



EUROPEAN SNACKS ASSOCIATION

BY-LAWS

**6 CATHERINE STREET
LONDON WC2B 5JJ
ENGLAND**

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ARTICLE I: NAME AND OBJECTIVE

Section 1

The Association shall be named the "European Snacks Association", with domicile in London, England.

Section 2

The objectives of the European Snacks Association shall be the advancement of all matters aiding the development and improvement of the potato chips, edible nuts and snack food products and, to the benefit of its Business Members as well as Associate Members and Trade Association Members, as mentioned in Article III hereafter. The Association's mission statement is as follows :

To work together to create an operating environment that helps to promote members interests, and increase consumer confidence, leading to category growth through :

- Working with legislators and regulators
- Aligned industry wide self-regulation
- Influencing key opinion formers
- Providing a platform to facilitate cross-industry co-operation within the boundaries of national and European competition law

Section 3

The European Snacks Association is voluntary, is not organised for pecuniary profit and shall not make or declare dividends.

ARTICLE II: INTERPRETATION

Section 1

Whenever the words "The Association" occur in these By-Laws they shall be understood to mean the "European Snacks Association" as a body.

Section 2

Whenever the words "The Board" appear in these By-Laws they shall be understood to mean "The Board of Directors" of the European Snacks Association, as mentioned in Article VI thereafter.

Section 3

The word "Snacks" in the name of the Association refers to the following products: extruded, sheeted, parched, baked, fried, dried, puffed or popped vegetables, including potatoes, fruit, grain, nuts or meat based snacks.

Section 4

These arrangements are to be governed by English law.

ARTICLE III: MEMBERSHIP

Section 1: Classes of Members

There shall be four (4) classes of Membership, known respectively as "Business Members", "Associate Members", "Trade Association Members" and "Honorary Life Members".

Section 2: Business Members

- a) A Business Member shall be any individual, partnership, firm or corporation engaged in the processing of potato chips, edible nuts and/or savoury snack products, who makes a formal application for membership, whose request for membership is approved by a majority vote of the Board, and whose first year's membership subscription fee is received in full. Refusal of an application for membership must be based on objective reasons
- b) Business Members who cease to be engaged in the processing of potato chips, edible nuts or snacks shall cease to be a Member, and shall no longer enjoy any of the privileges of the Association.
- c) Business Membership of the Association cannot, however, be refused to any individual, partnership, firm or corporation which acquires at least 50% of the ownership of an existing Business Member and continues the operations of such Business Member.
- d) Where a Business member has production facilities in more than one country a Corporate Business membership may be taken out to cover all/any of those operations.

Section 3: Associate Members

Any partnership, firm or corporation engaged in the manufacture or sale of machinery, packaging or supplies for the potato processing, edible nut or snack food industry or in the production of potatoes or other raw materials used in the manufacture of potato products, edible nuts or snack foods, and any other partnership, firm, corporation, business, industry, association or organisation, in any manner associated or connected with the potato processing, edible nut or snack food industry, may, upon signing an application for Associate Membership and upon payment of the first year's dues, become an Associate Member of the Association, provided a majority of the Board votes in favour of the application.

Section 4: Trade Association Members

Any Trade Association or Trade Organisation whose members are wholly or mainly engaged in the processing of potato chips, edible nuts and/or snack products, and who applies for membership may become a Trade Association Member, provided the application is approved unanimously by the Board.

Section 5: Honorary Life Members

The Board of Directors may extend Honorary Life Membership to any person in grateful recognition of the esteemed and valuable services he/she has rendered to the Association. The holder of such office will be entitled to receive Minutes of and attend general meetings of the Association.

Section 6: Certificate of Membership

Each new company upon its election into Membership of the Association shall receive a certificate of Membership, signed by the President and the Secretary General.

Section 7: Resignations

Members may resign from the Association by giving not less than six (6) months' notice prior to the end of the Association's financial year, and in default they shall be responsible for paying the following year's subscription. Notice shall be given by registered letter or by recorded delivery, to the Secretary General of the Association.

If a member has reasonable grounds to suspect that the association is in violation of national or European competition laws then they may resign with immediate effect. In these circumstances the resigning member will be liable only for subscriptions up to the date of resignation on a pro-rata basis.

