

ELGI CONSTITUTION

NAME AND SEAT

Article 1.

1. The association is called: **European Lubricating Grease Institute (E.L.G.I.)**.
2. It has its seat in Amsterdam.
3. The association may be referred to as "Institute".

OBJECTIVE

Article 2.

The objective of the Institute is:

- a. to promote the understanding of all matters concerning Lubricating Grease and its associate products and to facilitate the exchange of information concerning design, manufacture and use, handling and selling Lubricating Grease between all interested organisations and individuals;
- b. the promotion of research and development of all aspects of Lubricating Grease and
- c. to co-operate with other organisations who share mutual objectives concerning lubricants and related matters.

DURATION

Article 3.

1. The Institute has been entered into for an indefinite period of time.
2. The financial year coincides with the calendar year; the year of the Institute coincides with the financial year.

MEMBERSHIP

Article 4.

1. Membership is open to all individuals and organisations interested in the purpose of the Institute.
2. Only the Directors decide on admission to membership.

Article 5.

1. Application for membership should take place in writing by means of submitting the application form of the Institute intended for this purpose. New members will be advised in writing after acceptance if membership has been approved by the Directors.
2. All new members will receive a welcome letter, re-emphasising benefits of membership of the Institute and will be provided with a copy of the Constitution and By-Laws.

Article 6.

1. Membership will end:
 - a. in case a shareholder is granted an official moratorium, is adjudicated bankrupt, in case of dissolution of a member/legal entity and if a member/legal entity ceases to exist;
 - b. by discontinuance by the member;
 - c. by discontinuance on behalf of the Institute and
 - d. by expulsion.
2. Membership discontinuance by the member can only take place at the end of the financial year. Members have an obligation to advise the Institute of their desire of discontinuance of membership in writing. This should be received by the Institute by the last month of the financial year. The Institute will confirm in writing receipt thereof within one month of notification.
3. Membership discontinuance on behalf of the Institute can take place by the Directors by the end of the current Institute year, if the member, after repeatedly having been reminded in writing, has not fully satisfied his financial obligations versus the Institute as laid down in the by-laws.

Discontinuance by the Directors may result in immediate termination of the membership if the Institute cannot reasonably be required to let membership continue. Discontinuance always takes place in writing with a statement of the reason(s).
4. Expulsion from membership can only be pronounced if a member acts in conflict with the Constitution, rules or decisions of the Institute or disadvantages the Institute unreasonably. Expulsion takes place by the Directors, who inform the member in question of the decision as soon as possible, stating the reason(s). The party involved is entitled to appeal against the decision at the Annual General Meeting providing notification of such is given in writing to the Directors within one month after receiving

the notification. The member is suspended during the term of appeal and pending the decision.

5. If membership ends in the course of the Institute year, whatever the reason or cause, the annual subscription fee will remain payable by the member in full, unless the Directors decide otherwise.
6. A member may not give notice of termination of his membership if rights and obligations of a financial nature are changed.
7. A former member can again become a member, in which case the provisions of Article 5 on admission apply.

FUNDS

Article 7.

1. The funds of the Institute consist of the members' subscriptions, of any obtaining from testamentary dispositions, legacies and gifts and finally from any other income.
2. Each member should pay his subscription by the last day of the month of January. The level of the subscription is proposed annually by the Directors and voted on at the Annual General Meeting.
3. If a member becomes a member during a financial year, his subscription fee will be decided by the Directors in compliance with the By-Laws.

DIRECTORS

Article 8.

1. The Board of Directors consist of a minimum of five and maximum of seven Directors, and may change as proposed and agreed at the Annual General Meeting.
2. The Directors are appointed by the Annual General Meeting from among the members of the Institute. The Directors appoint their own Chairman, Vice-Chairman, Secretary and Treasurer. Where active members are available from countries not currently represented on the Board of Directors, preference to their adoption should be given by the Annual General Meeting. Members will be encouraged to vote accordingly. The Board of Directors will never be made up of more than one third (1/3) of its directors from one country or company.
3. The Annual General Meeting can suspend or dismiss Directors if it believes there are reasons to do so. A majority of at least two thirds of the validity cast votes is required for a decision to this end.

