



Schweizerischer Kosmetik-
und Waschmittelverband

Association suisse des cosmétiques
et des détergents

The Swiss Cosmetic
and Detergent Association

Regulations for membership fees

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Preamble

The former industry associations SWI and VSKI merged on 3rd May 2001 to form the SKW. Until the end of 2004, membership fees continued to be levied in accordance with the old system (separate revenue base, as well as different fee models and levels for the areas of soap, detergents and cleaning agents as compared to cosmetics).

The 2004 General Assembly of SKW has resolved to introduce a new, uniform fee system to replace the two previous systems as at 1st January 2005. The basis for the calculation of the membership fee is the entire domestic revenue of a company in the branches of industry represented by SKW. This applies irrespective of the business area in which the revenues were achieved. In return, the previous breakdown between the “common” and “direct” expenditure for the two areas in the Association’s accounts is eliminated. Following a 2-year transition phase, the Association’s entire expenditure is distributed amongst its members in accordance with this regulation.

NOW, THEREFORE, the following provisions apply for the levying of membership fees as at 1st January 2005:

1. Financing of the Association’s activities

SKW’s activities are categorically financed as follows:

- through membership fees
- through member and third-party contributions for paid, extraordinary services, such as project costs (insofar as a relevant contract exists), issuance of “Free Sale Certificates”, fee-based printed materials, etc.

2. Membership:

2.1. Full members

Any company entered in the commercial register which deals with research for, or the development, production or distribution of cosmetic products, detergents, cleaning agents or related products may become a member of the Association (Section 5 of the SKW Articles of Association).

2.2. Exceptions

If justified by special circumstances, a deviation from the fees pursuant to clause 3 is possible. At the request of the Board Committee, the Board of Directors shall decide on the existence of an exceptional case at its own discretion and without any requirement of justification. The decision is final.

The Board of Directors shall inform the General Assembly about decisions made. The Board of Directors shall periodically examine whether an exception in terms of this provision exists.

3. Membership fees

3.1 General

The membership fee level is dependent upon the total of the members' revenues and the relevant annual budget of the office; and the General Assembly shall set a new membership fee level annually at the request of the Board of Directors.

The basis for the calculation of the membership fee is the entire domestic revenue at factory prices in the branches of industry represented by SKW. The revenue declaration for the company's sales statistics for the calendar year preceding the fee year submitted to the SKW is decisive for the fee.

The office shall supply the members with the necessary survey documents by mid-January. The revenue declaration must be submitted no later than at the end of February of the relevant calendar year.

The decisive domestic revenue is calculated from the net sales prices of all end products in CHF, less any discounts (volume discounts, del credere, cash discounts, etc.):

- to the trade
- to direct industrial clients (contract manufacturing)
- for private use
- for bulk consumers (hospitality industry, institutions, homes, hospitals, canteens, etc.)
- unpackaged goods (e.g. soap)
- imported products or products produced by third parties which are sold in Switzerland
- Swissmedic products up to and including list C

Exports are not taken into account for the fee calculation. Neither are semi-finished goods and bulk deliveries to industry and commerce, insofar as these are processed further by the buyer.

Members are obliged to make a complete, accurate and punctual declaration of the decisive revenues with the SKW sales statistic to the SKW office.

The office shall collect the membership fees quarterly.

The office will treat all details as confidential, including to elected SKW representatives.

3.2. Calculation of the fees

The minimum fee for revenues below CHF 2 million is CHF 2,000.00.

For revenues of CHF 2 million or more, the fee calculation shall be based on the following (degressive) phased model:

Revenue in CHF million	Fee as % of the revenue	Revenue in CHF million	Fee as % of the revenue
up to 10	0.10250		
10+	0.09750	140+	0.04850
20+	0.09250	150+	0.04750
30+	0.08750	160+	0.04750
40+	0.08250	170+	0.04750
50+	0.07750	180+	0.04750
60+	0.07250	190+	0.04750
70+	0.06750	200+	0.04650
80+	0.06250	250+	0.04550
90+	0.05750	300+	0.04450
100+	0.05250	350+	0.04350
110+	0.05150	400+	0.04250
120+	0.05050	450+	0.04150
130+	0.04950	500+	0.04050

The figures in the table are based on the 2003 status of the membership fees.

Any adjustments of the membership fees due to changes in the budget of the office, or the total of the members' revenues shall be applied proportionally.

Before a transition to the next lower rate level, adjustments shall be made gradually.

3.3. Special provisions for groups of companies

Groups of companies keeping consolidated group accounts may cumulate the relevant revenues of those companies of the group which are also members of the SKW for the calculation of the membership fee.

In the event of doubt, the Board of Directors shall make a final decision on the modalities of the fee calculation, and inform the General Assembly thereof.

4. Transitional arrangement: Solidarity contribution

For companies with a high proportion of cosmetics sales, the transition to the new fee system results in sometimes significant membership fee increases. In order to soften the blow of the system change, the companies in the area of detergent and cleaning agents shall pay a "solidarity contribution" throughout a two-year transition phase.

This solidarity contribution shall be calculated as follows: For the 2-year transition phase (2005/2006), the membership fees for the revenue area soaps, detergents and cleaning

agents will gradually be reduced to the fee level pursuant to clause 3.2. In the same way, the membership fees for cosmetics revenues will gradually be increased.

The amount of the 100%-basis of the solidarity contribution during this transition phase equals the difference between the membership fee pursuant to clause 3.2 and the membership fee pursuant to the calculation under the old fee system (basis: 2003 membership fees).

The allocation of solidarity contributions to the members with fee increases under the new system shall take the following form: Each member shall receive the percentage share in the total solidarity contribution which equals its individual increase relative to the total increase.

Example: If the sum of all additional expenditures in the relevant fee year is CHF 200,000.00 under the new system, and an individual member must bear CHF 40,000.00 thereof, this member shall receive $40/200$ (= 20%) of the sum credited to its individual fee.

As at 1st Jan. 2007, the fee rates pursuant to clause 3.2 shall apply.

5. Inception

These guidelines were approved at the SKW General Assembly of 30th June 2004 and shall enter into force on 1st January 2005.

For any members joining the SKW after 1st January 2005, the fee levels pursuant to clause 3.2 shall apply without the aforementioned gradual adjustment.

Resolved by the General Assembly of 30th June 2004 in Zurich.

Supplemented at the General Assembly of 27th June 2007 in Lucerne.



The President



The Director