Section 8: Membership Reinstatements

Any Member who has forfeited his membership shall be entitled to reinstatement if he applies within six (6) months from the date of notice of such forfeiture. He shall make application for reinstatement with remittance of his dues for the relevant year and any outstanding dues.

Section 9: Suspension or Expulsion

A Member shall be forthwith suspended or expelled from the Association upon the happening of any one or more of the following events:

- a) his refusal or neglect to comply with any Rules and Regulations laid down by the Board from time to time.
- b) his bankruptcy or insolvency or in the case of a company its winding-up other than for the purposes of reconstruction or amalgamation.
- c) the passing at a meeting of the Business Members at which he is given an opportunity of being heard on his own behalf of a resolution carried out by at least three quarters of those present that his continuance as a member would be prejudicial to the interests of the Association on objective grounds.

PROVIDED THAT in the event of sub-paragraphs a) and b) above the Board shall have a discretion to permit such member to remain in the Association upon his complying with any conditions which the Board may impose.

ARTICLE IV: DUES AND ASSESSMENTS

Section 1: Financial Year

The financial year of the Association shall begin 1 January, of each year and terminated 31 December, of the same year.

Section 2: Assessments

- a) Membership dues payable by Business Members will be at a graduated scale based on the Member's previous year's turnover (€M) for all savoury snack products made and/or sold in the EU. (This includes products made in the EU and sold for export).
Corporate Business Membership dues shall be determined by the Board and which shall take into account the size of the operations in the various countries to be covered by the Corporate Membership.
- b) In the case of a Trade Association Membership, the rate of subscription shall be on a basis which receives unanimous approval by the Board of Directors.
- c) Dues payable by Associate Members shall be at a graduated scale , based on number of operating units that the Member has, taking into account their status as local, national, multi-national, or global companies.
- d) The Board may, subject to the approval of the Business Members Meeting, for any period, fix an assessment which, in addition, to the membership dues, shall be payable equitably by all Business Members.
- e) Additional contributions may be called upon from either Business, Associate or Trade Association Members or all to fund technical or research work or for any Public Relations work to be undertaken on behalf of the Association. Any proposals for such funding will require approval by the affirmative vote of not less than two thirds of the appropriate Members present at the regular Business Members' meeting of the Association.
- f) Dues and assessments for each financial year may be varied from time to time upon the recommendation of the Board and approved by the affirmative vote of not less than two thirds of those members present at the regular Business Members' meeting of the Association.

- g) The annual subscription shall be payable in advance on or before 1 February of each year. Members whose subscriptions are more than sixty days in arrears of such date when the same shall become due may at the discretion of the Board be deemed to have forfeited their membership but shall nevertheless be liable to pay the annual subscription then outstanding.

ARTICLE V: BUSINESS MEMBERS MEETINGS

Section 1: Regular Business Members Meetings

There shall be a regular Business Members' meeting of the Association at least every second year.

Section 2: Extraordinary Business Members Meetings

Extraordinary meetings may be called:

- a) by the President at any time, when in his opinion, the interests of the Association require.
- b) by the Board upon a majority vote, or
- c) whenever one fifth or more of the Business Members request so in writing.

All calls and requests for an extraordinary Business Members meeting shall specify the time and place of the meeting and be delivered to all Members fourteen (14) days in advance of the time set for the meeting to permit each Member, under normal travelling conditions, to be represented at the opening of the meeting.

Section 3: Place and Hours of Meeting

Except as required by Section 2 of this article and unless otherwise ordered by majority vote by the Business Members, the place and hours of any Business Members meeting shall be fixed by the President.

Section 4: Quorum at Meetings

- a) The presence of the representatives of one fifth of the number of Business Members with a European Snack production operation shall constitute a quorum for Business Members meetings of the Association
- b) If at a first meeting less than one fifth of the qualifying Business Members is represented, a second meeting will be called for, which is in any case competent to pass all resolutions.

Section 5: Voting

The simple majority of votes represented at a Business Members meeting shall be sufficient to pass resolutions in so far as these By-Laws do not prescribe otherwise.

Section 6: Presidency of Business Members Meetings

In the absence of the President or Vice-President at any of the Business Members meetings, the Members represented at such meetings shall, by the affirmative vote of a majority so represented, choose a President for such a meeting.

