

INTERNATIONAL INSTITUTE OF SYNTHETIC RUBBER  
PRODUCERS, INC.



ORGANIZATION

BY-LAWS

STATEMENTS OF POLICY

OPERATION WITHIN ANTI-TRUST LAWS

Revised May 2008



**I.**

**ORGANIZATION  
OF THE INSTITUTE**



## ORGANIZATION

The International Institute of Synthetic Rubber Producers, Inc. (IISRP-the Institute) was founded in 1960 with 14 Charter Members. The founding companies were:

American Synthetic Rubber Corporation	USA
Chemische Werke Huels, A.G.	West Germany
Copolymer Rubber & Chemical Corporation	USA
Firestone Synthetic Rubber & Latex Company	USA
General Tire & Rubber & Latex Company	USA
Goodrich-Gulf Chemical Company	USA
Goodyear Tire & Rubber Company	USA
International Synthetic Rubber company	UK
Phillips Chemical Company	USA
Polymer Corporation	Canada
Shell Chemical Company	USA
Shell International Chemical Company	UK
United Carbon Company	USA
U.S. Rubber Company	USA

The IISRP is an international trade association with about 40 producers of synthetic rubber polymers, whose global synthetic rubber interests are located in about 20 countries around the world. The current membership list is published on the IISRP website.

The Institute was incorporated under the State of New York Not-For-Profit Corporation Law<sup>1</sup> and now maintains its headquarters office in Houston, Texas, USA. It is divided into three geographic sections—the European, the Far Eastern, and the Americas Sections.

Each producer member of the Institute is entitled to one seat on the Board of Directors. The Board of Directors elects a President and Treasurer of the Institute. The Board also elects a President and two Vice-Presidents from each of the sections to serve as officers. These individuals, plus the immediate Past-President and the Managing Director, comprise the Executive Committee.

Institute policy and budgeting decisions are made by the Executive Committee, which also reviews Institute operations and activities. The Executive Committee then reports to the Board of Directors at the Annual Meeting. The Finance, Pension and Audit Committee have initial responsibility for developing budget recommendations.

The work of the Institute is conducted by the section committees composed of member company representatives with expertise in specific areas of interest to the industry.

Standing committees are appointed by the Executive Committee and are supported by each of the three sections. They currently include the Technical/Operating, Statistical, Environmental Health committees and the General Advisory Committee in the Far Eastern Section. Section Chairmen from the section committees are designated representatives on the corresponding Institute standing committees.

Other Institute steering and section committees may be appointed by the Board of Directors upon recommendation by the Executive Committee. Each member company is expected to make available an individual representative delegate with qualified expertise to each of the standing committees. The routine operations of the Institute are delegated to the Managing Director and his staff.

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<sup>1</sup> Given a Certificate of Authority to transact business in the state of Texas in 1979.



**II.**

**BY-LAWS  
OF THE INSTITUTE**



**BY-LAWS OF THE INSTITUTE**

**Article I. Name** ..... 1

**Article II. Mission** ..... 1

**Article III. Purposes** ..... 1

**Article IV. Membership** ..... 1

Section 1. Eligibility for Membership ..... 1-2

Section 2. Application for Membership ..... 2

Section 3. Determination of Eligibility ..... 2

Section 4. Geographical Affiliation ..... 2

Section 5. Representatives of Members ..... 3

Section 6. Voting ..... 3

Section 7. Letter Ballots ..... 3

Section 8. Termination ..... 3

    Para. 1. Non-manufacture of Synthetic Rubber Polymers ..... 3

    Para. 2. Resignation ..... 3

    Para. 3. Expulsion & Reinstatement ..... 4

**Article V. Institute Organization** ..... 4

Section 1. Meeting of the Institute ..... 4

    Para. 1. Annual & Other Meetings ..... 4

    Para. 2. Notice of Annual Meeting ..... 4

    Para. 3. Quorum ..... 4

Section 2. Board of Directors ..... 4

    Para. 1. Powers ..... 4

    Para. 2. Number & Manner of Designation ..... 4

    Para. 3. Term of Office ..... 5

    Para. 4. Meetings and Quorum ..... 5

Section 3. Officers ..... 5

    Para. 1. Officers ..... 5

    Para. 2. President-International ..... 5

        Sub. Para. (a) Election ..... 5

        Sub. Para. (b) Filling Vacancy ..... 5

        Sub. Para. (c) One Full Term ..... 5

        Sub. Para. (d) Function ..... 5

        Sub. Para. (e) Substitute ..... 6

    Para. 3. Section Presidents and Vice-Presidents ..... 6

        Sub. Para. (a) Election ..... 6

        Sub. Para. (b) Filling Vacancy ..... 6

        Sub. Para. (c) Optional Method of Filling Vacancy ..... 6

        Sub. Para. (d) Duties ..... 6

    Para. 4. Secretary ..... 6

        Sub. Para. (a) Appointment ..... 6

        Sub. Para. (b) Duties ..... 7

    Para. 5. Treasurer ..... 7

        Sub. Para. (a) Election ..... 7

        Sub. Para. (b) Duties ..... 7

    Para. 6. Assistant Treasurer ..... 7

        Sub. Para. (a) Appointment ..... 7

        Sub. Para. (b) Duties ..... 7

Section 4	<u>Institute Committees</u> .....	7
Para. 1.	Appointment .....	7-8
Para. 2.	Term of Office .....	8
Para. 3.	Quorum .....	8
Para. 4.	Officers .....	8
Para. 5.	Finality of Action of Committees.....	8
Section 5	<u>Standing Committees</u> .....	8
Para. 1.	Executive.....	8-9
Para. 2.	Finance, Pension and Audit.....	9
Para. 3.	Other .....	9

**Article VI. Section Organization**

Section 1.	<u>Section</u> .....	9
Section 2.	<u>Officers of Sections</u> .....	9
Para. 1.	Election .....	9
Para. 2.	Section President.....	9
Para. 3.	Section Vice-President.....	9
Para. 4.	Filling of Vacancy.....	10
Para. 5.	Recording Secretary.....	10
Section 3	<u>Section Committees</u> .....	10
Section 4	<u>Activities</u> .....	10
Para. 1.	Reporting of Information .....	10
Para. 2.	Limitation.....	11
Para. 3.	Appeal.....	11

**Article VII. Publications and Written Records**

Section 1.	Policy Statements and Publications.....	11
Section 2.	Minutes .....	11

**Article VIII. Language of the Institute..... 11**

**Article IX. Approval by Legal Counsel..... 11**

**Article X. Budgets**

Section 1.	<u>Annual Administrative Budget</u> .....	12
Section 2.	<u>Limitation of Annual Administrative Budget</u> .....	12
Section 3.	<u>Approval of Annual Administrative Budget</u> .....	12
Section 4	<u>Revision of Annual Administrative Budget</u> .....	12
Section 5.	<u>Appropriation from Surplus</u> .....	12
Section 6.	<u>Limitation on Commitments</u> .....	12
Section 7.	<u>Budgets for Miscellaneous Activities</u> .....	13
Section 8.	<u>Allocation of Section Expenses</u> .....	13

**Article XI. Dues**

Section 1.	<u>Annual Dues</u> .....	13
Section 2.	<u>Payment of Dues</u> .....	13
Section 3.	<u>Members Elected after Beginning of Year</u> .....	13
Section 4.	<u>Surplus</u> .....	13

<b>Article XII.</b>	<b>Assets and Liabilities</b>	
	Section 1.	<u>Members' Interest in Assets of the Institute</u> ..... 14
	Section 2.	<u>Disposition of Institute Assets upon Dissolution</u> ..... 14
<b>Article XIII.</b>	<b>Standards</b>	
	Section 1.	<u>Purpose</u> ..... 14
	Section 2.	<u>Definition</u> ..... 14
	Section 3.	<u>Adoption</u> ..... 14
	Section 4.	<u>Changing and Rescinding Standards</u> ..... 14
<b>Article XIV</b>	<b>Institute Staff and Counsel</b>	
	Section 1.	Managing Director ..... 15
	Section 2.	Legal Counsel ..... 15
<b>Article XV.</b>	<b>Institute Program</b> .....	15
<b>Article XVI.</b>	<b>Fiscal Year</b> .....	15
<b>Article XVII.</b>	<b>Indemnification of Directors, Officers, and Employees</b> .....	15
<b>Article XVIII.</b>	<b>Amendments</b> .....	16



## **By-Laws**

### **Article I**

#### **Name**

The name of the Institute is the International Institute of Synthetic Rubber Producers, Inc. (hereinafter referred to as the "Institute.")

