



**ARTICLES OF ASSOCIATION OF CO-ORDINATING
EUROPEAN COUNCIL FOR THE DEVELOPMENT OF
PERFORMANCE TESTS FOR TRANSPORTATION
FUELS, LUBRICANTS AND OTHER FLUIDS**

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ARTICLES OF ASSOCIATION

Title 1. Name and registered office

Article 1 An international non-profit association with scientific objectives has been founded under the name "CO-ORDINATING EUROPEAN COUNCIL FOR THE DEVELOPMENT OF PERFORMANCE TESTS FOR TRANSPORTATION FUELS, LUBRICANTS AND OTHER FLUIDS", abbreviated to "CEC".

The association is governed by the provisions of Title III of the Belgian Law of 27 June 1921 on non-profit associations, international non-profit associations and foundations.

Article 2 The registered office of CEC is established in 1000 Bruxelles, Belgium, Boulevard du Souverain 165.

It may be transferred to any other location in the Brussels area by simple decision of the Board of Directors, to be published in the Annex to the Belgian State Gazette.

Title 2. Objectives and scope

Article 3 The objectives of CEC, which are of a scientific nature and without profit making intent, comprise the development, publication and maintenance of performance tests for the evaluation of transportation fuels, lubricants and other fluids in the furtherance of the businesses of the engine manufacturing, petroleum, chemical, automotive and related industries primarily within Europe.

Performance tests are laboratory, engine or field tests which characterise the quality of a functional fluid in relation to its intended application rather than its physical or chemical properties. It may involve testing in actual hardware which is representative of the fluid's end use, e.g. engine, gearbox, axle or it may rely on a simulated test to determine a particular area of functionality of performance feature e.g. friction, elastomer compatibility, oxidative stability, lubricity.

A requirement of all performance tests is that there should be demonstrated correlation with the end application.

The activities of CEC shall include :

- (a) the devising of test procedures and protocols;
- (b) the establishment of precision, reliability and constancy of such procedures and arising data and correlation to end use application;
- (c) the publication of test methods, codes of practice and technical information relating to or arising from CEC activities. The supply of such publications to both members and non-members of CEC throughout the world but particularly within Europe;

- (d) the monitoring of the efficacy of CEC test methods and codes of practice both in terms of evolving technology and as applied by users;
- (e) the amendment or withdrawal of methods and codes of practice under its jurisdiction and which are judged to be no longer useful.

The activities of CEC shall not in any way affect the position of participating companies or individuals as competitive enterprises or prevent separate study elsewhere which is equal or similar to any of those undertaken by CEC.

CEC shall not set product quality specifications except for apparatus and reference materials, which are deemed essential for the establishment and maintenance of performance tests.

CEC shall realise its objectives by any legal means including the assignment of special tasks and the granting of funds to other external organisations and institutions.

Article 4 The territorial scope of CEC activity is principally but not exclusively limited to European countries.

Article 5 The association is established for an unlimited length of time. It can be dissolved at any time, provided the terms of Article 17 of the Title 6 are fulfilled.

Title 3. Membership

Article 6 The membership of CEC shall comprise European Industry Associations representing transportation and transportation fluids industries, the membership of which is open to members from various European countries, and as accepted from time to time by Management Board.

Article 7 Industry Associations desiring to belong to CEC should address a request in writing to the Management Board. Membership of the Association entails payment of the current year subscription.

Article 8 Acceptance of Industry Associations for membership of CEC is subject to the approval of the Management Board. The Management Board shall decide on the subscription referred to in Articles 15 and 16 and its amount.

Article 9 An Industry Association being a member of CEC and wishing to resign its membership shall give at least six calendar months notice of such intent in writing to the Chairman of the Management Board.

An Industry Association which wishes to resign shall honour any commitments undertaken by it towards CEC including the payment of any subscriptions which are outstanding at the date upon which the resignation becomes effective, that is to say at the date of the expiry of the six month period of notice.

Article 10 The exclusion of a member Industry Association from the membership of CEC can only be decided on by the Management Board deliberating and deciding in accordance with the procedure laid down in Article 21. The member concerned shall have the right to present its defence beforehand. Conduct that may warrant exclusion includes, but is not limited to, the continued and deliberate failure by the member concerned to attend meetings of Management Board or the failure during two six month periods to pay the subscriptions determined by the Management Board.

Article 11 The termination of an Industry Association through either voluntary or judicial dissolution or through bankruptcy shall result automatically in the simultaneous termination of its membership of CEC.

Article 12 Upon the termination of a membership for any reason whatsoever all that member's rights arising from these Articles of Association will lapse.

