

**Statutes  
of  
TRACE  
Central Business Register (CVR) number 42901768**

**1. Name and domicile**

1.1 The association's name is TRACE (the "Association").

1.2 The Association's domicile is located in Aarhus, Denmark.

**2. The Association's object**

2.1 The Association is a non-profit association whose overall object is to promote the circular economy, including in plastics and textiles.

2.2 As a non-profit association, the Association must be independent of special interests, collaborate with a diversity of Danish and foreign research and knowledge institutions, and disseminate the Association's research and development results.

2.3 The Association must achieve its object by bringing together relevant actors and admitting members who can accelerate the green transition by developing innovative, results-oriented solutions that help achieve Denmark's green transition goals, have a global effect and strengthen Danish business development and exports.

2.4 The Association must promote national and international research and research-related collaboration and seek funding nationally and internationally in this respect.

2.5 To meet its object, the Association must seek funding from Innovation Fund Denmark (the "Innovation Fund") and other public funds and providers of support and from private funds and businesses.

The Association must function as an administrative partnership in relation to the innovation programmes/missions launched by the Innovation Fund pursuant to the Act on Innovation Fund Denmark and notified to the European Commission. The Association must apply for, manage and distribute the project funds promised by the

Innovation Fund for a mission. The Association must enter into an investment agreement with the Innovation Fund, in which the parties' rights and obligations are set out (the "Investment Agreement").

The Association must carry out the administrative tasks delegated to it by the Innovation Fund through the Investment Agreement, observing the administrative rules imposed on the Association on the contractual basis of the Investment Agreement.

The Association must generally ensure that awarded subsidies are spent in accordance with the authorisations received, with the approved distribution procedures and with the other conditions for the use of received subsidies, including the EU's state aid rules.

### **3. Members**

- 3.1 Danish and foreign private-sector and public-sector businesses/authorities, NGOs and individuals (the "Business Side"), and organisations, research institutions, educational institutions and GTS (Danish government-approved research and technology) institutes, (the "Knowledge Partners") which are willing and able to support the Association's object, may be admitted as members.

Natural or legal persons who are participating in a project managed by the Association and want membership for a fixed term only as part of completing the project may also be admitted as members ("ad hoc members").

- 3.2 Membership is conditional upon fulfilment of the membership terms in articles 4, 5 and 6.

### **4. Applications for membership**

- 4.1 Applications for membership must be sent to the Association's secretariat. The applicant must state the requested membership category. The Board of Directors determines the detailed criteria for membership of the Association in accordance with the statutes.
- 4.2 The secretariat approves the admission in accordance with the Board of Directors' criteria for new members of the Association.

- 4.3 The secretariat may reject an application for membership if:
- a) the applicant is considered unable to support the Association's object, or
  - b) membership is assessed not to be conducive to the Association's activities for other reasons.
- 4.4 The rejected applicant may request that the secretariat's rejection under article 4.3 be reconsidered at the next Board meeting. The Board of Directors' decision is final.
- 4.5 Membership is effective from the date the membership fee has been paid.

## **5. Membership categories**

- 5.1 Upon recommendation by the Board of Directors, the General Assembly can decide to have several categories of membership of the Association.

Ad hoc members, who have chosen to be ad hoc members only are a separate category regardless of whether they would otherwise belong to a different member category.

## **6. Membership fee**

- 6.1 The annual membership fee is fixed by the Annual General Assembly. The General Assembly may decide to fix different membership fees for the Association's different membership categories. No membership fee is charged for ad hoc members.
- 6.2 Membership fees are charged by the secretariat. Membership fees are charged on 1 January each year and payable by 20 January the same year. The full annual membership fee is payable if membership commences in the first half of a year. Half of the annual membership fee is payable if membership commences in the second half of a year.

**7. Cancellation of membership**

7.1 Cancellation of membership must be notified to the secretariat with at least three (3) months' notice to the end of a calendar year, but for ad hoc members with effect from completion of the project on which the membership is based.

