

**BY-LAWS OF  
THE AUTOMOTIVE AND MACHINERY UPLAND CLUSTER ORGANISATION**

The Automotive and Machinery Upland Cluster Organisation was established as a voluntary agreement of research units, local government units, business environment institutions, and entrepreneurs willing to cooperate in order to benefit overall development of Lublin and to increase innovativeness and competitiveness of the region in key area which is industry. The aim of the Automotive and Machinery Upland Cluster Organisation is to create a cooperation platform which allows its participants to effectively connect and benefit from the potential of universities, research units, business environment institutions, local authorities, and enterprises in order to favour the transfer of knowledge, experiences, and innovations between the Cluster Participants.

**§ 1**

**General provisions**

1. The Automotive and Machinery Upland Cluster Organisation (hereinafter referred to as: the Cluster) was established on the basis of the Partnership Agreement signed in Lublin as 21 February 2018 (hereinafter referred to as: the Agreement).
2. The By-Laws shall be the Appendix 1 to the Agreement and shall regulate the terms and conditions regarding the work of the Cluster and the form of cooperation of the Participants.
3. The entities which signed the agreement shall be hereinafter referred to as “Founding Members”.
4. Founding Members and entities which joined the Cluster after the date of signature shall be jointly referred to as the “Cluster Participants”.
5. Each of the Cluster Participant shall be obliged to keep concern for the Cluster’s image and to protect its interests, in particular to refrain from activities which could harm its reputation.

**§ 2**

**Aims of the Cluster**

1. The aim of the Cluster is to strengthen existing cooperative ties and to create favourable conditions for development of the automotive and machinery industry and in the field of its economic, scientific and social impact.
2. The aims of the Cluster shall include in particular:
  - a) creating cooperation web and establishing solid horizontal links between the Cluster Participants in order to effectively use existing possibilities of automotive and machinery sector by an exchange of knowledge, experiences and by development of cooperative regional connections,
  - b) integrating enterprises which run a business activity in automotive and machinery sector with research and development section,
  - c) stimulating development of new technologies and developing analytical and research resources for automotive and machinery sector and supporting the transfer of new technical and technological solutions for production processes,
  - d) increasing competitiveness of the Cluster Participants and supporting their activities on international markets,
  - e) educating and developing educational and training services related to preparation of highly skilled staff in automotive and machinery industry by supporting creation of pro innovative

- education fields and approaches,
- f) carrying out regional, national or international projects aiming to develop and increase the innovativeness of units operating within automotive and machinery sector and of units providing services for them.
3. The aims of the Cluster shall be fulfilled by the Cluster Participants through, in particular:
- a) initiating and running joint scientific, economic or infrastructural development projects.
  - b) seeking innovative solutions for effective use of resources,
  - c) taking measures and implementing them,
  - d) exchanging information, knowledge and experiences between the Cluster Participants,
  - e) promoting, in the country and abroad, the activity of the Cluster and its Participants,
  - f) obtaining funding for research, training and investment projects from EU or national funds and funding programmes,
  - g) cooperating with other national and foreign institutions, organisations or associations which have convergent aims and scope of business with the Cluster's aims and scope of business,
  - h) cooperating with the central and local government administrative bodies in relation to strategic development of economic policy and to obtain the support for the Cluster Participants activities.

### **§ 3**

#### **Legal status**

- 1. The Cluster operates as a stand-alone, joint undertaking of its Participants.
- 2. The Cluster does not have any legal personality and is not a partnership.
- 3. The participation in the Cluster shall not limit the right of the Participants to be part of other associations, agreements or organisations, and to, individually or with other units, fulfil the aims stipulated in §2 of the By-Laws.

