



Articles of Association  
of  
elretur

## **1 NAME AND REGISTERED OFFICE**

- 1.1 The name of the association is: elretur.
- 1.2 The registered office of the association is the Greater Copenhagen Area (“Storkøbenhavn”).

## **2 PURPOSE**

- 2.1 The purpose of the association is:
  - 2.1.1 To safeguard the common interests of its members relating to especially the producer responsibility for electrical and electronic equipment and batteries and accumulators as well as environmental issues towards all relevant players, including by entering cooperation agreements with such players.
  - 2.1.2 To assume collection and management obligations for the members for waste electrical and electronic equipment and waste batteries and accumulators, to enter agreements with relevant players in this context, and to draw up models and decide the payment for these obligations.
  - 2.1.3 To collect and report all relevant information from the members further to relevant Danish and pan-European rules on producer responsibility for electrical and electronic equipment and batteries and accumulators in force at any time.
- 2.2 The association can enter cooperation agreements with industry associations and businesses on the handling of one or more of the obligations incumbent on the producers under the WEEE Directive, the Batteries Directive and the associated Danish rules, including by establishing cooperation with similar bodies outside Denmark.

## **3 MEMBERS**

- 3.1 Every company that according to the WEEE Directive, the Batteries Directive and the associated Danish rules carries producer responsibility for equipment within the two above-mentioned fields can be admitted as a member of the association.
- 3.2 Application for membership is made according to the guidelines set up by the association at any time.
- 3.3 As a condition for a member’s admission to or continued membership of the association the association may demand that said member provides financial security in regard to the financing of said member’s share of the obligation for waste management.
- 3.4 Admission as a member of the association can be rejected by the board, where the circumstances are exceptional.

## 4 MANAGEMENT OF THE ASSOCIATION

- 4.1 A board of directors shall supervise the association. The board is the highest authority of the association.
- 4.2 The board shall consist of seven or eight members.
  - 4.2.1 The founding associations – APPLiA Danmark (former FEHA), the Confederation of Danish Industry (DI), and the Danish Chamber of Commerce (DE) – each appoint one individual to the board of directors.
  - 4.2.2 At the annual ordinary meeting of the members a further four individuals are elected among the members of the association from each of the following four product categories: (i) cooling, large electrical equipment and small electronics, (ii) screens and small IT equipment, (iii) lamps, (iiii) photovoltaic panels and batteries. Members of the board are elected for a period of two years at a time.

If one or more of these product categories do not wish to hold a seat on the board of directors, this seat will automatically be allotted by order of priority to that or those product categories that represent the largest quantities placed on the market.
- 4.3 Board members elected pursuant to paragraph 4.2.2 must be affiliated to a member company.
- 4.4 Board members discontinuing their affiliation to a member company automatically lose their seat on the board. This rule shall also apply to a board member from a company resigning from or being expelled from the association.
- 4.5 If a board member appointed by one of the founding associations retires before the expiry of the election period, the appointing association shall be entitled to appoint another individual replacing this board member. In other cases the board complements itself until the next election period with a member within the same product category as the retiring board member, cf. paragraph 4.2.2.
- 4.6 The board of directors lays down its rules of procedure and elects its own chairman and vice-chairman. The chairmanship and vice-chairmanship must be allotted to the two product categories, cf. paragraph 4.2.2, comprising the largest quantities placed on the market. If one or both of these product categories do not wish to hold such a position, this position will automatically be allotted by order of priority to that or those product categories that are next in line regarding quantities placed on the market.
- 4.7 The board of directors may choose to engage a chairman for a period of two years; in such case this individual will become the eighth board member. In this case the vice-chairmanship must be allotted to a board member within the product category of cooling, large electrical equipment and small electronics (cf. paragraph 4.2.2). Should this product category not wish to hold this position, it will automatically be allotted by order of priority to that or those product categories cf. paragraph 4.2.2 that represent the largest quantities placed on the market. The engaged chairman of

the board can be dismissed by simple majority vote among the other board members.