**8. General Assembly**

8.1 The General Assembly is the highest authority in all of the Association's affairs.

8.2 The Annual General Assembly is held by the end of May each year.

8.3 The General Assembly is convened with at least fourteen (14) days' and at most four (4) weeks' notice. The agenda of the General Assembly and the detailed proposals to be considered by the Assembly are sent, or made available, to the members on the Association's website at least eight (8) days before the Assembly. Audited accounts for approval must be made available in accordance with article 18.4.

8.4 Proposals for consideration at the General Assembly must be submitted to the Association's secretariat at least ten (10) days before the General Assembly.

8.5 Members wishing to nominate candidates for the Board of Directors must notify the Association's secretariat of this no later than ten (10) days before the General Assembly. The Board of Directors may also propose candidates.

8.6 The agenda of the Annual General Assembly must comprise at least the following points:

1. Election of chair of the General Assembly
2. Report by the chair of the Board of Directors on the Association's activities in the previous year, for approval
3. Presentation of the annual report, including proposed profit allocation, for approval
4. Proposals from the Board of Directors and members
5. Presentation of the Board of Directors' planned activities and proposed budget for the coming year, including proposed membership fees and other membership terms, for approval
6. Election of Board of Directors including notification of election of Board members in accordance with article 12 of the statutes

7. Election of external or internal auditor in accordance with article 18 of the statutes
8. Any other business

- 8.7 As a supplement to physical attendance at the General Assembly, the Board of Directors may decide to give the members access to attending the Assembly electronically, including voting electronically, without being present physically. The Board of Directors determines the details of attending electronically and provides information on this in the notice convening the General Assembly.
- 8.8 The Board of Directors may decide to hold the General Assembly entirely electronically.
- 8.9 The General Assembly is chaired by a chair of the Assembly elected by the Assembly.
- 8.10 The proceedings at the General Assembly are entered in a minute book for signature by the chair.

## **9. Voting rules**

- 9.1 Unless otherwise provided in these statutes, the General Assembly is always quorate with the attending and represented members, regardless of their numbers.
- 9.2 All members approved under article 4 who have paid their membership fee outstanding no later than one (1) month before the date of the General Assembly are entitled to vote at the General Assembly. However, ad hoc members have no right to vote.
- 9.3 Each voting member has one (1) vote at the General Assembly.
- 9.4 Members who have notified a request for cancellation of their membership lose their voting right at the time when the cancellation is effected, see article 7.
- 9.5 It is possible to vote by proxy. The proxy form must be in writing and be presented to the chair of the Assembly at the beginning of the General Assembly.
- 9.6 Each member has the right to appear at the General Assembly accompanied by an adviser.

9.7 Decisions at the General Assembly are made by a simple majority vote, but see article 10.

9.8 As a non-profit business, the Association must use any profit for consolidation and development in accordance with the Association's object.

## **10. Votes requiring a qualified majority**

10.1 Any proposal to adopt amendments to these statutes, including merger with other associations, exclusion (see article 19) or a decision to dissolve the Association (see article 21) requires a majority of at least two-thirds of the represented votes.

## **11. Extraordinary General Assembly**

11.1 An Extraordinary General Assembly is held if requested by the Board of Directors or when at least one-quarter of the voting members request this in writing to the Board of Directors through the Association's secretariat, stating the proposals to be considered.

11.2 Extraordinary General Assemblies are convened with at least eight (8) days' and at most fourteen (14) days' notice.

11.3 Extraordinary General Assemblies requested by at least one-quarter of the Association's members must be held no later than three (3) weeks after the request has reached the Association's Board of Directors.

11.4 An Extraordinary General Assembly takes place on the same principles as an Annual General Assembly, including in respect of chair of the Assembly, proxies and voting.

## **12. Board of Directors, election and composition**

12.1 The Association is managed by a Board of Directors consisting of ten (10) members, whose expertise and business understanding must cover the Association's focus areas. Natural science and technical skills and skills within social science and humanities must also be represented.

12.2 The Board of Directors must consist of representatives of members of the Association in accordance with article 12.3.

12.3 The composition of the Board of Directors is as follows:

- a) Five (5) Board members are elected by the General Assembly from the Business Side
- b) Five (5) Board members are appointed from among the Knowledge Partners. Of these,
  - (i) four (4) seats go to educational institutions and are filled by rotation, and
  - (ii) one (1) seat goes to GTS institutes and is filled by rotation

12.4 Annex 1 to the statutes is the rotation plan for the five seats distributed among the Knowledge Partners. The individual Knowledge Partners who are next on the rota appoint their own representative to the Board of Directors.