### **Article II**

#### **Mission**

To further the long term growth of the synthetic rubber industry worldwide to the benefit of producers, customers, and ultimate users.

### **Article III**

#### **Purposes**

The purposes of the Institute are to actively promote and further the interests of manufacturers of synthetic rubber polymers and the interests of the public in manufacturing, engineering, safety, environmental control, transportation, international trade, and other matters of concern to the synthetic rubber industry, and to this end, among other things:

1. To promote the synthetic rubber industry and its benefits to society – stressing its history of innovation, technology improvement and its contributions to an improved quality of life;
2. To promote research, development, scholarship and other scientific studies in fields related to synthetic rubber;
3. To provide a forum for information exchange relating to technology and industry innovation among members;
4. To take a proactive position with governmental departments and agencies regarding matters affecting the industry including environmental health, safety and other timely issues;
5. To promote and encourage the development of international trade in synthetic rubber polymers;
6. To gather, receive, prepare, and disseminate information and statistics concerning the synthetic rubber industry;
7. To promote the characterization and nomenclature of general purpose synthetic rubber polymers;
8. To do all that is reasonably necessary, proper or advisable, and in conformity with all applicable laws, for the attainment of the above purposes or for the furtherance of any or all of them.

### **Article IV**

#### **Membership**

##### **Section 1. Eligibility for Membership**

###### **Paragraph 1.**

Any corporation, firm or individual engaged in the manufacture of any synthetic rubber polymer included within the product scope of the Institute shall be eligible for membership in the Institute.

To be eligible the applicant must be engaged in the manufacture of solid elastomeric polymers that are polymerized from monomers.

Paragraph 2.

Any corporation, firm or individual providing products or services to the producer members shall be eligible for affiliate membership. Products are defined as chemicals, raw materials, equipment and packaging components. Examples of services are consultation and laboratory testing. Affiliate members will not have voting status nor will they be eligible to hold office.

Section 2. Application for Membership

Paragraph 1. Producer Member

Application for membership in the Institute shall be made in writing to the Institute through the Managing Director, signed by the applicant, shall state the Section with which the applicant desires to be affiliated, and shall contain an acceptance of, and an agreement to abide by, the By-Laws of the Institute.

Paragraph 2. Affiliate Member

Application for membership in the Institute shall be made in writing to the Institute through the Managing Director, signed by the applicant and shall contain an acceptance of, and an agreement to abide by, the By-Laws of the Institute. Affiliate members will be considered as member at large and not associated with a geographic region.

Section 3. Determination of Eligibility

The following procedure will be followed when a new member application is received:

- i. Upon receipt of a membership application, the Managing Director will conduct a review of the application to make an initial determination of eligibility;
- ii. Upon completion of the review, the Managing Director will forward the application to the Section with which the applicant wishes to affiliate for further review;
- iii. Following the review by the Section and the Managing Director, the application will then be brought forward to the Executive Committee with recommendation as to eligibility. The Executive Committee will decide upon acceptance based on eligibility;
- iv. Any change in eligibility requirements may only be made by amendments to the By-Laws, following action by the Board of Directors, acting upon a recommendation of the Executive Committee.

Section 4. Geographical Section Affiliation

Each producer member shall affiliate itself with the section of the Institute serving the geographic area in which the member has synthetic rubber manufacturing facilities. Any member having manufacturing facilities in more than one section may maintain a membership in the Institute for each such section. The present geographic sections are: the European, the Far Eastern, and the Americas. Membership approval shall be required for the creation of any additional geographic section.

Section 5. Representatives of Producer Members

Each producer member shall be represented in the Institute (and in the geographic section with which it is affiliated) by a voting representative designated by the member.

Upon being advised that its application for membership has been approved, each new member shall designate in writing to the Managing Director its voting representative who shall be elected to the Board of Directors as soon as practicable and no later than the next Annual Meeting. Each member shall designate an alternate representative to vote in the absence of the voting representative. A member may designate an additional non-voting representative or representatives to the Institute and the geographic section with which it is affiliated. A member may change or withdraw its representatives at will by giving written notice to the Managing Director. A newly designated voting representative shall be elected to the Board of Directors as set forth above.

Section 6. Voting

Each producer member shall be entitled to one vote on all matters presented to the membership of the Institute, to the Board of Directors thereof, or to the section with which affiliated, voting in person or by letter ballot as provided in Section 7 hereof.

Section 7. Letter Ballots

Any vote of the Institute, of the Board of Directors, or of any Section may be taken by letter ballot, except that the business of the Annual Meeting of the members and of the Board of Directors shall not be conducted by letter ballot. Unless otherwise provided herein or in specific cases, the voting period shall close forty-five days from the date on which the ballot is mailed. Ballots shall provide for the recording of votes in the affirmative or negative. Except in the case of letter ballots on standards, members not voting within the voting period and members expressly declining to vote shall be recorded as not voting.

Section 8. Termination of Producer Membership

Paragraph 1. Non-manufacture of Synthetic Rubber Polymers

The membership of any producer member shall terminate in the event that such member shall cease to be engaged in the manufacture of a polymer within the product scope of the Institute. Provided that on written application to the Managing Director and upon approval by a majority of the entire membership of the Board of Directors, membership in the Institute may be continued for such period and under such conditions as the Board of Directors may determine.

Paragraph 2. Resignation

A member may resign from the Institute on filing written notice thereof with the Managing Director.

Paragraph 3. Expulsion and Reinstatement

Any member may be expelled for cause upon the vote of two-thirds of the membership of the Board of Directors after an opportunity to be heard has been granted such member.

No accusing or accused member shall be entitled to vote thereon.

Members expelled pursuant to this paragraph may be reinstated upon application pursuant to Section 2 of this Article and upon approval of that application by a two-thirds vote of the Board of Directors.

**Article V**

Institute Organization

Section 1. Meetings of the Institute

Paragraph 1. Annual and Other Meetings

An Annual Meeting of the Institute shall be held at such time and place as may be fixed by the Board of Directors. Other meetings of the Institute may be called by the President-International. Upon written request of at least five members of the Board of Directors, the President of the Institute shall call a meeting of the Institute.

Paragraph 2. Notice of Annual Meeting

Notice of the time, place and business to be conducted at an Annual Meeting shall be sent to each member of the Institute at its last known address shown in the records of the Institute at least thirty days prior to the date of the meeting.

Paragraph 3. Quorum

One-third of the producer members of the Institute shall constitute a quorum, but a lesser number may adjourn a meeting to another time and place without notice other than announcement at the meeting. At any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting originally called. Only a voting representative may exercise the proxy of an absent voting representative.

Section 2. Board of Directors

Paragraph 1. Powers

The governing powers of the Institute shall be vested in a Board of Directors.

Paragraph 2. Number and Manner of Designation

The Board of Directors shall consist of one representative from each producer member in accordance with Article IV, Section 5. The Managing Director shall be a member of the Board, ex officio without vote.

Paragraph 3. Term of Office

The term of office for each member of the Board of Directors shall be from the date of his election until the member he represents withdraws his name, or the membership of the member he represents terminates, or until the next Annual Meeting. The members of the Board of Directors shall be elected at each Annual Meeting.

Paragraph 4. Meetings and Quorum

The Board of Directors shall hold an Annual Meeting and such special meetings as are necessary for the management of the affairs of the Institute. The Annual Meeting of the Board of Directors shall be contemporaneous with the Annual Meeting of members. At least thirty days written notice of the time and place of the Annual Meeting shall be sent to the members of the Board. Special meetings shall be called at any time by the President-International of the Institute upon written request of at least five members of the Board of Directors. New business shall not be presented at a Board of Directors meeting unless it has been submitted in writing to the Executive Committee. At any meeting of the Board of Directors, one-third of the Directors shall constitute a quorum.

