

STATUTE OF THE ASSOCIATION

I. GENERAL RULES

§ 1.

1. **Association Polska Wódka - Polish Vodka Association**, further referred to as an Association, is an association of producers and persons associated to the Polish Vodka industry.
2. The Association's activities are regulated by the provisions of the 'Law of Associations' statute of 7th April 1989 (Statute Journal 2001, No 79, entry 855 with later changes) and other law.

§ 2.

The Association's region of activity is the Polish Republic, member states of the European Union, the European Economic Area and other countries.

§ 3.

The Association's seat is the country capital, Warsaw.

§ 4.

1. The Association bases its activity on a voluntary work of its members.
2. It may employ people in order to run its activities.

§ 5.

The Association constitutes a legal entity.

§ 6.

The Association may join a membership of other national or international public service organizations of similar aims and objectives.

§ 7.

1. The Association is entitled to use banners, badges and seals in conformation to relevant provisions of law.
2. For special contributions made in furthering the Association's aims the Association may bestow honorary awards upon persons or institutions, regardless of their legal form.

I. OBJECTIVES AND MEANS OF OPERATION

§ 8.

Aims of the Association are:

- 1) to be the leading voice of the Polish spirits industry;
- 2) to secure, promote and advance the freedom to produce and market spirit drinks in a responsible way;
- 3) to promote tradition and culture of the Polish spirits industry and in particular tradition and culture of the responsible consumption;
- 4) to raise and promote the understanding of the industry to decision-makers in the Polish and European institutions, international organizations, other key-target stakeholders and the media;
- 5) to protect and promote the interest of the Polish Vodka trade generally both in Poland, EU and non-EU countries;
- 6) to undertake, promote and support initiatives allowed by law directly or indirectly affecting the Polish Vodka trade;
- 7) to prosecute, defend and enter into legal proceedings in any territory of the world

- in defence of the interest of the Polish Vodka trade;
- 8) to collect and disseminate statistical and other information relating to the Polish Vodka trade and any other information likely to be useful to members of the Association;
 - 9) to exhibit at trade fairs and to enter into guaranties to meet a proportion of the cost of trade fairs at which the Association wishes to exhibit.

§ 9.

The Association accomplishes its aims through:

- 1) lectures, training, and other conferences in the field of general and particular education on history and culture of Polish Vodka Industry,
- 2) the initiation of projects propagating cultural values and the responsible consumption,
- 3) information (the publication of information materials and other periodicals concerning the Association's activities),
- 4) cooperation:
 - a) with appropriate central and local government bodies, The Polish Spirit Counsel in the area covered by the Association's statute,
 - b) with other similar national and foreign affiliations.

II. MEMBERS, RIGHTS AND DUTIES

§ 10.

1. The Association's membership is open to persons.
2. Legal entity may only become a sponsoring member.

§ 11.

1. There are following kinds of the Association's membership:
 - 1) ordinary membership,
 - 2) sponsoring membership,
 - 3) honorary membership.
2. A person may become an ordinary member, if he or she:
 - 1) is of age,
 - 2) possesses full legal ability,
 - 3) was not disenfranchised by court,
 - 4) supports the statutory aims of the Association,
 - 5) is recommended by a Association member,
 - 6) signs a membership declaration,
 - 7) is of high moral standing.
3. Ordinary members are accepted into the Association by the decision of the Management Board on submitting their written declaration and obtaining a membership card signed by the Board's President.

§ 12.

An ordinary member is entitled to:

- 1) participate in the members' general meeting with a vote,
- 2) elect and be elected to the Association's authorities if participating in the general meeting.

§ 13.

Ordinary members are obliged to:

- 1) observe the rules of the statute, internal regulations and the resolutions of the Association's authorities,

- 2) actively contribute to the Association's life and activities,
- 3) follow the rules of cooperation in a group,
- 4) settle the membership subscription fees regularly.

§ 14.

1. The Association may bestow the honour of a sponsoring member upon adult persons and legal entities interested in the Association's activities, supporting the Association's budget, or those that declared financial, material or factual aid.
2. The sponsoring membership is granted or withdrawn by the President of the Management Board according to the Management Board resolution.
3. Sponsoring member does not participate actively in the life and activities of the Association.
4. Sponsoring member is not free to elect or be elected to the association's authorities, but is entitled to participate in the members' general meetings in advisory capacity.
5. Sponsoring member is obliged to realize the assistance declared, observe the rules of the Statute and the Association's resolutions.

§ 15.

