association, the activity and powers of their authorised representatives may be specified in a set of Rules of Procedure of the Association.

Article 4: Conditions of admission

Organisations, companies, institutions, entities and individuals who wish to join the Association must send their application to the Chairman of the Board of Directors (hereinafter referred to as the "Chairman") or to the Executive Director of the Association (hereinafter referred to as the "Executive Director") after filing an application form in which they declare that they adhere to the purpose of the Association.
The application shall be submitted for approval at the next Extraordinary General Meeting of the Association.
Membership shall become definitive only after the following 2 (two) cumulative conditions have been met:

- payment of the dues by the member (with the exception of honorary members); and
- ratification of the application of said member by the Extraordinary General meeting of the Association.

Article 5: End of membership

5.1. *Loss of membership*

- Active or associate membership shall be lost as of right upon the liquidation, dissolution or bankruptcy of said member.
- Honorary membership shall be lost upon the death of the member in question.
- Membership shall moreover be lost by express or de facto resignation and by deregistration.

5.2. *Express resignation*

A member who wishes to resign shall serve relevant notice to the Chairman by registered letter with acknowledgement of receipt. Any resignation must be reported by 30 June of the current year at the latest to take effect as of 1 January of the following year.

5.3. *De facto resignation*

The association may consider that there is an act equivalent to a resignation request, i.e. a "de facto resignation," in one of the following two eventualities:

- Non-payment of dues by a member; or
- A position taken by a member that is contrary to or incompatible with the purpose of the Association.

Such de facto resignation shall be contingent upon two conditions:

- The Executive Director must have sent letter to the member reminding him to pay his dues or to have informed him that his attitude was contrary to or incompatible with that of a member, and that the latter has failed to reply in a satisfactory manner within 15 (fifteen) days;
- The Board of directors must have taken due note, during one of its meetings, and requested, by registered letter with acknowledgement of receipt, an explanation from the member concerned, and that the latter has failed to reply in a satisfactory manner within 15 (fifteen) days.

5.4. *Deregistration*

The deregistration of a member may be performed only in the following cases:

- Violation of these articles of association or of the Rules of Procedure of the Association;
- Serious reasons that cause moral or financial prejudice to the Association;

The deregistration shall be performed by decision of the Extraordinary General Meeting of the Association (acting under the conditions defined in article 10.2 *infra*), on a proposal of the Board of Directors, after having heard the explanation of the member concerned, or if he should fail to appear, after he has been given a second chance to appear before the Extraordinary General meeting of the Association, at least 8 (eight) days following the first summons.

Article 6: Consequences of end of membership

If an honorary member of the Association dies, his heirs and assignees shall not acquire membership status.

If active or associate membership is lost, for any reason, the member in question shall remain liable for the dues owed for the current year.

In any event, the loss of membership entails, *ipso facto*, loss of all entitlements to benefits, goods and assets of the Association.

Article 7: Dues

- 7.1. The amount of dues levied on active members shall be set every year by the General Meeting of the Association on proposal of the Board of directors. The amount of the dues shall be the same for each active member.
- 7.2. The amount of any dues levied on associat members shall be set every year by the General Meeting of the Association on a proposal of the Board of Directors.

Article 8: Register of members

The Board of Directors shall keep a register of active and associate members at the registered office of the Association.

All decisions of admission, resignation or deregistration of members shall be entered in this register by the Executive Director within 8 (eight) days of such a decision.

All the members may consult the register of members at the registered office of the Association, as well as all the minutes and decisions of the General Meeting, the Board of Directors or persons who may, but need not hold an administrative position, but who are vested with a remit in or for the account of the Association, as well as the accounts of the Association.

SECTION III: GENERAL ADMINISTRATIVE BODY

Article 9: Composition

- 9.1. The general administrative body (referred to as the "General Meeting" in these articles of association) shall be composed of all the active members.
Each active member shall designate a natural person and, if necessary an alternate, to represent him at the General Meetings.
Said natural person shall be given an express, general or special power of attorney from the ad hoc body of the member in question.
- 9.2. Associate members may attend the general meeting in an observer capacity.