Section 3. Officers

Paragraph 1. Officers

The officers of the Institute shall be a President-International, a President, and a Vice President, from each geographical section of the Institute, a Secretary, a Treasurer, and an Assistant Treasurer, who shall be elected or appointed as provided in this Article. The Managing Director shall be an officer of the Institute and shall serve as the chief executive of the Institute as provided in Article XIV, Section 1.

Paragraph 2. President-International

Subparagraph (a) Election

The Board of Directors at the Annual Meeting shall elect the President-International of the Institute to hold office commencing upon his election until the next Annual Meeting. The President-International may serve concurrently as a Section President.

Subparagraph (b) Filling Vacancy

In the event of the resignation, incapacity, or death of the President-International, the Executive Committee shall choose from among the Section Presidents, a President-International who shall hold office during the unexpired term of his predecessor.

Subparagraph (c) One Full Term

No person shall hold the office of President-International for more than one full term unless there shall have been a lapse of one year between the date of his retirement and his subsequent election. A President-International who has been chosen to fill an unexpired term may be immediately elected for the succeeding full term.

Subparagraph (d)            Function

The President-International shall preside at all meetings of the Institute, the Board of Directors and the Executive Committee, and, subject to the direction of the Board of Directors, shall be the head of the Institute.

Subparagraph (e)            Substitute

During any period of absence or temporary incapacity of the President-International, the Executive Committee shall designate one of the Presidents of the Sections to perform the duties and have the powers of the President-International. If, in any case, the Executive Committee shall fail to make such designation, the Board of Directors shall do so.

Paragraph 3.            Section Presidents and Section Vice-Presidents

Subparagraph (a)            Election

A President and Vice President of each Section shall be elected at the annual meeting of the Board of Directors. A President and a Vice President proposed by the voting representatives of each geographical Section shall be elected to serve until the next Institute Annual Meeting and may be re-elected.

Subparagraph (b)            Filling Vacancy

In the event of the resignation, incapacity or death of a Section President, the Vice President shall serve in his place. In the event of the resignation, incapacity or death of a Section Vice President, the Executive Committee shall appoint his replacement to hold office until the next Institute Annual Meeting.

Subparagraph (c)            Optional Method of Filling a Vacancy

Notwithstanding the procedure outline in subparagraph (b) above, Sections shall have the option of filling the vacancies in the aforementioned positions through substitution of individuals from the same company as the incumbent who vacated the office.

Subparagraph (d)            Duties

The Section President is responsible for all of the activities within his Section. To accomplish this, he shall organize (subject to Article VI, Section 3) and supervise such committees as needed to meet the needs of his Section.

Paragraph 4.            Secretary

Subparagraph (a)            Appointment

The Secretary shall be appointed by the Board of Directors upon the recommendation of the Executive Committee and may be a member of the Institute's full-time staff.

Subparagraph (b) Duties

The Secretary shall be responsible for the maintenance of a membership roster. He shall have custody of the books, records and the corporate seal of the Institute. The Secretary shall perform such other duties as may be specified by the Board of Directors or delegated by the Executive Committee.

Paragraph 5. Treasurer

Subparagraph (a) Election

The Treasurer shall be appointed by the Board of Directors upon the recommendation of the Executive Committee and may be a member of the Institute's full-time staff.

Subparagraph (b) Duties

The Treasurer shall be responsible for the Institute maintaining proper books of account. At the close of each fiscal year, the Institute's books shall be audited by a certified public accountant selected by the Executive Committee and a report of such audit shall be made by the Treasurer to the Executive Committee and subsequently reported to each member of the Institute. The Treasurer shall perform such other duties as the Board of Directors or Executive Committee may direct.

Paragraph 6. Assistant Treasurer

Subparagraph (a) Appointment

The Assistant Treasurer shall be appointed by the Board of Directors upon the recommendation of the Executive Committee and shall be a member of the Institute's full-time staff. The Assistant Treasurer shall hold office until he resigns or is removed from office. In the event of his resignation, incapacity, death, or removal from office, the Executive Committee shall appoint a replacement to serve until the next Annual Meeting of the Board of Directors.

Subparagraph (b) Duties

The Assistant Treasurer shall have custody of the funds and assets of the Institute and shall keep proper books of account. He shall disburse the funds of the Institute subject to the direction of the Executive Committee. He shall keep all funds in a bank or banks, approved by the Executive Committee in the name of the Institute. Surplus funds of the Institute shall be invested in such manner as directed by the Executive committee. The Assistant Treasurer shall perform such other duties as may be delegated to him by the Treasurer, Executive Committee, or Board of Directors.

Section 4. Institute Committees

Paragraph 1. Appointment

The Executive Committee shall appoint the standing committees of the Institute as provided for in Section 5 hereof, except that the membership of each such Institute Committee shall consist of the Chairman of the equivalent geographical Section Committee or such other members of each geographical Section as the President of each Section may appoint.

At its Annual Meeting, the Board of Directors, upon the recommendation of the Executive Committee, may appoint the members of, and define the scope and activities of, such additional committees, as it may deem necessary or convenient for the proper conduct of the affairs of the Institute. The individuals appointed to such committees shall be officers, employees, or designated representatives of producer members.

Paragraph 2. Term of Office

The members of all committees shall hold office until their successors are elected or appointed or until the committee is dissolved.

Paragraph 3. Quorum

A majority of the members of a committee shall constitute a quorum unless otherwise specified in these By-Laws.

Paragraph 4. Officers

Each committee shall elect a Chairman, a Recording Secretary and such other officers, as it may deem appropriate.

Paragraph 5. Finality of Action of Committees

Action of any standing or other committee of the Institute within its defined scope shall be final, subject to an appeal of any interested member of the Institute to the Executive Committee. The Chairman of each such committee shall report to the Executive Committee at each Annual Meeting and at any other meeting of the Executive Committee at which he is requested to do so and shall make such reports with respect to the activities of his committee as the Executive Committee may, from time to time, request. The work of each committee shall be subject to supervision by the Executive Committee.

Section 5. Standing Committees

Paragraph 1. Executive Committee

The Institute's Executive Committee shall be composed of the following:

- President-International (Chairman)
- Past President-International
- Treasurer
- President European Section
- Vice President European Section
- President Far Eastern Section
- Vice President Far Eastern Section
- President Americas Section
- Vice President Americas Section
- Standing Members of the Finance, Pension and Audit Committee
- Managing Director (ex officio without vote)

Each Section is entitled to one vote. In addition to such powers and duties as may be granted or prescribed by these By-Laws, the Committee shall have the authority of the Board of Directors, except that the Committee may not amend or appeal existing By-Laws or adopt new By-Laws.

Three (3) members of the Committee shall constitute a quorum at all meetings, except that members from one geographical Section cannot constitute a quorum.

Paragraph 2. Finance, Pension and Audit Committee

The Finance, Pension and Audit Committee will consist of the Treasurer of the Institute, who will also serve as Chairman and one Director from each of the Sections. Each Section will select its own representative. Criteria for committee selection are knowledge and interest in the Institute activities on a continuing basis. The Committee will meet twice yearly, in conjunction with the Executive Committee meeting.

Paragraph 3. Other Committees

Subject to the requirements of Section 4 of this Article V, the Executive Committee shall appoint the members of, and define the scope and activities of, such additional committees, as it may deem necessary or convenient for the proper conduct of the affairs of the Institute.

## **Article VI**

### Section Organization

Section 1. Sections

The membership of the Institute shall be divided into Sections on a geographical basis, and each such section shall be composed only of Institute producer members who, within the geographical area assigned to the Section, are engaged in the manufacture of a synthetic rubber polymer within the product scope of the Institute.

Section 2. Officers of Sections

Paragraph 1. Election

At the Annual Meeting of the Institute's Board of Directors, a President from each geographical Section shall be elected as provided in Article IV, Section 3, Paragraph 3, and by virtue of his office, he shall serve as Chairman of the Section from which he was elected.