Section 7: Associate Members

Associate Members shall be given the same notice of all meetings as may be given to Business Members. They are entitled to attend Business Members meetings unless otherwise decided by the Business Members on objective grounds. In any case, however, they are entitled to be present at all items of the agenda of Business Members meetings involving Associate Members, and to cast votes on all matters regarding Associate Members.

Section 8: Trade Association Members

Trade Association Members shall be given the same notice of all meetings as may be given to Business Members. They are entitled to attend Business Members meetings unless otherwise decided by Business Members on objective grounds. In any case, however, they are entitled to be present at all items of the agenda of Business Members meetings involving Trade Association Members and to cast votes on all matters regarding Trade Association Members.

ARTICLE VI: BOARD OF DIRECTORS

Section 1: Number and Election

- a) The affairs of the Association shall be managed by a Board of six to sixteen Board Members who shall be proposed by the retiring Board and elected by the Business Members' meeting. These Board Members shall reflect importance of production in the geographical and language areas within Europe and shall include the past President and the Secretary General, two representatives from the Associate Members, and the Chairpersons of the EC Regulatory, Nut Processors, and Communications working Groups Each Corporate Business member shall be entitled to a seat on the Board in addition to any regional representation.
- b) The term of the Board is two years. The election will take place at the regular Business Members meeting.

Section 2: Qualification and Quorum and Voting Rights

No person, with the exception of the Secretary General, shall be a Board Member unless he is an individual who is engaged in the processing of potato chips, edible nuts or snack foods, or is an officer of a firm, corporation or

partnership engaged in the processing of potato chips, edible nuts or snacks, or in the case of the representatives of the Associate Members, fulfil the criteria in Article III Section 3, and provided such firm, corporation or partnership is a Member of the Association.

One half or more of the total number of Board Members shall constitute a quorum at the Board Members' meetings, except as may otherwise specifically be provided herein.

All members of the ESA Board have equal voting rights and are entitled – subject to a maximum of two votes per member company – to one vote per board member present

Section 3

The Board shall in addition to the powers elsewhere granted by these By-Laws have power to grant in writing general or limited power of attorney and proxy to third parties, appoint committees and working groups in the Association's interest, recommend standards of quality for potato chips, edible nuts or snacks, grant to any individual, partnership, firm, corporation or association whose members are engaged in the sale of potato chips, edible nuts or snacks processed by a Business Member, the license to use any emblem, insignia, seal or trademark of the Association upon such terms as may appear in the public interest, do all lawful acts not inconsistent with these By-Laws which it may deem for the best interest of the Association, and in general shall have the control of all the affairs of the Association except as otherwise provided in these By-Laws.

The Board is authorised to co-opt Board Members to fill any casual vacancy in its membership provided such co-opted member fulfils the qualification as set out in Article VI Section 2. Such co-opted Board Member shall have the same powers as a Board Member elected in accordance with Article VI Section 1.

Section 4: Election of Executive Committee

The Board shall every two years elect a President, a Vice-President, together with the Secretary General forming the Executive Committee of the Association; such election to be held immediately after the adjournment of the regular Business Members meeting.

Section 5: Meetings of the Board of Directors

Board Members shall be held upon the call of the President or any two Board Members.

Section 6: Delegation of Duties

The Board of Directors may delegate in writing such duties as it may decide and such element of its authority as it may decide to the Executive Committee.

Section 7: Compensation of the Members of the Board

- a) The Members of the Board shall serve without compensation for any services they may render in the normal course of their duties. However the board may at it's discretion agree to reimburse board members for all reasonable travelling expenses where 'special' services are rendered
- b) The Board may decide about any compensation for the Secretary General and employees.

Section 8: Working Groups

The Board shall be assisted in its work by the establishment of a number of Committees or Working Parties and whose membership, terms of reference, and approval of any expenditures which might be incurred, shall be laid down by the Board. In the event that the Chairman of such Committee or Working Party is not a Board Member, he (she) shall become a Member of the Board and be entitled to full voting rights. However the maximum number of votes that any Business Member can have at any one time will be two.

An EC REGULATORY GROUP will be established and will be entrusted with the special responsibility of monitoring EC Legislation and submitting representation on those occasions in which the interests of ESA Members might be materially affected.