Article 10: Powers

- 10.1. In a general manner, the **Ordinary General Meeting** shall deliberate on all matters, in particular those of general interest submitted to it by the Board of Directors, with the exception of those reserved for the Extraordinary General Meeting in accordance with article 10.2 infra.

It shall thus deliberate on:

- the approval of the annual report of the Board of Directors on the activity and financial situation of the Association;
- the approval of the annual accounts and budgets;
- the discharge to be given to directors and auditors;
- the approval of all other reports on the agenda;
- the appointment and dismissal of members of the Board and the auditor;
- all other matters reserved for the Ordinary General Meeting by these articles of association.

- 10.2. The **Extraordinary General meeting** shall deliberate on:
 - the alteration of the articles of association;

- the admission or deregistration of new members;
- the voluntary dissolution of the Association and the appointment of one or more liquidators;
- all other matters reserved for the Extraordinary General meeting by these articles of association.

Article 11: Quorum

- 11.1. The **Ordinary** General Meeting shall deliberate validly only if $\frac{1}{2}$ (one half) of the active members at least are present or validly represented.
- 11.2. The **Extraordinary** General Meeting shall deliberate validly only if $\frac{2}{3}$ (two thirds) of the active members at least are present or validly represented.
- 11.3. In a general manner, when quorum is not reached, the General Meeting shall be convened again, with the same agenda, under the forms and within such period as provided under article 14.2 supra, at which second session, it shall deliberate validly irrespective of the number of members present or represented. The second General Meeting may not be held less than 15 (fifteen) days nor more than 2 (two) months after the first. The powers of attorney given to attend the first General Meeting shall remain valid for the second.

Article 12: Majorities, mode of deliberation and powers of attorney

- 12.1. Each active member shall have one vote. Each associate member shall have an advisory role.
- 12.2. All decisions submitted to an **Ordinary** General Meeting shall be taken by simple majority of the votes present or represented.
All decisions submitted to the **Extraordinary** General Meeting shall be taken by a $\frac{2}{3}$ (two-thirds) majority of the votes present or represented.
- 12.3. Each active member may ask another active member to represent him at the General Meeting. The authorised agent may hold only one power of attorney.
- 12.4. Decisions of the General Meeting may also be taken, without an actual meeting, by unanimous consent in writing, by e-mail or any other means of communication that is materialised by a written document. In such an eventuality, a draft of the decision(s) will be tantamount to a resolution if, once communicated to the active members simultaneously, it is approved in writing unconditionally and unanimously by them.

The Ordinary General Meeting may also deliberate validly, without an actual meeting, by means of a conference call, video conference or any other telecommunication technologies, in accordance with the procedures defined in the Rules of Procedure.

Article 13: Frequency of the meetings

- 13.1. The Meeting shall be convened in an **Ordinary** session once a year, and within six months at least of the closing date of the financial year.

The **Ordinary** General Meeting shall moreover meet each time that the Board of Directors should deem it useful and at the written request of at least $\frac{1}{4}$ (one fourth) of the active members sent to the Board of Directors. Said members shall specify in their request the items that they wish to put on the agenda.

- 13.2. The **Extraordinary** General Meeting may be convened by the Chairman of the Board of Directors under exceptional circumstances, to deliberate and decide on the matters referred

to in article 10.2 or at the request of at least $\frac{3}{4}$ (three fourths) of the active members. The latter shall specify the item or items they wish to put on the agenda.

- 13.3. Any change in the purpose of the Association, as well as in the activities that it intended to pursue to that end, shall require a royal decree of approval. Alterations of the articles of association relating to the mentions in article 48, 5° and 7° of the Act shall be recorded by notarial deed.

Article 14: Officers, notice convening the meeting and agenda

- 14.1. The General Meetings shall be chaired by the Chairman of the Board of Directors or, in his absence, by a vice-chairman, or in the latter's absence, by a member of the Board of Directors designated by said board for that purpose.

The duties of Secretary shall be assumed by the Executive Director or, in his absence, by a member of the General Meeting designated by the latter for that purpose.