Paragraph 2. Section President

The President from each Section shall be responsible for all of the activities within his Section and shall preside as the Section Chairman at all meetings of the Section and shall be its representative together with the Vice President in the Executive Committee. In addition to his other powers, the President may refer matters to committees for investigation and report and may refer any matter to letter ballot vote.

Paragraph 3. Section Vice President

At the Annual Meeting of the Institute's Board of Directors, a Vice President from each geographical Section shall be elected as provided in Article V, Section 3, Paragraph 3. By virtue of his office, in the event of the resignation, incapacity or death of the President of that section, he shall serve in his place and exercise his duties and responsibilities until the next Annual Meeting of the Institute.

Paragraph 4. Filling of Vacancy

Notwithstanding the provisions of Article VI, Section 2, Paragraph 3 and Paragraph 4 immediately above, each Section shall have the option of filling any vacancy in the offices of President, First Vice President or Second Vice President by naming another individual from the same company as the incumbent to fill the position previously held by the incumbent.

Paragraph 5. Recording Secretary

The President of each Section shall appoint a Recording Secretary, who shall be responsible for keeping minutes of each meeting of such Section and perform such other duties as the President may direct. Where Institute funds are provided for a Section office, the Institute Representative staffing that office shall serve as Recording Secretary.

Section 3. Section Committees

Each Section shall appoint or elect only such committees as have been approved by the Executive Committee. Each Section may appoint or elect the members of the committees, to serve for such length of time as the Section shall determine. Each committee shall elect a Chairman and Secretary.

Each Section shall furnish to the Managing Director within 30 days after the Annual Meeting the names of its committees, the members of the committees and of the officers thereof.

Section 4. Activities

Paragraph 1. Reporting of Information

If Institute activities or the activities of a Section of the Institute result in legal requirements peculiar to a Section or a member of a Section (such as reporting information on Institute activities to a government or a government agency), the Section or member shall notify the Managing Director through the Section President of the action it must necessarily take. The Managing Director will immediately advise all Section Presidents of the action to be taken after obtaining approval of the members of that Section.

If the Section President asks that the planned action be taken in the name of the Institute, the Managing Director will immediately contact the members of the Executive Committee to obtain approval for such action. If a majority of the Executive Committee approve, the action will be authorized in the name of the Institute. If a majority is not obtained, the Managing Director will advise the Section President that such action can only be taken in the name of that particular Section of the Institute.

In all cases where a Section or a member of a Section is under legal obligation to report information on Institute activities to a government agency, irrespective of whether the Section or member involved will report such information in the name of the Institute, or in the name of the individual member, the Section or member will inform the Managing Director of his intended action not later than the period within which he is obliged to report such information in each particular country.

Paragraph 2. Limitation

The activities of each geographical Section and of all Committees thereof shall be subject to such limitations and regulations as may be prescribed in these By-Laws and by resolution adopted at any meeting of the Executive Committee or the Board of Directors. The Board of Directors, by a majority vote of all its members, may declare any action taken by a Section, or by any of its officers or committees, to be null and void.

Paragraph 3. Appeal

Any interested member of a Section shall have the right to appeal to the Executive Committee with respect to any action taken or proposed to be taken by a Section or Committee thereof. Notice of the time and place at which the appeal will be considered and an opportunity to be heard thereon shall be given to all members concerned.

## **Article VII**

### Publications and Written Records

Section 1. Policy Statements and Publications

No document purporting to represent Institute policy or practice shall be issued by any member, committee, or Section on Institute stationery or in the Institute's name without prior approval of the Executive Committee or of the Managing Director and Legal Counsel.

Section 2. Minutes

Each Section shall furnish to the Managing Director of the Institute: (a) complete copies of minutes of each meeting held in the Section within 15 business days after each meeting; (b) a complete draft of each publication or communication proposed for general distribution prior to its issuance; and (c) complete reports of all other activities.

## **Article VIII**

### Language of the Institute

The official language of the Institute shall be English and all minutes and publications referred to in Paragraph 3, above, shall be submitted to the Managing Director in English.

## **Article IX**

### Approval by Legal Counsel

No action of a Section or committee shall be taken unless its legality and conformity with the Institute's Certificate of Incorporation and By-Laws shall have been approved by the Institute's legal counsel.

## **Article X**

### **Budgets**

#### Section 1. Annual Administrative Budget

At least 60 days prior to the Annual Meeting, the Treasurer, Managing Director and Assistant Treasurer will prepare an Annual Administrative Budget, This budget will include:

- a. Headquarters operating expense;
- b. Section expenses;
- c. Expenses for professional services, e.g., legal, accounting, statistical, and communications;

Income includes estimated receipts from member company dues, publication sales, interest (and dividends), project revenue and other miscellaneous sources.

The Administrative Budget will be distributed to all members of the Board of Directors at least 60 days prior to the Annual Meeting.

#### Section 2. Limitation of Annual Administrative Budget

The Annual Administrative Budget will not exceed 110% of the previous year's budget without specific prior approval of two-thirds of the Executive Committee.

#### Section 3. Approval of Annual Administrative Budget

At the Institute's Annual Meeting, the Annual Administrative Budget must be approved by two-thirds of the Executive Committee and by two-thirds of the producer members of the Board of Directors present.

#### Section 4. Revision of Annual Administrative Budget

At any other meeting of the Institute, the Executive Committee may submit proposed additions to, or alterations of, the Administrative Budget adopted by the Institute, and the producer members of the Institute may adopt or reject such proposed changes.

#### Section 5. Appropriation from Surplus

In the event that it becomes necessary to expend funds for any purpose in excess of the total amount of the approved Annual Administrative Budget, the Executive Committee at any meeting may appropriate the necessary additional funds from any surplus of the Institute. Notice of any action taken by the Executive Committee under the provisions of this Section 5 shall be submitted to the members of the Board of Directors at its next meeting.

#### Section 6. Limitation on Commitments

In no event shall the Executive Committee obligate the Institute, in any fiscal year, in excess of the total amount of the approved Annual Administrative Budget, plus fifty percent of the surplus funds of the Institute.

Section 7. Budgets for Miscellaneous Activities

Expenditures and method of funding for any projects not covered by the Administrative Expense Budget and which involve the entire membership must be budgeted separately and approved by two-thirds of the Executive Committee and by two-thirds of the Board of Directors.

Expenditure and method of funding for special projects pertaining to particular sections or group of companies must be approved by the Executive Committee. If the cost of the project is over \$50,000 it must also be approved by the Board of Directors.

Section 8. Allocation of Section Expenses

At the commencement of each fiscal year, the Institute shall allocate to the three Sections 20% or up to a maximum of \$133,900 the total membership dues assessed for that fiscal year according to the following formula:

35% shall be allocated equally among the three Sections and 65% shall be allocated among Sections in proportion to the number of members in each Section.

(Note: The Executive Committee may propose to the Board of Directors Section allocations as a percentage other than 20% of member dues based on the 35%/65% formula.)

**Article XI**

Dues

Section 1. Annual Dues

Upon approval of the Annual Administrative Expense Budget, the Executive Committee will determine the dues assessment which shall have the approval of two-thirds of the Board of Directors.

Section 2. Payment of Dues

The dues shall be paid on or before July 15<sup>th</sup> of each fiscal year. Members resigning from the Institute within 30 days after the commencement of the fiscal year shall not be liable for dues or charges for such fiscal year. Resigning members shall not be entitled to any credit with respect to estimated dues theretofore paid. Dues once paid will not be refunded.

Section 3. Members Elected After Beginning of Year

The Institute dues of a member elected after the beginning of each year, for that part of the year during which it is a member of the Institute shall be in such amount as the Executive Committee may determine, except that the amount of dues of such member shall be computed at the same rate and in the same manner as are used in computing the dues of other Institute members for that year.

Section 4. Surplus

The Executive Committee may set aside as a reserve for contingencies or may add to the surplus funds of the Institute all or part of any unexpended portion of the budget for general Institute purposes.