### **§ 4**

#### **Rights and Obligations of the Participants**

- 1. The Cluster shall be open, which means that according to the principles determined by the Agreement and these By-Laws, new Participant may join at any time.
- 2. The Cluster Participants have the right to:
  - a) co-decide in the issues connected with the Cluster's activity stipulated by the By-Laws,
  - b) take an active part in the projects and undertakings implemented by the Cluster, on the basis of resolutions or agreements relating to the given initiative,
  - c) propose own projects and initiatives to the Management Board or the Council of the Cluster,
  - d) use the research, laboratory, logistic and other infrastructures obtained or developed as a result of the Cluster's activities, on preferential terms,
  - e) cooperate in organising the scientific conferences, trainings and events organised by the Cluster and to take part in these conferences, trainings and events,
  - f) use the scientific and economic contacts developed in the Cluster,
  - g) gain information about the activities of the Cluster and its organs,
  - h) publish information about participation in the Cluster and use its logo and name in the communication, advertising or promotional materials.
- 3. The Cluster Participants shall be obliged to:
  - a) obey the rules of participation in the Cluster resulting from the Agreement and these By-Laws,
  - b) act in accordance with the best joint interest of the Cluster and taking under consideration a positive image of the Cluster,
  - c) actively participate in Cluster's activities and adhere to the guidelines stipulated by the

- resolutions passed by the Council of the Cluster,
- d) inform the Council and the Management Board of the Cluster about potential or existing risks to fulfilment of the aims of the Cluster,
  - e) use the Cluster's logo and publish information about participation in the Cluster in the writings (e.g. publications) created as a result of activities undertaken in the Cluster.

## **§ 5**

### **Participation in the Cluster**

1. The Cluster Participant may become:
  - a) enterprises,
  - b) universities,
  - c) research unities,
  - d) schools,
  - e) business environment institutions,
  - f) other entities with object of activity connected with automotive and machinery sector

provided that they meet the conditions stipulated by the Agreement and the By-Laws of the Cluster.

2. The condition for participation in the Cluster shall be:
  - a) submitting, in writing, the Declaration of Participation, model of which is the Appendix 2 to the Agreement,
  - b) being interviewed and filling a questionnaire, a sample of set out herein,
  - c) approval of the new entity by the Management Board after presentation of the profile of the applicant and evaluations of the results of the questionnaire and interview in terms of adopted the Strategy of Development.
3. Cluster Management Board's acceptance for joining the Cluster after presenting the profile of a potential Participant and evaluating the results of the interview and the questionnaire based on the Development Strategy of the Cluster. The Management Board shall approve the Declaration of Participation in the Cluster by a resolution passed by simple majority of votes. The day of joining the Cluster shall be the day of adoption by the Management Board of the Cluster of a resolution regarding acceptance on joining the Cluster.
4. The Management Board of the Cluster shall inform the applying entity and all foregoing Cluster Participants about affiliating a new entity.

## **§ 6**

### **Termination and exclusion from the Cluster**

1. Each Participant shall have the right to terminate the Agreement in writing at any time in compliance with one month notice period with the effect at the end of the month.
2. The termination of participation shall take effect by a written declaration on termination of the Agreement and resignation from taking part in the Cluster's activities submitted to the President of the Cluster's Management Board.
3. The termination of the Agreement by one or more Participants shall not result in the termination, dissolution or expiry of agreements concluded by a given entity or a group of entities as part of and in relation to the Cluster's activity.
4. The termination of the Agreement by one or more Participants shall not result in termination of the Agreement between remaining Cluster Participants.
5. The entity may be excluded from the Cluster when it materially violates provisions of the Agreement, in particular the provisions on the Ethical Code (cf. §14 of the By-Laws) and the provisions of the By-Laws or acts against the Cluster's interests.

6. Basis for exclusion of a Participant may also be a three-month arrear in membership fees for participation in the Cluster.
7. In case of occurrences that justify the exclusion of a Participant, the Management Board of the Cluster submits a written request for exclusion of a given entity along with a justification to the Cluster's Council.
8. The Cluster's Council shall decide on exclusion of the Participant by an absolute majority of its members within 30 days from the day of submitting the request. Decision of the Cluster's Council shall be approved by the General Meeting of the Cluster's Participants.
9. The Cluster's Council shall inform a concerned entity about the exclusion in writing.
10. The information about exclusion of a given entity shall be provided to all remaining Cluster's Participants.