An attendance list shall be drawn up and signed by the members of the General Meeting upon entering the session and certified by the Chairman and Secretary of the session.

- 14.2. The General Meetings shall be convened by the Chairman of the Board of Directors, by e-mail, at least 8 (eight) days before the date of the meeting.

The notice convening the meeting shall contain the agenda, the date, place and time of the meeting as well as the documents pertaining thereto.

The agenda shall be drawn up by the Board of Directors.

- 14.3. If all the active members have agreed to meet and if they are all present or represented, the General Meeting shall be lawfully convened without having to observe a prior period of notice, or to send notices convening the meeting.

Article 15: Minutes – Notification of decisions

- 15.1. Minutes of each General Meeting shall be taken by the Secretariat.

The Executive Director shall send the draft minutes to all the members by e-mail, within 30 (thirty) days after the meeting, for any comments.

This draft shall be adapted, subject to any amendments, at the following session of the General Meeting.

- 15.2. The minutes – except for those that have to be recorded by notarial deed, and their annexes shall be kept at the registered office, either in their original form, in a special register, or in a secured electronic form, on any and all media and under such conditions that ensure the lasting quality, legibility, integrity, and faithful and lasting reproduction thereof.

They may be perused by the members at all times at the registered office.

Extracts from the minutes shall be certified as true copies by the Chairman and one member of the Board of Directors.

SECTION IV: MANAGEMENT BODY

Article 16: Composition

- 16.1. The Association shall be managed by a management body ("referred to as the "Board of Directors" in these articles of association) composed of at least 3 (three) and at most 6 (six) members.

The members of the Board of Directors must be active members of the Association without fail. They are elected by the Ordinary General Meeting.

Each member of the Board of Directors shall designate a natural person and, if necessary an alternate, to sit on the Board of Directors in the name of the member.

Said natural persons shall be given an express, general or special power of attorney from the ad hoc body of the member in question.

- 16.2. Members of the Board of Directors shall be appointed for a term expiring immediately after the third Ordinary General Meeting after the year of their appointment.
- 16.3. Outgoing members of the Board of Directors may be re-elected.
- 16.4. The duties of the board member shall be performed without payment.
- 16.5. The duties of a member of the Board of Directors shall cease in the event of loss of membership or at the expiry of that member's term.
- 16.6. In the event of vacancy, the remaining Board of Directors shall appoint a new member provisionally. The board member thus appointed shall serve out the remaining term of the member he replaces. The next General Meeting shall proceed to any definitive appointment.

Article 17: Meetings, deliberations and powers of attorney

- 17.1. The Board of Directors shall meet whenever convened by its Chairman or at the request of 1/3 (one-third) of its members and at least once every six months.

The notice convening the meeting shall contain the agenda and shall be sent, at least 8 (eight) days prior to the meeting, by letter, e-mail or any other means of (tele)communication that is materialised by a written document.

The meetings shall be held at the registered office or at any location indicated in the notice convening the meeting.

They shall be chaired by the Chairman of the Board, or in his absence, by a vice-chairman, or in the latter's absence, by the oldest of the directors present.

There is no need to justify any prior convening of the meeting when all the directors are present or validly represented at the meeting, or if each has waived, in writing, such convening, by post, fax, or any communication sent by electronic means.

- 17.2. Decisions shall be taken by a majority vote of the members of the Board of Directors present or represented, with the exception of the appointment of the Chairman and proposals to be submitted to the Extraordinary General Meeting, which shall be taken with a 2/3 (two thirds) majority of the members present or represented.

For the deliberations which must be taken by said special majority to be valid, at least 1/3 (one third) of the members of the Board must be present or represented.

For other deliberations to be valid, no quorum shall be required.

In the event of a tied vote, the Chairman shall have the casting vote.

- 17.3. Each member of the Board of Directors shall have one vote.
Decisions of the Board may also be taken, without an actual meeting, by unanimous consent in writing, by e-mail or any other means of communication that is materialised by a written

document. In such an eventuality, a draft of the decision(s) will be tantamount to a resolution if, once communicated to the directors simultaneously, it is approved in writing unconditionally and unanimously by them.