## **Article XII**

### Assets and Liabilities

#### Section 1. Members' Interest in Assets of the Institute

All interest of each member in the funds, investments and other assets belonging to the Institute shall immediately cease and terminate in the event that the membership of such member in the Institute shall terminate for any reason except through the dissolution of the Institute. In the event of such termination, such member and the representatives of such member shall have no claim on account of such assets against the Institute or against the other members, or their representatives, or any of them.

#### Section 2. Disposition of Institute Assets upon Dissolution

Subject to the provisions of the New York Not-For-Profit Corporation Law, upon dissolution of the Institute, and after payment of all indebtedness and obligations of any kind of the Institute, the funds, investments, and other assets of the Institute shall be divided among the producer members of the Institute in proportion to the amount of dues or assessments paid by them respectively for the full period of continuous membership during the ten fiscal years preceding the fiscal year in which such dissolution takes place.

## **Article XIII**

### Standards

#### Section 1. Purpose

Standards of synthetic rubbers produced by the members of the Institute are published in the public interest and are designed to eliminate misunderstanding between manufacturers and purchasers and to assist purchasers in selecting and obtaining the proper synthetic rubber for their needs.

#### Section 2. Definition

A standard of synthetic rubber defines a product, process, or procedure with reference to one or more of the following: nomenclature, composition, tolerances, operating characteristics, performance, quality, rating, testing, and the service for which designed.

#### Section 3. Adoption

The Institute may approve for publication standards for products that are within its product scope. The affirmative vote of at least 90 percent of the members eligible to vote thereon is required, provided, however, that if the number of members of a Section eligible to vote is less than the affirmative vote of all but one of such member shall be sufficient.

#### Section 4. Changing and Rescinding Standards

Changes or recession of any Standard shall be subject to the same procedure as set forth in Section 3 hereof.

## **Article XIV**

### Institute Staff and Counsel

#### Section 1. Managing Director

The Board of Directors, upon the recommendation of the Executive Committee, shall appoint a Managing Director and shall determine his compensation. The Managing Director shall serve as the Institute's chief executive and shall perform such duties as may be prescribed by the Executive Committee or by the Board of Directors. Subject to review and approval by the Finance, Pension and Audit Committee and confirmation by the Executive Committee, the Managing Director may appoint and employ such additional administrative, technical or other specialists to serve the Institute, as he may deem necessary and appropriate.

#### Section 2. Legal Counsel

The Board of Directors, upon the recommendation of the Executive Committee, shall retain legal counsel for the Institute upon such terms and conditions, as it shall deem advisable. Counsel shall attend all meetings of the Institute and of the Institute's Board of Directors and Executive Committee.

## **Article XV**

### Institute Program

At the Annual Meeting of the Institute, the Executive Committee shall submit a proposed program of projects, activities, and services of the Institute for the ensuing year, and the membership of the Institute shall adopt such program of projects, activities and services for the ensuing year as it may determine.

## **Article XVI**

### Fiscal year

The fiscal year of the Institute shall be determined by the Board of Directors.

## **Article XVII**

### Indemnification of Directors, Officers, and Employees

Any person made a party to any action, suit or proceeding by reason of the fact that he, his testator or intestate is or was a Director, Officer or Employee of the Institute, shall be indemnified by the Institute against judgments, fines, amounts paid in settlement and reasonable expenses, including attorneys' fees, actually and necessarily incurred as a result of such action or proceeding, or any appeal therein, if such person acted in good faith for a purpose which he reasonably believed to be in the best interests of the Institute and, in criminal actions or proceedings, in addition, has no reasonable cause to believe that his conduct was unlawful. Such rights of indemnification shall not be deemed exclusive of any other rights to which such Director, Officer or Employee may be entitled apart from this Article.

## **Article XVIII**

### Amendments

These By-Laws may be amended by majority vote of those members present at any meeting of the Institute or by approval by letter ballot of a two-thirds vote of the entire membership of the Board of Directors. In each case, at least thirty days' written notice of the proposed change or changes must be given.



### **III**

#### **STATEMENTS OF POLICY OF THE INSTITUTE**

The Executive Committee reaffirms the following Statements of Policy which have been adopted by the Institute's Board of Directors



## **STATEMENTS OF POLICY**

### **ANNUAL AWARDS**

The Institute's Annual Award(s) will be given for outstanding service to the synthetic rubber industry. The award may be given for either technical contributions or for general contributions to the industry.

Any number of nominations may be submitted but no more than one Award will be given in any year for each category above, i.e., general contributions or technical contributions.

The awards shall be known as THE INSTITUTE GENERAL AWARD for an award granted for general contributions, and as THE INSTITUTE TECHNICAL AWARD for an award granted for technical contributions.

Nominations must state the Award for which the candidate is nominated. They must be in English and must contain a proposed "citation" and "bibliographical material" justifying the nomination. Documentation should be sufficient to satisfy all queries as to the qualifications of the nominee.

All nominations must be received by the Institute's Headquarters office by 15 September of the new fiscal year following the Institute Annual Meeting.

Institute staff is to send to each Director a packet that contains information on the nomination process and a reminder that nominations must be received by September 15. The packet will be mailed or otherwise delivered to ensure timely receipt by Directors prior to the nomination deadline.

Selection of the Awards winner(s) will be made by the Executive Committee at its first meeting after the deadline for receiving nominations. The nominations will be distributed to the Executive Committee prior to the meeting in question. Each member of the Executive Committee will examine all nominations received and will use his own best judgment in determining whether none, one or two individuals should receive the Institute's awards during the current fiscal year involved. The President and the Vice Presidents of each Section are entitled to one vote per Section.

The following statement of policy relates to nomination of candidates for the Awards, selection of winners and presentation of the Awards.

1. In any single year there will be no more than one TECHNICAL AWARD given; and in any single year there will be no more than one GENERAL AWARD given.
2. Any Director of the Institute may submit a nomination for either or both of the awards.
3. Nominees for the awards need not be from a member company of the Institute.
4. The Technical/Operating committees of each Section shall provide the Directors of their Section with recommendations of meritorious candidates for the TECHNICAL AWARD.
5. Selection of nominees shall be made on a strictly meritorious basis; age and status of the nominee(s) shall not be given as the basis for selection. Candidates do not have to have reached or be near retirement.
6. A nominee may be re-nominated any number of times.
7. Nominees must be re-nominated yearly if they are to be given consideration by the Executive Committee.
8. Multiple nominations from Sections must be specific to each nominee, containing all documentation for each candidate.

9. Nominees are to be considered on the basis of their total industry contributions and not limited to either company or Institute contributions.
10. In the event that the Executive Committee feels that the qualifications of all nominees for awards do not meet the standards required for the granting of an award, the Institute may elect not to give an award during any given year.
11. Any person who has received either the technical or general contributions award shall be encouraged to attend future annual meetings of the Institute.
12. Awards shall be made during the Annual Meeting of the Institute following the selection of the winners by the Executive Committee.

#### CONTRACTING FOR OUTSIDE SERVICES

It is recognized by the Board of Directors that it would not be realistic for the Institute to attempt to staff itself to perform all services, which legally might be required or desirable. For example, some Institute accounting and all auditing services should be conducted by an independent qualified firm of certified public accountants. Special studies or analyses of such nature that certain members or non-members in the industry feel the confidentiality of information would be more secure if handled by an organization with no other connection to the rubber industry may fall in this category.

To eliminate any possibility that any member, employee, group of members or section might inadvertently create a legal obligation for which the Institute could be responsible, the following policy statement will apply to any and all contracts for outside services by the Institute:

1. No contract or obligation for services by an outside organization will be recognized by or considered valid unless written on Institute stationery, signed by the Managing Director of the Institute.
2. Only the Headquarters office of the Institute may obligate the Institute for any contractual services.
3. The Institute will not contract for any services, which do not benefit all the members of the Institute unless the Executive Committee approves such contract, (and such approval shall be entered in the minutes of the meeting of the Executive Committee in which the approval is made). This policy provision is applicable whether such outside consulting service is inside or outside the approved budget.
4. Any written contract for continuing services (covering more than six months of services, or more than \$25,000) shall be approved by the Institute Legal Counsel.