## **5 DECISIONS AMONG THE BOARD OF DIRECTORS**

- 5.1 The board of directors constitutes a quorum when at least half the board members are represented. Board meetings may be held electronically and by telephone cf. the provisions of the rules of procedure.
- 5.2 If the board does not form a quorum a new board meeting shall be summoned for holding no later than two weeks following the first board meeting. If the board does not form a quorum at this new meeting, a third board meeting shall be summoned for holding no later than two weeks following the second board meeting. The third board meeting shall form a quorum regardless of the number of board members attending.
- 5.3 An absent board member may participate by proxy, provided that proxy may only be given to another board member, with the further limitation that a board member may only carry one proxy.
- 5.4 The board of directors makes its decisions by simple majority vote. In case of parity of votes the chairman – or in his absence the vice-chairman – shall have the casting vote.
- 5.5 Decisions concerning:
  - Change of Articles of Association
  - Distribution of capital and reserves
  - Dissolution of the associationrequire a three quarters' majority of votes.
- 5.6 A board meeting may only make decisions concerning subjects that are included in the agenda for said meeting.
- 5.7 Furthermore, one third of the board members may decide to summon a member meeting regarding a specific question.

## **6 MANAGEMENT AND SECRETARIAT**

- 6.1 By simple majority vote the board shall appoint a director; the director shall have the responsibility of establishing a secretariat for the handling of the daily business of the association.
- 6.2 With the exemption of the provisions under paragraph 7.2 the board can delegate its powers in certain fields to the director.

## **7 POWER TO BIND THE ASSOCIATION**

- 7.1 The managing director of the association shall have the right to plan daily business.
- 7.2 Towards third parties the association shall be bound by the joint signatures of the chairman and the vice-chairman, by the joint signatures of the chairman and a member of the board, or by the joint signatures of three members of the board.
- 7.3 The board may grant power to sign for the association.

## **8 SECTIONS**

- 8.1 Within the work sphere of the association the board can set up sections further to the product categories stipulated in the WEEE Directive and the Batteries Directive as well as the associated Danish rules, or sections within product groups that are expedient in respect to the members' interests. Also, the board of the association decides on the aggregation/ discontinuation of sections.
- 8.2 The principal task of a section is to assume the waste management obligation within the scope of said product category or product group. In this context, the section must set up models for the collection of environmental fees and other payments and recommend these models for approval by the board of the association.
- 8.3 The sections may elect a management among its member companies. If a section has no section management the decision-making power passes on to the board.
- 8.4 The board members must participate in at least one section management as observers; for board members elected in pursuance of paragraph 4.2.2 this should be in one of the section managements in which their own company is a member.
- 8.5 The board of the association may decide on an amount to be paid by the different sections as a contribution to the administration of the association.
- 8.6 The section shall be subject to the articles of the association and as a whole refer to the board of directors of the association, and it must follow the guidelines laid down by the board of the association for the business of sections.
  - 8.6.1 The section may set up rules of procedure. These rules of procedure shall be set up by the association and must be approved by the board of directors of the association.
  - 8.6.2 The members of the sections shall only be liable for the waste management obligations within the scope of said product category. Alternatively, the waste management obligation is comprised by the liabilities mentioned in Article 13.

## **9 OBLIGATIONS OF THE MEMBERS**

- 9.1 Upon admission to the association the new member receives a copy of the Articles of Association with an obligation to acknowledge these Articles of Association in their present form or in a form amended in accordance with the Articles of Association.
- 9.2 Especially the member shall be obliged to follow the guidelines, terms of payment, decisions and rules, including rules of procedure as stipulated by the board of the association or the secretariat in regard to the activities of the association, in addition to obligations and requirements according to Danish rules regarding producer responsibility for waste electrical and electronic equipment, batteries and accumulators.
- 9.3 Furthermore, upon admission to the association and as long as membership is maintained the individual member shall be obliged to currently report on and update all information as required by the rules on producer responsibility for electrical and electronic equipment as well as batteries and accumulators in force at any time regarding reporting to the relevant public authorities and/or private organisations, which have been entrusted with the power to establish and maintain such producer and product registers.
- 9.4 The member shall be obliged to submit and report information according to the directions of the secretariat and in the format decided by the secretariat. Non-compliance with this requirement may lead to expulsion of the association, cf. Article 10.
- 9.5 On demand the member shall prove the correctness of the information reported.