The Board of Directors may also deliberate validly, without an actual meeting, by means of a conference call, video conference or any other telecommunication technologies, in accordance with the procedures defined in the Rules of Procedure.

- 17.4. Each member of the Board of Directors may ask another member of said board to represent him in a meeting of the Board of Directors. The authorised representative may only hold one power of attorney.
- 17.5. The Chairman of the Board of Directors may invite to these meetings, in an advisory capacity, any person whose professional competence would be useful to the object of its deliberations. Each member of the Board may be assisted by the person of his choice at these meetings.
- 17.6. The Executive director shall send the draft minutes of the decisions of the Board of Directors by e-mail within 15 (fifteen) days of said meeting, for any comments.

This draft shall be adapted, subject to any amendments, at the following session of the Board of Directors.

- 17.7. The minutes of the decisions of the Board of Directors shall be kept at the registered office, either in their original form, in a special register, or in a secured electronic form, on any and all media and under such conditions that ensure the lasting quality, legibility, integrity, and faithful and lasting reproduction thereof. They may be perused by the directors and the members of the Association at all times at the registered office.

Extracts from the minutes shall be certified as true copies by the Chairman and one member of the Board of Directors.

Article 18: Powers, election and representation

18.1. *Powers of the Board of Directors*

Without prejudice to the powers of the General Meeting, the Board is vested with the most extensive managerial and administrative powers of the Association. It manages the activities of the Association and decides on everything not explicitly reserved for the General Meeting.

It may delegate the daily management to a member of the Board or to the Executive Director. It may moreover confer, under its responsibility, all special and specific powers to one or more persons.

The Board of Directors shall, in particular (the list is not exhaustive):

- a) Propose a line of conduct to the General Meeting;
- b) Carry out the decisions taken by the General Meeting;
- c) Convene the General Meetings and fix the dates and agenda thereof;
- d) Propose to create or to dissolve Committees;
- e) Confirm to the General Meeting that the requirements set out in article 4 are met by a person who applies for membership;
- f) Draw up and present the annual report to the General meeting;
- g) Propose a draft budget and the amount of dues;
- h) Authorise and define the delegations of signatures;
- i) Decide on the investment of the funds of the Association and lay down rules concerning the movement of the funds;

- j) Define the duties of the Executive Director;
- k) Decide on temporary measures that have to be taken until the next General meeting if one of the positions should become vacant;
- l) Appoint the Executive Director on the proposal of the Chairman;
- m) Appoint and dismiss the staff of the association.

18.2. *Election by the Board of Directors*

The Board of Directors shall elect a Chairman, a Treasurer and, if applicable, one or two Vice-Chairmen, from among its members.

If the Chairman cannot attend, one of the Vice-Chairmen shall assume his duties. If the latter cannot attend or when there is no Vice-Chairman, the Board shall designate a member of the Board to perform the Chairman's duties, but without the casting vote provided under article 17.2.

18.3. *Representation of the Board of directors*

The general powers of representation of the Board of Directors notwithstanding, the Association shall be validly represented before third parties in all judicial and extra judicial matters by:

- the Chairman, acting alone; or
- a vice-chairman; or
- within the limits of daily management, by the Executive Director, acting alone.

The Association shall, moreover, be validly represented by specially authorised representatives acting within the limits of their remit.

Article 19: Responsibilities

19.1. The Chairman is responsible for executing the decisions of the Board and for ensuring the correct operation of the Association.

The Chairman must keep expenses within the overall budget adopted the previous year, except by express exemption by the Board of Directors.

19.2. The Treasurer shall ensure that revenues and expenditures are in order, and shall audit securities, equities and cash. He shall present a report on financial management for the financial year.

19.3. The members of the Board of Directors shall refrain, by reason of their duties, from assuming any personal obligation and shall be responsible only for the performance of their remit which they shall exercise without payment.

19.4. The liability of the members of the Board of Directors as to the performance of their remit shall be covered by a "civil liability" insurance policy.