#### COMPENSATION AND EXPENSE REIMBURSEMENT FOR SPEAKERS AND AWARD WINNERS AT INSTITUTE MEETINGS

It is believed that the membership of the Institute represent a broad enough spectrum of technical and business know-how to provide an abundant reservoir of interesting and stimulating speakers for the Institute's Annual Meetings as well as for meetings that are called by any of the several Sections of the Institute.

Because this reservoir of talent probably represents more knowledge of the synthetic rubber industry than could be found outside of the Institute, those who are responsible for planning Institute programs are urged to avail themselves of individuals on the member company staffs or on the staff of companies having an ownership interest in member companies.

It is believed that most speakers who are not members of the Institute will gain such benefit and publicity by the opportunity of attending an Institute meeting that honorariums and reimbursement for out-of-pocket expenses should not be expected from the Institute.

Those who invite individuals to speak to Institute meetings should bear in mind that following rules when discussing arrangements with the speakers:

1. The Institute will normally not pay transportation for any speaker (including an Institute Award winner) to attend an Institute Meeting. The nominating company may be expected to pay the transportation from home office to the meeting and return for Award Winners providing that the company employing the Award Winner is unwilling to pay the transportation for the individual involved.
2. A delegate or member registrant at an Institute Meeting will be exempted from paying the established meeting registration fee if he is a speaker at the meeting in question. This exemption applies also to Institute Award Winners.
3. The Institute will pay hotel room bills for Award Winners at Annual Meetings, but will not be responsible for miscellaneous charges.
4. If members of the Institute from different geographical areas decide they would like to invite speakers to address their meetings, they may do so but any out-of-pocket expenses or honorariums must be distributed among the members attending and may not be passed on to the Institute's headquarters office.

Exceptions to the above rules may be made jointly by the Managing Director, the Institute Treasurer and the President-International. Such exceptions must be made before meetings and retroactive decisions on this issue may only be approved by the hosting Section.

#### GUESTS AND REGISTRANTS AT ANNUAL MEETINGS

Registrants at Annual Meetings of the Institute fall into the following categories:

1. Member Registrants:

Upon Payment of the established registration fee for any given Annual Meeting, any member company may send any representative of the member company to the Institute's Annual Meeting. This classification includes delegate representation from member wholly owned subsidiaries or corporate divisions.

2. Prospective Member Registrants:

The Managing Director may invite as non-registration fee-paying guests any producer of synthetic rubber which is not a member of the Institute and which might logically be expected to become a member or which has expressed an interest in membership.

3. Member Guest Registrants:

Any member company, upon payment of the established registration fee, may invite a non-member, after obtaining approval by the Managing Director, as a guest to the Annual Meeting. Such guests may attend all open meetings and official functions, but may not attend the Section Board of Directors' Meetings or Committee Meetings.

Affiliated members may attend the Annual Board of Directors meeting but will not have voting status.

4. Government Officials as Guest Registrants:

It is recognized that a number of government officials in every member country may have a special interest in rubber and in the Institute's activities. The Managing Director may invite as guests of the Institute a "reasonable number" of government officials of the host country. If, for any reason, it appears desirable to invite more than a nominal number of government officials, the Managing Director will obtain the prior approval of at least two members of the Executive Committee. Government officials will not be expected to pay registration fees, but will be expected to take care of all other personal expenses.

5. Working Press Registrants:

The Managing Director may invite the working press as guests to attend open sessions of the Annual Meeting. As Institute guests, they will not be expected to pay registration fees, but will be expected to pay their own personal expenses.

The working press is defined as:

- a. Editors and reporters from technical trade journals and papers dealing with the rubber or elastomer industry – including free-lance writers.
- b. Representatives from wire services such as AP, UP, Reuters, Tass, etc.
- c. Representatives of broadcast (radio and TV) media.
- d. Select representatives from the local press.

6. Related Trade Associations and Organizations:

Representatives of rubber manufacturing organizations and other associations or groups interested in natural and synthetic rubber may be invited by the Managing Director.

7. Non-Rubber Producer Registrants with Special Interests.

In cases where the open sessions of the Annual Meeting program includes subject matter of special interest to certain companies or interests, the Managing Director may accept requests to attend these open sessions of the meeting from a limited number of such applicants.

In addition to invitations extended by the Managing Director, non rubber producer registrants may attend when a request is made to the Managing Director by a sponsoring, i.e. member company.

To qualify as registrants, the companies involved must demonstrate a legitimate interest in attending special sessions or hearing particular papers.

Registrants falling into these categories will be subject to payment of an appropriate registration fee as determined by the Managing Director. Individuals issued invitations under the provisions of this Statement of Policy will be responsible for their own hotel and personal expenses and, if accompanied by a spouse, will also be responsible for a similar fee and all individual expenses.

LEGAL COUNSEL

The Institute Board of Directors recognizes that Anti-Trust Laws in many member countries require that the Institute so conduct its affairs and activities as to promote competition as distinguished from activities which unlawfully limit competition among members or with outsiders.

To this end, the Institute revised By-Laws, as approved by the Board of Directors and the Membership at its meetings in Sydney, Australia, March 30, 1971, provide that “no action of any Section or Committee shall be taken unless its legality and conformity with the Institute’s Certificate of Incorporation and By-Laws shall have been approved by the Institute’s Legal Counsel.”

The Board of Directors of the Institute declares that it shall be Institute Policy that Legal Counsel be kept fully and promptly advised of all activities undertaken by the Institute, its Staff and its Sections and Committees.

See By Laws – Article IX, Approval by Legal Counsel  
Article XIV, Section 2, Legal Counsel

### Meetings and Minutes Thereof

The Institute Board of Directors adopted and issued a Statement of Policy at its September 13, 1960 meeting which was further amended at Executive Committee meetings on July 15, 1974 and October 31, 1986.

All meetings of the Institute, its Board of Directors, Sections, Divisions and Committees shall be conducted pursuant to previously prepared written agenda, which shall be distributed in advance of any such meetings to all interested members.

Whenever or wherever an official Institute meeting is held, the designated chairman of the meeting will appoint one individual to serve as that meeting’s Secretary. That individual will keep minutes for the committee. Such minutes shall record the following information:

1. Time and place of the meeting
2. Members present and members absent
3. Other persons present
4. Names of the Chairman and Secretary
5. The substance of all discussions
6. All action taken
7. Time of adjournment
8. Secretary’s signature

The original copy of the minutes shall be sent directly to the Committee Chairman by the Secretary of the meeting within two weeks of the meeting date.

The Chairman of each Section Committee shall be responsible for immediately reviewing the minutes.

The Chairman shall send the original copy of the minutes directly to the Managing Director of the Institute. They shall be transmitted by him to Legal Counsel for review and approval, or comment or disapproval. Legal Counsel shall send to the Managing Director a written statement of approval, disapproval or comment on the minutes of each meeting.

In the event that Legal Counsel may comment upon any minutes or disapprove any action taken at the meeting, a copy of the Legal Counsel’s written statement shall be transmitted to each interested member together with the minutes. At the next meeting of the group involved, the comment or disapproval shall be noted and the necessary action, if any, taken.

In the event of Legal Counsel’s approval of minutes without comment, the fact shall simply be noted in some appropriate fashion upon the minutes themselves.

The minutes of meetings shall constitute the official record of the Institute’s actions. At least one copy of all minutes, together with the written statement of Counsel, shall be permanently preserved in the offices of the Institute.

After review by Counsel, the distribution of minutes will be as follows:

1. Distribution of all minutes will be made by the Headquarters Office.
2. Minutes of the meetings of the Section Directors will be sent to the members of the respective Sections and to the presidents of the other Sections.
3. Minutes of the meetings of committees of each Section will be sent to the members of the Section and to the Chairmen of the corresponding committees of the other Sections.
4. The Section Presidents will be responsible for bringing to the attention of the members of their Section all matters referred to in minutes of the Section Directors meetings of other section of which they should be made aware.
5. The Chairman of the various committees will bring to the attention of their Committees those matters of other sections of which they should be made aware.