## **10 PAYMENTS BY THE MEMBERS**

- 10.1 The member's financial obligations towards the association must reflect the activities of the association and the member's participation in such activities, including said member's participation in agreements that the association should enter into with waste reproprocessors, hauliers, recycling companies and municipal and/or private collection sites. The member's financial obligations must be commensurate with the member's market shares within the relevant product categories.
- 10.2 Upon admission to the association the member shall be obliged to pay the following to the association:
- Due
  - Environmental contribution
  - Other payments
- 10.3 As a contribution to the settlement of expenses in connection with administration and activities of the association the members shall be obliged to pay a stipulated yearly due fixed by the board of the association.

- 10.4 Extraordinary dues and special projects according to the association's purpose with a separate budget must be approved by the board of the association by a two third majority vote.
- 10.5 The environmental contributions shall be determined by the board of the association according to recommendations submitted by the different sections and based on the costs borne by the sections for reuse, collection and management of waste electrical and electronic products covered by the WEEE Directive and waste batteries and accumulators covered by the Batteries Directive and associated Danish rules. Costs of the association and the different sections incurred through information campaigns and other obligations pursuant to legislation in force at any time further to the WEEE Directive and the Batteries Directive and associated Danish rules are also covered by the environmental contributions.
- 10.6 The environmental contribution collected from the members of the association and the different sections in advance of collection, reuse and management of waste as well as other obligations further to rules on producer responsibility in force at any time is decided as a preliminary contribution (prepayment) for the defined product categories and product groups.
- 10.7 Should members' prepayment of environmental contributions exceed actual costs, the surplus proportion of the environmental contribution remains in the association and is included in members' payment of environmental contributions for future waste management.
- 10.8 If members' prepayment surplus in relation to actual costs is caused by developments in raw material prices the board of the association can sanction charge-back of member payment of environmental contributions in full or in part further to recommendation submitted by the sections and under due consideration of the capital resources of the association as well as anticipations of future waste quantities, raw material prices etc.
- 10.9 Should the board of the association sanction charge-back in full or in part of member payment of environmental contributions further to recommendation submitted by the sections and due to developments in raw material prices this can be effectuated upon presentation of an auditors' attestation of the products placed on the market by the different members in the previous calendar year, as the sanction of the board must be made against the background of the quantities placed on the market by the members in the period.
- 10.10 Member payment of environmental contributions depends, among others, on raw material prices prevailing at any time, including prices of sale of entire products for reuse, components, materials, detached parts etc., and the sanction of the board of charge-back in full or in part of member payment of environmental contributions pursuant to the previous paragraphs is subject to the following provisions:
- Raw material prices mean amounts recovered further to agreements entered between the association and waste reprocessors.

- Raw material prices refer to product groups and not sections or product categories, and the sanction of the board of charge-back in full or in part of member payment of environmental contributions further to fluctuations in raw material prices must be effectuated within the sections to the benefit of producers of said product groups.

10.11 Should members' prepayment of environmental contributions be lower than actual costs the board of the association can decide a post-adjustment of the prepayment further to recommendation submitted by the sections of the association.

## **11 RESIGNATION AND EXPULSION FROM THE ASSOCIATION**

11.1 Resignation from the association shall be effected with no less than twelve months' written notice.

11.2 Dues shall not be refundable upon resignation or expulsion.

11.3 Decision to expel a member from the association shall be resolved by the board requiring a three quarters' majority of votes.

11.4 Upon resignation from the association, regardless of the reason, the member's right to a proportional share of a possible later distribution of the net capital shall cease. Furthermore, the resigning member shall be obliged to fulfil the stipulated guidelines and claims for securities for producer responsibility following from legislation in force at any time and the membership of elretur. The member shall be obliged to provide a financial security for the fulfilment of obligations undertaken by the association on behalf of the member.

## **12 ACCOUNTS AND AUDITING**

12.1 The accounting year of the association shall be the calendar year.

12.2 The accounts of the association shall be drawn up in conformity with generally accepted accounting principles and audited by a state-authorized public accountant.