A NUT PROCESSORS' WORKING GROUP will be formed in order to consider nut issues including any research work which should be undertaken on behalf of the industry and with the aid of Association funds. This Group will also monitor EC food safety regulations and provide technical support for the work of the EC Regulatory Group on matters of specific interest to the nut processors, as well as to the Board.

A COMMUNICATIONS WORKING GROUP will be formed to ensure that communication and co-operation between members is pro-actively pursued and that the industry's external relationships with other organisations across Europe are effectively developed.

Other Working Groups will be set up as when the occasion arises.

ARTICLE VII: DUTIES OF THE MEMBERS OF THE EXECUTIVE COMMITTEE

Section 1: Duties of the President

The President shall preside at the Business Members meetings and the Board meetings. As the executive head of the Association, he shall enforce the By-Laws, rules and regulations of the Association and of the Board, and shall have

the general supervision and direction of the work of the Board and the Executive Committee.

The President shall be responsible for setting and agreeing the key objectives of the Secretary General and for regular review of these. In appraising the performance of the Secretary General against the targets set, the President will also be responsible for agreeing any salary increases or bonus due at least on an annual basis.

Section 2: Duties of the Vice-President

The Vice-President shall, in the absence of the President or upon his request, perform the President's duties.

Section 3: Duties of the Secretary General

- a) The Secretary General shall keep records of the proceedings of all Business Members meetings and Board meetings and of all meetings of which he shall be directed to attend.
- b) He shall have the custody of the books, papers and records of the Association, which shall be kept at the domicile of the Association, or where the Board thinks fit, and shall deliver same to any person or persons as requested by the President.
- c) He shall have custody, as the Treasurer of the Association, of all money and securities, and shall deposit all money received, immediately upon receipt thereof to the credit of the Association in a chartered Bank to be named by the Association.
- d) All cheques and orders for money upon the Association's bank accounts for amounts in excess of one thousand pounds shall require the signature of at least two (2) Board Members of which the Secretary General may be one. For cheques up to one thousand pounds, they shall be signed by either the Secretary General or a Director.
- e) He shall, upon instruction of the Board or of the members of such finance committee as the Board may appoint, purchase and sell securities for or hold in reserve account or accounts of the Association, and shall deposit such securities in safety deposit box in a chartered bank to which he and two Directors if appointed for the purpose by the Board shall have access.
- f) He shall provide regular statements of financial affairs and prepare a yearly budget to be approved by the Board.
- g) The Secretary General shall have full responsibility for the day-to-day running of the affairs of the Association and for recruitment and management of it's employees in line with the ESA budget approved by the board

ARTICLE VIII: AUDITORS

The Annual Accounts of ESA and its consolidated Accounts, shall be audited by one or more person authorised to do so in the Member State in which the Association has its registered office. Those persons shall also verify that the Annual Report is consistent with the Annual Accounts, and the consolidated accounts, if any, for the same financial year.

The Auditors, who will be appointed by the Board, shall report on their activities to the relevant Business meeting.

ARTICLE IX: AFFILIATION

Section 1: Affiliation

The Association may become affiliated with any other Institute, Organisation or Association, the purposes of which appear beneficial to the Members of the Association; the Board of Directors shall make such arrangements as it deems right and proper for securing the advantages which may be gained from such affiliations.

Affiliations shall not impede the continuation of the existing relationship with the Snack Food Association (USA).

ARTICLE X: DISSOLUTION

The Association may be dissolved by the affirmative vote of four fifths of its Business Members. The assets or other property of the Association shall, in the event of dissolution, be used for the purposes of providing services for social welfare, health, civic improvement, education or other projects of a benevolent or charitable nature.

ARTICLE XI: AMENDMENTS

These By-Laws and any amendments hereto may be amended, altered or repealed by the affirmative vote of not less than two thirds of all the Business Members of the Association present at a regular or extraordinary Business Members meeting. If at such a meeting, called for the purpose of such an amendment, alteration or repeal, this quorum is not present, a second Business

Members meeting may be called in writing, taking into regards a term of notice of at least two (2) weeks, at which meeting the simple majority of votes will be valid.

Approved at the regular Business Members meeting,
held in Berlin 20 June 2005