Article 13 Any Industry Association which is no longer a member of CEC because of resignation or exclusion or because of its dissolution or bankruptcy shall not be entitled to any of the property of CEC.

It can not demand a statement of account, the affixing of seals or an inventory, neither can it demand any reimbursement of subscriptions already paid.

Article 14 Upon termination of a membership for any reason whatsoever, that member will remain bound by all commitments undertaken by it towards CEC and approved by the Management Board of CEC, unless that member has terminated its membership within 30 days after the commitments were so approved by the Management Board.

More specifically and among others, such a member is bound by all financial obligations which have been ratified by CEC Management Board if it has not presented its resignation within 30 days following the said ratification. For the avoidance of doubt, the members of CEC shall not bear unlimited liability for the debts or obligations of CEC but shall only be liable up to amount of their subscriptions which operate to cover the operating costs and the other above mentioned financial obligations of CEC.

Title 4. Subscriptions

Article 15 Each member Industry Association shall pay a subscription, which has been determined by the Management Board, to cover the administrative and operating expenses of CEC.

The payment of subscriptions shall be due on the first working day of January and on the first working day of July.

Upon the term of the Article 17 of the Title 6, each member Industry Association shall commit to assure, through a letter of guarantee, the payment of their contribution to the 6-month financial reserve of CEC.

Title 5. Accounts and budget

Article 16 The financial year of CEC shall begin on January 1st and end on December 31st.

Management Board is bound to ratify every year the audited accounts of the previous financial year and to approve a budget for the following year.

The Secretariat shall prepare at the request and under the responsibility of the Board of Directors and the Board of Directors shall present to the Management Board:

- (a) annually audited accounts
- (b) proposed annual subscriptions
- (c) annual budget
- (d) budgets and accounts for CEC projects which have been contracted to third parties.

The annually audited accounts shall be drawn up in accordance with article 53 of the Belgian Law of 27 June 1921 on non-profit associations, international non-profit associations and foundations.

The Secretariat shall be responsible for the management of VAT and other financial returns required of CEC by third parties.

Title 6. Financial Reserve

Article 17 In case of any event, occurring at any time during the existence of CEC, and which could result in its dissolution, CEC must establish conditions to create a financial reserve in order to be in a position to fulfil its financial obligations for a 6 month period.

Title 7. Management Board

Article 18 Management Board, i.e. the decision and policy making body, is the highest organ of CEC and has the most extended powers in order to realise the objectives of CEC.

Article 19 Management Board is the general meeting of all members of CEC and shall comprise representatives from all member Industry Associations who commit their respective Industry Associations. Each member may be represented by no more than two persons.

Each member shall notify the names of its representatives to the Chairman of the Management Board.

The period of office at the Management Board of representatives of member associations shall be determined by their respective Industry Associations but should generally be for not less than two years.

Article 20 Management Board shall meet not less than four times during any year, with all member associations present, under the chairmanship of the Chairman or, in default of the Chairman under the chairmanship of the Vice Chairman or, in default of both the Chairman and Vice Chairman then under the chairmanship of a member of the Management Board elected to be chairman at the meeting.

Extraordinary meetings of the Management Board may be called at any time at the decision of the Chairman, or at the request of at least two member associations, with all member associations present.

The venue, time and agenda of each meeting of the Management Board shall be communicated to the members at least two weeks in advance by the Chairman or the Vice Chairman by any written means of communication.

The Management Board will only reach decisions if all member associations are present. If this quorum requirement is not met at a particular meeting, the next meeting can validly deliberate and make decisions on the same agenda items provided at least $\frac{3}{4}$ of the member associations are present.

The Management Board will only reach decisions on items listed in the agenda, unless all member associations agree to add additional items to the agenda.

Article 21 Decision making will be by an agreed consensus/no objection, each member being entitled to one vote. The Chairman and the Vice Chairman and any other Directors, if any, attending the meeting shall have no voting rights.

Agreed consensus shall be reached on all decisions amongst the Management Board membership by member associations relevant to the decision subject, it being understood that if the decision concerns the exclusion of a member in accordance with Article 10, the member concerned will not be entitled to vote.

A member association is defined as one which represents the product/business area within which the subject of the decision is pertinent.

Article 22 All resolutions by the Management Board shall be recorded by the Secretariat in the minutes and shall be approved by Management Board and signed by the Chairman

or by the Vice Chairman or by the chairman of the meeting at which the minutes are approved.

The minutes shall be kept in the care of the Secretariat where all members can consult them.