### INSTITUTE COMMITTEE ORGANIZATION

The Institute will have two major classifications of committees:

1. Institute Committees, the official membership of which will be (for voting purposes) the Chairmen of the Institute Section Committees.
2. Section Committees, Working Groups may be established by a Section Committee for a specific purpose with a given charter and project proposal which also must be approved by the parent Section Board. The Working Group will be dissolved once the project has been completed. Data generated as a result of the project will belong to the companies participating in the Working Group, and the Working Group will control its distribution.

Each member of the Institute shall be permitted (and expected) to assign one qualified expert from that company as a representative delegate on each of the Section Committees in that member's Section. Note, in this regard, while the Institute Committees are made up of the Chairmen of the Section Committees (3 members) any Committee member in any Section will be welcome to attend any Institute Committee meeting as an observer and contributor, but only one vote per Section will be counted on any item being considered for vote, and two votes will be considered a majority on any issue subject to vote.

Any member of any Section Committee who is elected Chairman of his Section Committee is expected to attend that fiscal year's Annual Meeting where he will serve as a representative of his Section all items subject to vote before the Institute Committee.

It is expected that the Chairmen of the Section Standing Committees will be elected to serve as Chairmen for a term of three years. A term of over three years may be reviewed by the Directors of the Section. For purposes of this policy, the Standing Committees referred to herein include the Environmental Health, Statistical and Technical/Operating Committee.

Any company which does not wish to send a Section Committee Representative to an Annual Meeting should not allow him to serve as Chairman of the Committee for which he is selected as a company expert-representative.

The chairman of any given Institute Committee shall be elected from the Section in which the Annual Meeting will be held during the Institute's next fiscal year.

Chairman of the Section Committees will look to the Section President from their Section (and/or to their Director) for guidance on Committee policy matters. Similarly, the members of the Institute Committees will look to the members of the Executive Committee for guidance.

#### INSTITUTE COMMITTEE REPORTS

The Institute Committee Chairman shall make oral reports to the Executive Committee within 96 hours of the close of their Committee Meetings at the Annual Meeting.

Committee Chairmen will make only a brief oral report to the Board. The primary reason for Chairmen to be available at Board Meetings is to answer questions which Board members may have.

#### FINANCING SECTION MEETINGS

In the interest of keeping all operating expenses at a reasonable minimum while concurrently wishing to encourage any means for making committees more effective in their operations, committees are urged to meet in locations that are of greatest convenience to all concerned.

#### STATISTICS

Implementation of Institute By-laws, Article III, Paragraph 6, “to gather, receive, prepare and disseminate information and statistics concerning the synthetic rubber industry...” necessitates that individual company data be kept confidential whether submitted to the Institute by a member or non-member. To implement this policy, the following specific regulations have been adopted:

1. Members of the Institute’s staff may not reveal the exact or approximate data of any company, and may not disclose the relative position of any company as shown by data submitted to the Institute. This same policy will apply when outside organizations, accounting firms or fiduciary organizations collect, collate and distribute industry-wide statistics on behalf of the Institute.
2. No other person, except members of an independent fiduciary or accounting firm which shall have been approved by the Board of Directors, shall be permitted access to the data submitted by individual companies for inclusion in Institute statistical reports.
3. Each individual company report submitted to the Institute shall be identified solely by a number, and the number code shall be made known only to the Managing Director and such members of the staff or of an independent accounting firm or fiduciary as he may authorize.
4. Statistical summaries or totals for particular items on statistical summaries shall not be released except with the approval of Legal Counsel if it is probable that the data of any particular company would be disclosed through such a release. This regulation shall be deemed to preclude the release of any summary, or of any particular item of any summary where:
  - a. There are fewer than three companies participating; or
  - b. There are three companies reporting and the figure from one company is more than 60% of the total regardless of the number of inputs, or if the combined figure for two companies is more than 80% of the total regardless of the number of inputs..
  - c. Each individual company statistical input shall be destroyed on a moving 12-month cycle.

5. Participation in statistical activities by members of the Institute shall be entirely voluntary. Any member may decline to participate and concurrently, no member may be refused the right to participate.

Participation by non-Institute members shall be at the discretion of the sponsor of each statistical activity. If participation of non-members is authorized, no company which qualifies to report may be refused the right to participate. Further, once a non-member has participated he may not thereafter be refused participation without his consent. (an exception to this rule may be made with the approval of the Managing Director and the Institute Legal Counsel.)

Participation by non-members where authorized, may be without financial obligation except for appropriate charges to cover extra printing and mailing costs.

6. Each sponsor of a statistical activity shall have the responsibility for determining the distribution of summaries, subject to the following:
  - a. One copy of each periodically compiled summary shall be deposited in the Institute files to support any payment for statistical work done by outside contract organizations.
  - b. One copy of each summary shall be sent to each company whose data is reflected in the report.
  - c. One copy of each summary shall be retained on file in the Institute's headquarters where it shall be made fairly available for inspection and copying by interested persons. Members or non-members who had an opportunity to participate in a statistical activity, but declined to do so shall not be deemed to be "interested persons" and their request to examine statistical summaries may be denied.

Members or non-members who did not have an opportunity to participate may only be refused permission to examine statistical summaries upon the prior written approval of the Institute's Legal Counsel.

7. Subject to the approval of the Executive Committee, any Section may sponsor a statistical activity by a majority vote of its members. The Executive Committee may initiate such overall statistical activities within the scope of the Institute as it may from time to time determine.
8. In the event an approved statistical activity is undertaken for the benefit of a given Section and/or certain participating member companies, that Section and/or certain participating member companies shall be expected to financially support this effort independent of the worldwide statistical program. Copies of these special programs shall be made available to the Institute Headquarters. For those Statistical Programs which are derived from the common data base, all participants to the Statistical Program shall have the right to access said programs upon payment of an equitable share of the program fee, said fee to be agreed between the potential participant and the Managing Director.
9. No statistical activity sponsored by a Section shall include any synthetic rubber which is not within the approved product scope of the Institute.

## RESEARCH PROJECTS AND OTHER SCIENTIFIC STUDIES

Implementation of Institute By-Laws, Article III (Purpose), Paragraph 2, “to promote research, development, scholarship and other scientific studies in fields related to synthetic rubber...” will be dependent upon the availability of funds and the nature of the research and/or studies proposed for any given year. Final decision on the allocation of funds for the sponsorship of projects can be taken by the Executive Committee (see Article X, Section 7, of the By-Laws).

The following policies shall govern Research Projects and other studies which are undertaken in the Institute name:

1. Subject to the approval of the Executive Committee, any Section of the Institute may finance or otherwise undertake research projects and/or studies which are of interest to that Section alone – providing that the funds utilized for payment of the research involved do not come from the Annual Administrative Budget of the Institute.
2. No research program and/or other study shall be undertaken, contracted for or carried on in the name of the Institute or one of its Sections except with the approval of the Institute’s Legal Counsel as to its legality and conformity with Institute policy.
3. Neither the Institute nor any Section shall own or hold title to any discovery, invention or letter patent unless a specific vote (contrary to this statement of policy) is taken by the Executive Committee and approved by the Institute’s Legal Counsel as to its legality and conformity with Institute policy.
4. The advantages of any discovery or invention resulting from research project and /or study shall be made available on reasonable terms. In determining what constitutes reasonable terms, the Institute or Section shall be guided by the advice of the Institute’s Legal Counsel.
5. Research programs and/or studies which the Executive Committee may not approve as an Institute sponsored program may be sponsored by individual members of the Institute. In this case that project and/or study will not be considered an “Institute Project”.

## PRESIDENT-INTERNATIONAL

The President-International for any given year should be from the Section in which the Annual Meeting is being held. To maintain continuity of interest, knowledge and activity, the President-International should have served as First Vice President for the Section for the year preceding the Presidency of the Institute and shall continue to serve on the Institute’s Executive Committee as Past President-International for one additional year following the term of President-International.

The President-International shall hold office for a period of one year. The President-International may also serve concurrently as a Section President.