12.5 The term of office is three (3) years.

12.6 The basis for distribution of the five members elected from among the Business Side is that a proportion of them stand for election each year on the 2:1:2:2:1:2 principle. The members may be re-elected.

12.7 Each year, the Board of Directors elects a chair from among the five members representing the Business Side and a vice-chair from among the five members representing the Knowledge Partners. The election of officers takes place immediately after the General Assembly.

### **13. Appointment of committees**

13.1 The Board of Directors may appoint the committees ("Mission Committees") which are decided or agreed in the projects/programmes in which the Association takes part or which, in the Board of Directors' judgment, are able to support the Association's activities, including advisory boards.

13.2 The Board of Directors determines the appointed committees' tasks, powers and composition and provides guidelines for the committee work.

**14. The Board of Directors' tasks**

- 14.1 The Board of Directors is charged with the overall and strategic management of the Association and makes decisions with binding effect in all of the Association's affairs, taking into account and respecting the General Assembly's directions and with responsibility to the Innovation Fund and public supervisory authorities.
- 14.2 The Board of Directors is tasked with running the Association, taking into account the overall concept in the short and long term.
- 14.3 The Board of Directors must adopt rules of procedure for its work and rules for approval of projects, selection of project participants and distribution of funds for execution of projects. The Board of Directors must also ensure that the processes and internal guidelines are in place which are either required under agreements with the Innovation Fund or estimated to be necessary to comply with the governance requirements relating to management of the project funds which the Association receives for use on projects.
- 14.4 The Board of Directors must actively seek to procure funds for the Association by way of applications for foundation grants, sponsorships etc. Funding must be sought nationally and internationally. The Board of Directors is authorised to enter into an Investment Agreement with the Innovation Fund in this respect.

**15. Meetings, decisions, power to bind and liability**

- 15.1 The Board of Directors holds meetings as often as the chair or four (4) of the other Board members find expedient, but at least four (4) times a year.
- 15.2 The Board of Directors is quorate when no fewer than half of its members are present. Each member has one (1) vote.
- 15.3 The Board of Directors makes its decisions by simple majority vote. In the event of a tie, the chair has the casting vote.
- 15.4 The Board of Directors' decisions are recorded in a minute book.

- 15.5 The Association is bound by the joint signatures of the chair and one (1) other member of the Board of Directors, or by the joint signatures of the chair and the director.
- 15.6 The Association's liability for its obligations is limited to the assets belonging to the Association from time to time. The Association's members and Board of Directors are not personally liable for the Association's obligations. The Association's Board of Directors is responsible for managing public subsidies in compliance with the subsidy terms and the law in general, including EU rules on state aid and tendering and the terms and conditions fixed by the Innovation Fund when delegating tasks and competence.

**16. Director and secretariat**

- 16.1 The Board of Directors appoints a director to be responsible for the day-to-day management of the Association. The Board of Directors must ensure that the director's tasks and powers are specified in an instruction to the director.
- 16.2 A secretariat managed by the director is established to take charge of the daily operations and make the required decisions in this respect in compliance with the overall guidelines set out by the Board of Directors. If a decision concerns strategy or principles or is of major financial significance, the director must obtain the Board of Directors' approval.
- 16.3 The director reports to the Board of Directors in day-to-day matters.
- 16.4 The Investment Agreement with the Innovation Fund requires the Association to appoint an administrator ("Administrator"). The Administrator will be responsible for managing the funds distributed by the Innovation Fund (Investment Amounts). The chosen Administrator is subject to approval by the Innovation Fund.

**17. Communication**

- 17.1 The Association may communicate all notices to the members of the Association and the members of the Board of Directors respectively by electronic mail, and documents may be made available via the Association's website.

17.2 The Association requests the members of the Association and the members of the Board of Directors respectively to provide electronic mail addresses to which notices may be sent. The members of the Association and the members of the Board of Directors respectively must ensure that the Association always has their correct electronic mail address.