- Article 23** The powers of the Management Board especially pertain but are not limited to:
- (a) the appointment and dismissal of the Chairman and Vice Chairman and the appointment and dismissal of additional Directors in the Board of Directors;
 - (b) the approval of accounts, the annual budget, subscriptions and other financial matters;
 - (c) the confirmation of the appointment of the Secretariat.
 - (d) the management of test development activities of TDG's and SG's and the appointment of group leaders;
 - (e) the recommendation and agreement of methodology of test development and funding;
 - (f) the monitoring of progress of TDG's and SG's and internal service groups, eg. SDG, reference fluid group;
 - (g) the direction (via Chairman) of liaison with external organisations;
 - (h) the decision on communication activities eg. Technical workshops, conference / symposia activities;
 - (i) the modification of these Articles of Association and Bye-laws;
 - (j) the voluntary dissolution of CEC.

Article 24 Management Board can only decide to dissolve CEC or to modify its Articles of Association subject to consensus agreement of the total association membership at an especially convened and extraordinary meeting. Where an association is not present its vote shall be deemed not to be affirmative.

In accordance with Belgian Law and on the assumption that CEC continues to be based in Belgium, a modification of these Articles of Association shall be recorded, in accordance with applicable law, in an authentic or private deed and, as the case may be, shall require approval by the King in accordance with applicable law.

Article 25 In the event of the dissolution of CEC, the Management Board shall determine the manner in which the association may be ended including the appointment of one or more liquidators where necessary. All assets remaining in the possession of CEC, after the settlement of all commitments, shall be allocated to one or more non-profit legal entities or non-profit factual associations pursuing an objective identical or similar to the objective of CEC.

Article 26 Management Board shall further regulate the organisation and control of CEC by means of a series of Bye-laws and by delegation to its officers, as it shall determine from time to time.

Title 8. Chairman and Vice Chairman - Board of Directors

Article 27 The management of CEC shall be entrusted to a Board of Directors consisting of at least the Chairman and Vice Chairman.

The Board of Directors shall have all powers of management and administration, except those exclusively reserved by law or by these Articles of Association to the competence of Management Board.

Article 28 The Chairman and Vice Chairman and other Directors, if any, shall be elected by Management Board from candidates nominated by member Industry Associations for a term not normally exceeding two years. The Directors can be reappointed for an unlimited number of terms of office.

The Directors can be dismissed at any time by a decision of the Management Board in accordance with the procedure laid down in Articles 21 and 23. Their office shall come to an end as a result of death, resignation, dismissal or expiration of the term of office.

Article 29 The Board of Directors shall meet and deliberate, including by way of a telephone conference call or other means of communication allowing for a deliberation, at the request of one or more Directors. This request shall be made by telephone or by any written means of communication at least three days in advance.

The decisions of the Board of Directors shall be taken on the basis of consensus, with at least two Directors being present. The minutes of the meetings of the Board of Directors shall be kept in the care of the Secretariat where all members can consult them.

Article 30 The Board of Directors represents CEC in dealings with third parties and at law both as plaintiff and as defendant. To this effect, the Board of Directors validly represents CEC vis-à-vis third parties by way of one Director acting alone.

Moreover, within the limits granted to them by way of special powers of attorney granted by the Board of Directors under the latter's responsibility, CEC is validly represented by or more attorneys-in-fact. The Board of Directors can delegate the daily management to a Director.

Excerpts of the minutes and decisions of the meetings of the Management Board or of the Board of Directors to be submitted for publication or otherwise are validly signed by one Director.

Article 31 As far as possible the Directors should derive in rotation amongst the member Industry Associations.

When a member of the Management Board representing an Industry Association is elected to the Chairmanship, the particular Association shall be entitled to a replacement member for the duration of the Chairmanship.

Title 9. Secretariat

Article 32 The Secretariat shall report to and be accountable to the Management Board and shall be responsible for the day to day technical, financial and administrative control of CEC, without prejudice to the powers and responsibilities of the Board of Directors.

The Secretariat shall be responsible for ensuring proper professional standards including those for the quality of test procedures and for all technical activities within CEC.

The Secretariat shall be responsible for the central secretariat, its staff, its systems and all related activities.

Title 10. General provision

Article 33 Within the Association, the working language shall be English.

Article 34 CEC and its Members and Working Group participants are committed to full compliance with applicable laws including the competition laws of the EU and those of the various European countries where any of the Members and Working Group participants operates. The Association and its Members and Working Group participants shall not engage in any discussion, and shall not exchange information on any commercially sensitive issues in particular pricing, discounts, cost structures, investment plans, delivery by producer or customer or the terms and conditions of supply and delivery, excluding, in all instances, generally available market statistics.

Article 35 All matters not provided for in these Articles of Association and especially the publications, which have to occur in the Annexes to the Belgian State Gazette "Moniteur Belge", shall be governed by Belgian law.