4. The Directors are entitled to resign at all times, on condition such takes place in writing with a term of notice of at least three months.
5. At least one Director resigns annually according to a schedule prepared by the Directors. The resigning person is immediately eligible for re-election.
6. Each Director has a term of three years.
7. In case of interim vacancies, the newly appointed Director takes over the term of the resigning Director.

Article 9.

- 1 The Directors are charged with the management of the Institute. All Directors collectively as well as the Chairman and the Secretary acting collectively are authorised to represent the Institute.
- 2 The Board of Directors as well as the Chairman and the Secretary can cause themselves to be represented by any Director or member authorised in writing as regards their respective authority as intended in Subsection 1, on the understanding that, if the Treasurer is authorised to have the bank and giro accounts at his disposal, this will only be possible within the limits accurately defined in the proxy.
- 3 The Directors require the approval of the Annual General Meeting or Extraordinary General Meeting to enter into financial agreements except for all usual transactions not exceeding an amount or interest annually fixed by the Annual General Meeting.

ANNUAL GENERAL MEETING AND EXTRAORDINARY GENERAL MEETINGS

Article 10.

- 1 An Annual General Meeting is held within six months of the termination of each financial year. The Directors present the Annual Report in this Meeting and provides account and accountability for its management in the past financial year, submitting the necessary documents. The Directors further submit to the Meeting the budget for the new financial year as well as the proposed members' subscription fees.
- 2 In addition to the topics proposed by the Directors for discussion in the Annual General Meeting, topics should further be discussed which have been requested in writing by at least such a number of members as is authorised to cast ten votes in the Annual General Meeting. The request is to be signed by the party making the request and should be submitted to the Directors at the latest six calendar months before the Meeting in question. Nomination of members for vacancies on the Board of Directors

shall be brought forward at least three calendar months in advance of an Annual General Meeting.

- 3 The Annual General Meeting or Extraordinary General Meeting may appoint annually but at the latest thirty days before the Annual General Meeting a Committee of at least two members, who may not be part of the Directors, to audit the accounts and accountability for the current or last year. If the audit requires special bookkeeping knowledge, the Committee may call in assistance from a specialist.
- 4 The Directors are under the obligation to provide this Committee with all the information it may require, and to show them the cash box and the values of the Institute and allow inspection of the books and documents of the Institute if it so requires.
- 5 Approval of the Annual Report and the accounts and accountability by the Annual General Meeting will serve to discharge the Directors of all responsibility.

Article 11.

- 1 Annual General Meetings or Extraordinary General Meetings are convened by the Directors, considering a term of at least four weeks. Convocation takes place by written notification to be sent to all members, stating the topics to be discussed at the Meeting.
- 2 With the exception of the Annual General Meeting intended in Article 10, extraordinary General Meetings will be held both as frequently as the Directors deem such necessary and as frequently as such is requested in writing, which request is signed by the party making the request, stating the topics to be discussed, by at least such a number of members as is authorised to cast ten percent (10%) of the votes in the Annual General Meeting.
- 3 After receipt of a request as intended in Subsection 2, the Directors are under obligation to convene an Annual General Meeting or Extraordinary General Meeting within a term no longer than six weeks. If a response to the request to convene a meeting does not follow within a fortnight after receipt by the Directors the requesting parties may themselves initiate such convocation in the manner in which the Directors convene the Annual General Meetings or Extraordinary General Meetings.

Article 12.

- 1 All members have access to the Annual General Meeting or Extraordinary General Meeting and each has one vote in it. Each member is authorised to have his vote cast by another member who has been authorised to this end in writing.
- 2 A unanimous decision by all members, even if they have not come together in a meeting, has the same power as a decision by the Annual General Meeting or Extraordinary General Meeting on condition it was taken with the advance knowledge of the Directors. Such decision is recorded in the Minutes by the Secretary. It will also be mentioned during the next Annual General Meeting.
- 3 Taking a vote on matters takes place orally, about persons in writing. Accepting proposals by acclamation is possible, on condition that such is proposed by the Chairman.
- 4 All proposals concerning matters are decided by an absolute majority of the votes cast, insofar as the Constitution does not provide otherwise. In the event of a tie, the proposal is deemed to have been rejected.