19.5. Documents relating to the appointment or discontinuance of duties of directors, persons appointed for the daily management, and persons authorised to represent the association shall be filed with the registrar of the commercial court for publication in the Annexes of the "Moniteur belge" [Belgian Official Gazette].

SECTION V: MISCELLANEOUS PROVISIONS

Article 20: Executive Director

- 20.1. The Executive Director shall be appointed from outside Association members by the Board of Directors on the proposal of the Chairman. He may hold an employment contract with the Association.
The Executive Director shall attend the meetings of the Board of Directors, the General Meeting and Committee meetings in an advisory capacity.
- 20.2. Under the direction and by delegation of the Chairman, the Executive Director shall be in charge of daily operations for the services of the Association.

Within these limits, the Executive Director shall see to it that the decisions of the General Meeting, the Board of Directors and the Committees and all routine management actions are carried out (including operations with banks and the post office).
- 20.3. The Executive Director shall not assume, by reason of his duties, any personal obligations and shall be liable only for the performance of his remit.
- 20.4. The liability of the Executive Director as to the performance of his remit shall be covered by a "civil liability" insurance policy.

Article 21: Committees

The Board of Directors may create Committees within the Association.
These Committees shall be charged with studying questions that must be submitted for deliberation by the Board of Directors and provide their opinion on such questions.

The organisation of the Committees, and in particular the appointment of Chairmen and members, shall be defined by the Board of Directors and, where applicable, by the Rules of Procedure.

Article 22: Financial provisions

22.1. *Revenues of the Association*

The Association's revenues consist of:

- a) Dues levied on active members in accordance with article 7.1;
- b) Dues, if any, levied on associate members, the amount of which is fixed in accordance with article 7.2;
- c) Any other resources authorised by law.

22.2. *Expenditures of the Association*

The Association's expenditures are budgeted annually by the Board of Directors, and voted on by the Ordinary General Meeting of the Association at the same time as the annual accounts of the financial year under review.

During the financial year, exceptional expenditures may be authorised by the Board of Directors, which may, if necessary, approve a call for funds from members.

This supplement to the annual dues shall be decided by the Extraordinary General Meeting of the Association, and may not exceed double the amount of these annual dues.

Article 23: Financial year and accounts

- 23.1. The financial year of the Association shall run from 1 January to 31 December of each year.

- 23.2. The accounts of the financial year under review and the budget for the subsequent financial year shall be prepared annually by the Board of directors and submitted to the Ordinary General Meeting for approval, within 6 (six) months from the closing of the financial year.

The approved annual accounts shall then be entered, by the Board of Directors, in the file kept at the registry of the competent commercial court.

- 23.3. The accounts shall be kept in accordance with the relevant legal provisions on the matter.
- 23.4. Insofar as the Association is required to do so by law, the financial situation, and annual accounts and the compliance of the operations, to be reported in the annual accounts, with the relevant legislation and these articles of association, shall be entrusted to one or more public auditors, appointed by the Ordinary General Meeting of Shareholders from among the members of the Institute of Public Auditors.

If the Association is not required by law to appoint a public auditor, the Ordinary General Meeting of Shareholders may appoint an auditor, for a term of one year, eligible for re-appointment, to verify the accounts of the Association and to submit an annual report.

Article 24: Dissolution and liquidation of the Association

In the event of voluntary, statutory or forced dissolution of the Association, the Extraordinary General Meeting shall appoint one or more administrators who shall enjoy the broadest power to realise assets and pay liabilities, after recovery of the existing contributions by the contributors or their known beneficiaries.

If the Extraordinary General Meeting does not appoint a liquidation administrator, the administrator shall be appointed by the President of the district court at the request of any interested party or by action of the Public Prosecutor.

The net proceeds from liquidation shall be transferred to an association, or to any other establishment or institution, public establishment, or private institution in the public interest with a similar purpose as the Association, to be named by the Extraordinary General Meeting that decides on the dissolution.

Article 25: Rules of procedure

Rules of procedure defining the details for executing these articles of association may be established by the Board of Directors and approved by the Ordinary General Meeting.

Article 26: Other provisions

For all items not governed by these articles of association or, where applicable, the rules of procedure, the Association shall refer to the law.