## **§ 7**

### **Cluster's Coordinator**

1. The Cluster's Coordinator shall be „Lubelska Wyzyna Motoryzacyjna i Maszynowa” Foundation which its seat in Lublin.
2. The Cluster's Coordinator shall act for and on behalf of the Cluster within the scope of this Agreement, the Cluster's By-Laws and the resolutions of the Cluster's Council and Management Board and its organs.
3. The Cluster's Coordinator shall carry out tasks by providing the Cluster's Members with integration, advisory, training, auxiliary services in all areas indicated in separate resolutions of the Cluster's Organs. The Coordinator analyses offers, provides support in agreement and contract negotiations with external partners.
4. The Cluster's Coordinator shall keep the bank account which gathers cash derived from membership fees paid by the Cluster's Participants.

## **§ 8**

### **Cluster's Organs**

1. The Cluster's Organs shall be: General Meeting, Cluster's Council, Management Board.
2. The Council of the Cluster and the Management Board of the Cluster represent the Cluster's business in relation to third parties and shall not be empowered to acquire rights and incur property liabilities, except when acting pursuant to the power of attorney granted by the General Meeting.

## **§ 9**

### **General Meeting**

1. Each of the Cluster's Participants shall be entitled to indicate its one representative at the General Meeting.
2. Member of the General Meeting may be a person empowered to represent the entity being a Cluster's Participant in accordance with the registration in business activities, statutes, National Court Register [KRS] or other registration documents, or indicated by a person who is representing the entity on basis of a written consent.
3. The General Meeting shall be convened by the Cluster's Council at least once a year.
4. The Cluster Council shall inform the members of the General Meeting about the meeting at least two weeks in advance.
5. The Cluster's Council shall set the date, time, place of the meeting, its detailed agenda and provide information to the members of the General Meeting via e-mail.
6. The meetings may also be convened on a written request of at least one third of the members of

the General Meeting, submitted at least four weeks before the proposed date of the meeting.

7. The General Meeting may also be attended by members of the Cluster's Council and Management Board.
8. The meeting shall be opened by the President of the Cluster's Council. In case of the President's absence, he shall choose a deputy.
9. At the beginning of each meeting a chairperson shall be chosen from among the present members of the General Meeting, who will lead this meeting.
10. The General Meeting shall take decisions in form of resolutions, opinions or positions in the presence of at least half of the current number of members, by simple majority, in open ballot.
11. When adopting resolutions each of the members of the General Meeting shall have one vote.
12. Objectives of the General Meeting shall be in particular:
  - a) establishing guidelines for the Cluster's area of operation and determining the manner in which its tasks shall be fulfilled,
  - b) appointing and dismissing the members of the Programme Board,
  - c) accepting of the Cluster Council's resolutions concerning the exclusion of a particular entity from participation in the Cluster.

## **§ 10**

### **Cluster's Council**

1. The Council shall have a maximum of 30 members, including a maximum of 18 members representing the Founding Members and 12 members representing the remaining Participants of the Cluster.
2. Member of the Cluster's Council may be a person empowered to represent the entity being a Cluster's Participant in accordance with the registration in business activities, statutes, National Court Register [KRS] or other registration documents, or indicated such person on the basis of a written consent, whereby none of the entities may have more than one representative in the Cluster's Council.
3. Member of the Clusters Council may not be a person convicted by legally binding judgement for intentional crimes which are subject to public prosecution, or fiscal offences.
4. Members of the Cluster's Council may not simultaneously be members of the Management Board of the Cluster. They may also not be married with a member of the Management Board, cohabited, related, in affinity with them. They may also not be in reporting lines because of the employment in the Cluster.
5. Each Founding Member is entitled to indicate one person to the Cluster's Council.
6. Members of the Cluster's Council, who are not representatives of the Founding Members, shall be appointed and dismissed from among remaining Cluster's Participants in the following groups:
  - a) in the group of micro-enterprises and small enterprises (employing up to 49 people),
  - b) in the group of medium-sized enterprises (employing between 50 and 249 people),
  - c) in the group of large enterprises (employing over 250 people),
  - d) in the group of scientific research entities,
  - e) in the group of remaining Participants.
7. The election of members of the Cluster's Council, who are not representatives of the Founding Members, shall be conducted by taking a vote in accordance with the following rules:
  - a) each entity who is member of the Cluster shall be entitled to one vote,
  - b) the voting shall be taken in five groups referred to in §10 sec. 6,
  - c) the voting shall be conducted with the participation of at least half of the Cluster's Participants representing a particular group for the day of voting,
  - d) in the indicated groups members of the Cluster's Council shall selected in the following