When taking a vote on persons, the person who has gained the absolute majority of the votes cast will be deemed elected. If nobody obtains such a majority, a second vote is taken between the persons who have obtained the largest number of votes cast and he has been elected who at the second vote has gained the absolute majority of the votes cast. In the event of a tie at the second vote, lots will be drawn. Votes in this Article are intended to mean validly cast votes, so that votes which are blank and those signed with the name of the voting member are not considered.

- 5 If the Chairman states at the Meeting that a decision has been taken, this will be decisive. If, however, the validity of his statement is doubted immediately after being announced, a new vote will be taken when the majority of the Meeting requires to vote and the original vote did not take place per capita or in writing.

Article 13.

- 1 The Chairman of The Board of Directors chairs the Meeting. In case of his absence or other engagements, one of the other Directors will act as Chairman of the Meeting.
- 2 Minutes of the topics discussed at the Annual General Meetings or Extraordinary General Meetings are taken by the Secretary or by a member of the Institute appointed by the Chairman.

AMENDMENT OF THE CONSTITUTION

Article 14.

- 1 The Constitution can only be amended after a decision by the Annual General Meeting or Extraordinary General Meeting which was convened with the notification that an amendment to the Constitution would be proposed at it.
- 2 The proposed amendment of the Constitution is to be included word by word with the written notification of convening of the Meeting.
- 3 This Constitution may be amended by affirmative vote of two-thirds of the membership, whether present and voting or voting by proxy at an Annual General Meeting or Extraordinary General Meeting.

Article 15.

- 1 The amendment of the Constitution does not come into force until after a Notarial Deed of it has been executed.
- 2 The Directors are under the obligation to deposit an authentic copy of the amendment and the amended Constitution at the office of the Chamber of Commerce in the district in which the Institute has its residence.

DISSOLUTION AND LIQUIDATION

Article 16.

- 1 The Institute can be dissolved on decision by affirmative vote of two-thirds of the membership, whether present and voting or voting by proxy at an Annual General Meeting or Extraordinary General Meeting.
- 2 If there is no quorum, dissolution may be decided, irrespective of the number of members present or represented at the Meeting, at a following Meeting to be held at least four but at the utmost eight weeks after the first one, with a majority of two-thirds of the number of the votes cast, irrespective of the number of votes present or represented at the Meeting.
- 3 When the Meetings, intended in Subsections 1 and 2 of this Article, are convened, the members must be notified that a proposal to dissolve the Institute will be put forward at the Meeting.
- 4 If, upon the decision to dissolve, no liquidators have been appointed to this end, liquidation will take place by the Directors.

- 5 Any positive balance will be used for such goals to be determined by the Annual General Meeting or Extraordinary General Meeting as conform most to the objective of the Institute.
- 6 After dissolution the Institute will continue to exist insofar as such is necessary to liquidate its capital. During liquidation the provisions of the Constitution and rules remain in force insofar as such is possible. The words "in liquidatie" (in liquidation) have to be added to its name in documents and announcements issued by the Institute.

BY-LAWS

Article 17.

- 1 The Annual General Meeting or Extraordinary General Meeting can provide further rules concerning membership through By-laws. The level of the subscription fees, the activities of the Directors, the meetings, the manner of exercising the right to vote and all further topics which it seems fit to regulate.
- 2 Amendment of the By-laws may take place by a decision of the Annual General Meeting or Extraordinary General Meeting if this is requested in writing by at least a third of the members of the Institute.
- 3 The By-laws may not contain any provisions which deviate from or which are in conflict with the provisions of the Law or of the Constitution, unless the deviation is allowed by Law or the Constitution.

POWERS OF THE DIRECTORS

Article 18.

The Directors shall have and exercise any and all powers deemed necessary in the control and management of the property, affairs and employees of the Institute, not otherwise specified in the constitution.

Confirmation of alteration to the ELGI Constitution as agreed at the Annual General Business Meeting Monday 6th May 2002 Seville Spain

Thursday 20th June 2002

Mr. T.W. Dicken

(ELGI Chairman)