17.3 The members of the Association and the members of the Board of Directors respectively may contact the Association for information on requirements regarding the systems used and the use of electronic communication.

## **18. Accounts and auditing**

18.1 The Association's financial year is 1 January to 31 December.

18.2 The Association's annual reports are audited by an auditor elected at the Annual General Assembly each year. The General Assembly each year decides whether to elect an internal auditor or a state-authorised/registered public accountant.

18.3 If the Innovation Fund or another provider of support so requires, the Association's annual report must be presented in accordance with the specified rules, including any special auditing standard determined by the Innovation Fund. If no requirements have been made regarding the aggregate annual report, the Board of Directors must ensure that any individual accounts for the use of public funds are prepared by an accountant in compliance with the requirements determined by the individual provider of support.

18.4 The audited accounts must be made available for inspection by members no later than eight (8) days before the Association's Annual General Assembly.

## **19. Exclusion**

19.1 A member who has committed a serious or repeated breaches of the Association's statutes or worked against the Association's object or activities may be excluded at the General Assembly at the Board of Directors' proposal.

19.2 Membership fee arrears exceeding three (3) months result in exclusion unless the Board of Directors finds reasonable grounds for waiving this rule.

19.3 A member who has been excluded can only be re-admitted with the Board of Directors' approval.

**20. Liability for debt to the Association**

20.1 Cancellation of membership or exclusion does not release the member from outstanding debt to the Association.

**21. Dissolution of the Association**

21.1 A decision to dissolve the Association is made by the General Assembly in accordance with the rules in article 10 of the statutes. A decision to dissolve the Association is only valid if the General Assembly has decided the detailed procedure of dissolution in advance, including settling any financial obligations incumbent on the Association.

21.2 Upon a decision to dissolve the Association, the General Assembly must decide where ownership of the Association's logo and other intellectual property rights owned by the Association should be placed, including the future use of these rights.

21.3 Any proceeds from the winding up and the Association's assets, including rights, go to one or more non-profit, or predominantly non-profit, organisations or businesses pursuing an object which is comparable or relevant to the Association's object. This is decided by simple majority vote of the Association's General Assembly in connection with the decision to dissolve the Association.

These statutes were adopted by the Association's General Assembly held on November 26<sup>th</sup> 2024.

### Annex 1: Board of Directors – rotation plan for educational institutions and GTS institutes

The rotation principle for educational institutions is as follows:

Members are replaced each year on the 1:1:2:1:1:2 principle such that all members serve a three-year term.

The educational institutions that are part of the rotation for educational institutions are: Aalborg University (AAU), Aarhus University (AU), Kolding School of Design (DSKD), University of Southern Denmark (SDU), Roskilde University (RUC), Copenhagen Business School (CBS), University of Copenhagen (KU), The Royal Danish Academy (DKA) and Technical University of Denmark (DTU).

The rotation sequence is as follows:

2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
RUC	SDU	CBS	CBS	AU	RUC	AAU	SDU	DSKD	DTU
AAU	DKA	DTU	DTU	RUC	AAU	DKA	DSKD	DTU	CBS
SDU	CBS	AU	AU	AAU	DKA	SDU	DTU	CBS	AU
DKA	DTU	DSKD	RUC	DKA	SDU	DSKD	CBS	AU	RUC

*Green highlight indicates institutions coming on to the Board of Directors by rotation.*

The aim has been to represent the diversity of the institutions as far as possible in each period.

The rotation principle for GTS institutes is as follows:

The member is replaced every three years.

The GTS institutes that are part of the rotation for GTS are the Danish Technological Institute (TI), FORCE Technology (Force) and the Alexandra Institute (AI).

2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
TI	TI	Force	Force	Force	AI	AI	AI	TI	TI

*Green highlight indicates institutions coming on to the Board of Directors by rotation.*

Board members from the Business Side are elected as follows:

The basis for distribution of the five members is that a portion of the five seats is up for election each year on the 2:1:2:2:1:2 principle.

2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Novo Nordisk									
Bestseller									
LEGO	Kentaur								
GANNI	LEGO								
Marius Pedersen									

*Yellow highlight shows businesses that are standing for election.*