1. The Association may bestow an honorary membership upon adult persons that contributed to an exceptional degree in the Association activities, and are of high moral standing.
2. Honorary membership may not be conferred upon the Association's ordinary member.
3. Sponsoring membership is granted or withdrawn by the President of the Management Board according to the Management Board resolution.
4. Honorary member does not participate actively in the life and activities of the Association.
5. Honorary member is not free to elect or be elected to the association's authorities, but is entitled to participate in the members' general meetings in advisory capacity.
6. Honorary member is not obliged to pay any membership fees.

§ 16.

Ordinary, sponsoring or Honorary membership may be conferred upon a person who is not a Polish citizen if such person contributes to or supports the Association's activities.

§ 17.

1. The association's membership is discontinued upon:
 - 1) the death of a member,
 - 2) a voluntary motion to discontinue membership in writing,
 - 3) membership subscription arrears of more than 18 months,
 - 4) dissolution of a legal entity,
 - 5) expulsion according to the Management Board resolution for a nonobservance of the statutory regulations, the Association's authorities resolution or acting for a detriment of the Association,
 - 6) disenfranchisement by the judgment of a court.
2. In cases mentioned in 1, 2, 3, 4, 5 pos. 1. above, appropriate Management Board removes the member from the Association's rolls.
3. Persons removed from the list of members may appeal to the Audit Commission within 30 days from receiving the notification of removal.

II. THE ASSOCIATION'S AUTHORITIES AND ORGANIZATIONAL STRUCTURE

§ 18.

1. The Association's main authorities are:
 - 1) General Meeting of Members,
 - 2) Board of Management,
 - 3) Audit Commission,
2. The first Management Board and Audit Commission shall be appointed by the Founder's Meeting.

§ 19.

The tenure of all the Association's authorities is three years and the bodies are elected by an absolute majority in a secret ballot.

V. MAIN AUTHORITIES OF THE ASSOCIATION

A. GENERAL MEETING OF MEMBERS

§ 20.

1. The highest authority of the Association is the General Meeting of Members.
2. The General Meeting of Members may be ordinary or special.

§ 21.

1. The General Meeting of Members is convened every year.
2. The time, place and the agenda of the ordinary General Meeting of Members is set by the Board of Management, who notifies all the members six weeks before the date of the meeting.

§ 22.

1. The General Meeting of Members is entitled to:
 - 1) set the main directions of the Association's activities,
 - 2) examine and endorse periodic reports of the Board of Management and the Audit Commission,
 - 3) grant a vote of approval to the retiring Board of Management on the motion of the Audit Commission
 - 4) elect and recall the members of the Board of Management and the Audit Commission,
 - 5) pass the Statute of the Association as well as the changes to the Statute,
 - 6) examine motions and proposals put forward by the Association members or its authorities,
 - 7) resolve matters on the Association's dissolution and the designation of its property,
 - 8) in cases of reduction of the number of members of the Commission during its tenure - elect and recall the deputies of the Management Board and the Audit Commission members in place of former members.
2. The rules and regulation of the General Members Meeting are set.

§ 23.

In the General Meeting of Members take part:

- 1) with a deciding vote – the ordinary members;
- 2) with an advisory vote – other members of the Association.

§ 24.

Extraordinary General Meeting of Members is called by the Board of Management:

- 1) on its own initiative,
- 2) on the motion of the Audit Commission,
- 3) on the motion of one third of the ordinary members.

§ 25.

Extraordinary General Meeting of Members should be convened by the Board of Management within 6 weeks from the day of putting forward such motion and it debates only matters for which it was convened.

B. BOARD OF MANAGEMENT

§ 26.

1. The Board of Management is the highest authority of the association in the periods between the General Meetings of Members.
2. The Board of Management is entitled to:
 - 1) represent the Association,
 - 2) govern the Association's activities in their entirety, according to the General Meetings of Members resolutions,
 - 3) compile and enact the Association's regulations on the basis and within the framework set by the General Meeting of Members resolution, as well as work on other internal legal acts and regulations of the Association,
 - 4) set a plan of activities and a budget project of the Association, as well as grant an approval to the yearly activities report,
 - 5) resolve matters related to the acceptance of donations, bequests, encumbrance and conveyance of property with the restrictions provided for in § 35 and 36 of the Statute,
 - 6) resolve in matters of the Association's membership in the national and international organizations mentioned in § 6 pos. 1, as well as introduce the Association's candidates for the membership in the authorities of such organizations,
 - 7) set the membership dues,
 - 8) prepare motions for the General Member's Meeting,
 - 9) employ the employees according to § 4 pos. 2 of the Statute.

§ 27.

1. The Board of Management consists of at least 3 members, including a President, Treasurer and Secretary.
2. With the provision of § 36 pos. 2 of the above Statute the following members are authorized to make statements of will or to sign on the behalf of the Association:
 - a) individually, the President of the Management Board, or
 - b) two members of the Board of management jointly.
3. In the cases of reduction of the number of members of the Management Board during its tenure below the number indicated in pos. 1 above – its composition is made out by the deputies of the Management Board members elected by the General Members' Meeting in order of the number of votes obtained or in order set by the General Members' Meeting.