Among the duties, the President-International shall:

1. Chair all Executive Committee and Board of Directors meetings held during the term of office.
2. Provide leadership to all Sections in implementing Institute policy.
3. Assist the Managing Director in preparing a program for the Annual Meeting.
4. Help, if requested, to obtain top-level representatives of industry and government as speakers at Annual Meetings and symposia.

5. Assist in planning Institute activities, including submission of agenda items to Headquarters for inclusion as agenda topics for Executive Committee and Board of Directors meetings.
6. Assist the Treasurer and the Managing Director in the preparation of the Institute's Annual Administrative Budget when requested to do so.

#### RESPONSIBILITIES DELEGATED TO SECTION PRESIDENTS

During his term of office or service, each Section President is delegated responsibility for giving constructive guidance and leadership to his Section's Committees and to the members of the Board of Directors from his Section. He will serve as Chairman of any meeting of members of the Directors from his Section, and will be responsible for preparation of agenda for such meetings.

It will be his responsibility, as Section President representing members of the Board from his Section, to determine the points of view of members from his Section before attending Institute Executive Committee Meetings, so that he may speak knowledgeably and with a voice that represents the opinions of the members from his Section.

The President of any Section also shall be responsible for submitting agenda items to the Institute Headquarters on any items, which should be included on the agenda of any given Executive Committee or Board Meeting. Such agenda items should be submitted at least six weeks prior to any scheduled meeting to permit reproduction and distribution.

The President of any Section shall also be responsible for providing constructive leadership to the several Section Committees within the Section he represents and to see that the committees are, by and large, implementing the wishes and policies established by the Executive Committee and Board of Directors of the Institute.

#### ENVIRONMENTAL HEALTH COMMITTEE ACTIVITIES

Progress reports and other documents relating to Environmental Health Programs will be restricted in distribution to member companies and other program sponsors. However, the Managing Director, in accord with the Environmental Health Committee reviewing authority, and following consultation with the Section Presidents will make available to the public the substance of these reports.

"Position Papers" or other documentation relating to the Institute's position on Environmental Health Committee matters will be reviewed for endorsement by the Executive Committee for approval by the Board of Directors. Preparation of these documents may be subject to review by the Institute's Legal Counsel at the discretion of the Environmental Health Committee and the Managing Director following consultation with the Section Presidents.

Recognizing the projects under the aegis of the Environmental Health Committee and the many issues of importance that require close coordination between the Sections and the pace of developments in Environmental Health, the Institute Environmental Health Committee shall meet twice yearly, once at the time and place of the mid-year Executive Committee meeting and once at the Annual General Meeting.

All Institute Environmental Health Committee members are expected to attend the mid-year meeting held in conjunction with the Executive Committee meeting.

#### LATE PAYMENT OF INSTITUTE DUES AND OTHER CHARGES

With the approval of the Executive Committee, the Managing Director is authorized to use his discretion in charging interest to delinquent members, and is empowered to make exceptions where extenuating circumstances do exist. To qualify for an exception on interest for late payment of invoices, the Director Representative to the company involved should submit a written description of the extenuating circumstances involved.

Members who have not paid their Annual Dues by the time that the Institute Auditors make their Financial Report to the Treasurer may be listed as being delinquent in the Audit Report.

#### SITE SELECTION FOR ANNUAL MEETING

Originally, the Institute rotated the site of the Annual Meeting to each of the geographical sections. Now that we have only three sections, the Executive Committee has adopted a four-year cycle but with the fourth year being an International Year AGM. The location of the International Year AGM is established by the Executive Committee with the criteria that it needs to be in a region that has some business connection.



**IV.**

**OPERATION WITHIN ANTI-TRUST LAWS**



## OPERATION WITHIN THE ANTI-TRUST LAWS

### General Comments

The International Institute of Synthetic Rubber Producers, Inc. is an international trade association of synthetic rubber manufacturers. Its purpose is to further and promote the interest of the industry. As an industry organization, we serve a legitimate and useful purpose and may legally engage in a variety of activities which serve the industry. The Institute's By-laws and Policies provide a framework in which those activities can be conducted lawfully. We must be careful, however, not to violate the anti-trust laws of the countries in which our members do business. The Institute's activities must therefore be structured so as to avoid any action which might limit or which could be construed as limiting competition among our members or with non-members.

Because it would be difficult to list all the all the activities which could violate the anti-trust laws, the following guidelines are offered so that no Director or member of the Institute staff or one of its committees will knowingly engage in any Institute-related activity which might violate the anti-trust laws.

Institute employees, Directors and Committee members should be sufficiently familiar with the anti-trust laws to be able to avoid actions or discussion in their Institute work that might raise anti-trust questions. They should be aware that activities, which the Institute can properly undertake, could become illegal if used for anti-competitive purposes. Members must therefore aggressively avoid not only actual violations of the law but also any appearance of violation. To protect the Institute, its members and non-members who cooperate in its activities, the Institute has adopted several basic practices and policies:

1. The Institute has well-defined objectives and procedures relating to meetings and other matters set forth in its By-laws and Statements of Policy.
2. The Institute's organizational structure is normally composed primarily of functional committees rather than individual product committees.
3. Commercial matters, which should be the subject of negotiation between buyer and seller, particularly those relating to pricing or marketing of rubber, are scrupulously avoided.
4. The Institute retains a General Counsel to help ensure that Institute policies are observed and to provide guidance and advice as to all Institute operations from an anti-trust standpoint.

### The Anti-Trust Laws in General

The anti-trust laws are not intended to inhibit legitimate business activity. Their objective is to help preserve a free economy by prohibiting artificial restraints on competition.

The anti-trust laws of the various countries where they have been enacted generally make the following types of activities unlawful.

1. Agreements or conspiracies in restraint of trade or commerce. All types of agreements, which restrain competition, are included, whether written or oral, formal or informal and regardless of where they are made. Examples of such conspiracies or agreements which are unlawful per se, regardless of their effect, are those which have the purpose or effect of fixing prices, limiting production, allocating markets, or boycotting third parties. Participants in these conspiracies are subject to criminal prosecution.
2. "Monopolization" of any part of trade or commerce. This prohibition is needed to prevent a single company from acquiring or holding sufficient power to control prices or to foreclose access to the market.

3. “Unfair methods of competition and all unfair or deceptive acts or practices” in commerce. This includes various forms of “unfair” business conduct such as false advertising.
4. Specific forms of business restraints such as exclusive dealing, “tie-in” sales and certain types of acquisitions, mergers and interlocking directorships.
5. Discrimination in prices or services which have anti-competitive effects.

#### Activities to be Avoided

To avoid possible problems, the following don'ts should be borne in mind by all the Institute staff, Directors, Committee members and participants in Institute meetings.

1. Don't agree with your competitors or anyone else:
  - a. to fix the prices or conditions of sale of your product
  - b. to limit your production, fix production quotas, or otherwise limit the supply of any product reaching the market.
  - c. to divide up the market, either geographically or by class of customer.
  - d. to blacklist or boycott customers, competitors or suppliers.
2. Don't discuss or exchange information with your competitors on any of the following:
  - a. individual company prices, price changes or policies, terms of sales, etc.
  - b. industry pricing practices or policies, price levels, price changes, etc.
  - c. price differentials, price mark-ups, discounts, allowances, credit terms.
  - d. costs of production or distribution, cost accounting formulas, methods of computing costs.
  - e. individual company figures on costs, production, inventories, sales, etc.
  - f. information as to future plans of individual companies concerning the design, production, distribution or marketing of particular products including proposed territories or customers.
  - g. matters relating to individual suppliers or customers, particularly in respect to any action that might have the effect of excluding them from the market.
3. Don't meet in “rump” sessions to discuss matters relating to any of the above. If such a discussion starts during a meeting, leave the room and ask that it be noted in the minutes that you object to the discussion and left the meeting for that reason.

These comments are intended as guidelines and not as an exhaustive list or a complete set of rules. Every individual must use common sense and good judgment in his or her Institute activities. If ever there is a doubt in your mind regarding the legality of an activity or discussion discuss the matter with your corporate legal counsel or with the Institute's counsel before proceeding.