## **13 MEMBER MEETINGS**

13.1 An ordinary member meeting shall be held every year no later than four months after the end of an accounting year. Furthermore, the board may summon member meetings with regard to hearing of the members in specific questions or with regard to information on the activities of the association.

13.2 At an ordinary member meeting the board of directors shall present an annual report for the past year, review the annual accounts audited by the auditor and present budgets and payments from the members, especially dues for the new accounting

year. Furthermore, directors of the board shall be elected at the annual member meeting according to Article 4 of these Articles of Association.

This shall take place with the following agenda:

- Election of chairman of meeting
- Presentation of annual report
- Review of audited annual accounts
- Presentation of budgets and member payments
- Election of board of directors
- AOB

- 13.3 Summons for ordinary annual member meetings, as all other communication with the members, shall be effected electronically through e-mail with no less than fourteen days' notice, and extraordinary member meetings with no less than eight days' notice. The members are obliged to keep the secretariat informed at all times of the e-mail address to which summoning, notices etc. should be sent.
- 13.4 However, the board of directors may depart from said time limits, if the board finds that it is urgently required to summon a member meeting.
- 13.5 The board may choose to make some of the documentation stipulated under paragraph 12.2 accessible to the members on the website of the association, thereby refraining from going through these documents at the member meeting.
- 13.6 The members at the member meetings are able to exercise voting rights according to their quantities placed on the market. Decisions shall be made by simple majority of votes.

## **14 LIABILITY**

- 14.1 The members shall only be liable towards third parties for the obligations of the association pursuant to legislation and/or decision by relevant authorities relating to participation in a collective scheme. Thus, members shall not be liable towards third parties for the obligations of the association, and the association shall not be liable towards third parties for the obligations of the members.

## **15 DUTY OF LOYALTY AND SILENCE**

- 15.1 The members shall be subject to duty of silence of indefinite duration with regard to negotiations carried on and further conditions of the association. Among others, the members shall be obliged not to pass on information to third parties regarding the operating conditions of the association.
- 15.2 The board of directors shall have no access to information on turnover and other sensitive information regarding individual members. The management and the secretariat, which become acquainted with this information under the reporting obligations of the association, shall be subject to duty of silence.

- 15.3 The members shall be obliged during their membership to cooperate with the association, including not to give access or contribute to give access for non-members to the systems of the association.
- 15.4 Breach of the duty of silence or other disloyal behaviour with regard to the association as well as its members may result in expulsion.

## **16 DISTRIBUTION**

- 16.1 The net capital of the association shall be distributed among the remaining members of the association at the time when the decision about distribution is rendered.
- 16.2 If the board of directors decides to distribute the net capital it shall be distributed among the members in proportion to their member payments paid through the latest five accounting years.

## **17 AUDITOR REVIEW**

- 17.1 If there is reason to believe that a member evades his obligations towards the association the board of directors may decide that the auditor of the association reviews the information given by the member to the association, including but not limited to information concerning sale of products comprised by the WEEE Directive and the Batteries Directive and associated Danish rules as well as information about the member's collection, reuse, reprocessing and recycling of said products.
- 17.2 The member is obliged to assist the association's auditor in connection with this review, hereunder to provide all information that the auditor finds necessary to carry out this review. In connection with his review the auditor may request access to the member's financial data, contract material etc.
- 17.3 If the member refuses to provide the auditor with access to the necessary information it will be considered a gross negligence of the member's obligations towards the association.
- 17.4 The association shall initially bear the costs of the auditor's review of the member's reported information. The association shall finally defray the costs if the auditor's review shows that the member's reports are in conformity with the results of the auditor's review. In other cases the member shall defray the costs, unless it is a question of insignificant deviations.
- 17.5 The auditor shall be subject to duty of silence regarding information that comes to his knowledge concerning the members of the association, in particular information that the auditor gets acquainted with in connection with an auditor's review according to this provision.

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These Articles of Association have been prepared by the board of directors of the association and adopted at the statutory meeting of 23 September 2003.

The Articles of Association have subsequently been revised on:

15.12.2004

26.01.2005

10.03.2005

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