§ 28.

1. The sessions of the Management Board are convened according to the Association's need, at least once every three months and are called by the President:
 - 1) on his own initiative,
 - 2) on the motion of one third of members of the Council,
 - 3) on the motion of the Audit Commission.
2. The session of the Management Board should be called within 30 days from the date of such motion.

§ 29.

1. The Management Board can appoint the advisory body of the Association, functioning at the Management Board as the Council.
2. The Council consists of the persons nominated by the Management Board.
3. The number of the Council's members is not to exceed 15 persons.

C. THE AUDIT COMMISSION

§ 30.

1. The Audit Commission is the Association's authority appointed to supervise and control its activities.
2. The Audit Commission consists of three members.
3. The Audit Commission elects a president, his deputy and secretary from within itself.
4. Members of the Audit Commission are elected and recalled by the General Members' Meeting.
5. In the cases of reduction of the number of members of the Commission during its tenure – its composition is made out by the deputies of the Commission members elected by the General Members' Meeting in order of the number of votes obtained or in order set by the General Members' Meeting.
6. Members of the Audit Commission:
 - a) cannot be members of the Board of Management as well as be related to board's members by family or remain in their employment,
 - b) are not lawfully sentenced for a crime committed intentionally.

§ 31.

The Audit Commission is entitled to:

- 1) conduct control, at least once per year, of the Association's activities in their entirety, with a special consideration to financial and property management from the point of its purpose, economy and legality,
- 2) supervise the activities of all of the Association's bodies from the point of their compliance with the Statute and the program of activities,
- 3) put motions derived from the control assessment to the Board of Management,
- 4) set motions and opinions concerning projects and budgets planned in the Board of management sessions,
- 5) initiate at the General Members' Meeting a motion to grant a vote of approval to the retiring Board of Management.

§ 32.

The detailed scope of activities of the Association's Audit Commission is set by specific regulations.

§ 33.

The President or appointed by him other member of the Audit Commission is entitled to participate in the Board's of Management sessions in an advisory capacity.

VI. THE ASSOCIATION'S PROPERTY AND FUNDS

§ 34.

The assets of the Association are property, funds, goods and chattels.

§ 35.

1. The funds of the Association consist of:
 - 1) membership fees,
 - 2) income from properties as well as from goods and chattels,
 - 3) donations,
 - 4) bequests, legacies and gifts,
2. The income of the Association is managed by the Board of Management
3. All of the Association's income is allocated to its statutory activity
4. Donor may indicate the aim of Association that is an object of donation. Part of donation that cannot be used for the aim indicated by donor, shall be transferred to the general fund of the Association.

§ 36.

1. Decisions concerning the acquisition, disposal and encumbrance of the Association's property is undertaken by the Board of Management.
2. Entering into contracts, delegating powers of attorney, issuing other statements of will in the property matters of Association requires the signature of at least two members of the Board of Management, including the President or Treasurer.
3. It is forbidden to:
 - 1) extend loans, secure obligations by the Association's property in relation to its members, members of bodies or employees and persons with whom employees are related to by marriage, or family relation in lineal consanguinity or family relation in collateral consanguinity to a second degree, or are connected to by an adoption, custody or tutelage, named further as 'close persons',
 - 2) transfer of the Association's property to members, members of bodies or employees and persons close to them, especially if such transfer is free of cost or on preferential conditions,
 - 3) benefit by property by members, members of bodies or employees and persons close to them, unless the use of the property follows directly from the statutory aims of the Association,
 - 4) purchase on special conditions goods or services from bodies of which members of the Association, members of its bodies or employees or persons close to them are a part of.

VII. FINAL PROVISIONS

§ 37.

1. The resolutions of all of the Association's authorities are reached by the majority of votes of at least half of the members entitled to vote, unless the Statute provides otherwise.
2. Changes to the Statute are adopted by a two third majority of votes of at least half of the members entitled to vote.

§ 38.

1. Adopting a Statute or its change as well as adopting a resolution on dissolution of the Association by the General Members' Meeting requires a qualified majority of two thirds of votes of at least half of the members entitled to vote at the general Members' Meeting.
2. In the case of adopting a resolution on dissolution of the Association, the General Members' Meeting will define the liquidation procedure and will define the intent of the Association's property disposal.
3. In the case of adopting a resolution on dissolution of the Association, matters not covered by the Statute are regulated by The Association's activities are regulated by the provisions of the chapter 5 of the 'Law of Associations' statute of 7th April 1989 (Statute Journal 1989, No 20, entry104 with later changes).