proportion:

- i. in the group of micro-enterprises and small enterprises – maximum 2 Council members
  - ii. in the group of medium-sized enterprises – maximum 3 Council members
  - iii. in the group of large enterprises – maximum 5 Council members
  - iv. in the group of scientific research entities – maximum 1 Council member
  - v. in the group of remaining Participants – maximum 1 Council member
8. Minutes shall be drawn up of the election.
9. In the voting may participate persons who are authorised to vote by representatives of a Cluster's Member, although the authorisation shall be in form of a general or detailed written mandate. Before the voting, the authorised person is obliged to submit the original of the authorisation or a certified true copy to the Cluster's Office employee. The certified copy shall be made by a Cluster's Office employee.
10. Person or persons, who will represent a given group, shall become those from among persons named by the members of each group who in the voting obtained the highest number of votes. In the case of an equal number of votes casted on particular candidates, the voting shall be repeated in regard to such candidates. In the event that no decision is taken in the following three votes, the choice from among the candidates with the highest, equal number of votes shall be taken by the Cluster's Management Board by way of a resolution.
11. The person appointed to perform the duties of a Cluster's Council Member may only be dismissed within the group which elected a given person, at the written request of at least a half of members of the group.
12. The decision concerning the dismissal of a given person shall be taken with the participation of at least a half of a given group by simple majority of votes.
13. The voting shall be held by the president of the Cluster's Council during the term of office of the Cluster's Council, or by the member of the Cluster's Management Board in the case of election of a new Cluster's Council.
14. Each of the Cluster's Participants may be represented in the Cluster's Council by maximum one person.
15. The term of office of the Cluster's Council member lasts 5 years. This does not exclude the possibility to be appointed for the second term of office.
16. The membership in the Cluster's Council ceases on the date of:
  - a) dismissal by the Cluster's Participant who appointed a given person to the Cluster's Council, in particular in the case of:
    - i. improper fulfillment of duties of the Cluster's Council member,
    - ii. breach of the Agreement,
    - iii. permanent incapacity to perform duties due to health reasons or other occurrences,
    - iv. occurrence of other circumstances which will lead to lost of trust in the given Council's member,
  - b) death of its member or cessation of a legal person being its member,
  - c) submitting a written resignation from the membership,
  - d) legally-binding conviction for an intentional crime subject to public prosecution or fiscal offence.
17. If the Cluster's Council membership ceases during the term of office, the composition of the Clusters Council shall be made complete in accordance with this item.
18. The Cluster's Council elects a President from among its members. The President manages the

works of the Council.

19. The Cluster's Council shall hold a meeting not less than twice a year. The meetings shall be convened by the President of the Cluster's Council.
20. The Cluster's Council shall take its decisions in form of resolutions, opinions and positions in the presence of at least half of the current number of the members, by simple majority, in open ballot.
21. Each Cluster's Council member shall have one vote. In the case of tie, the vote of the President shall prevail.
22. The responsibilities of the Cluster's Council shall in particular include:
  - a) development of the Cluster's Operational Strategy as well as adoption of plans and programmes,
  - b) making decision whether and what amount of remuneration for performance of duties the members of the Management Board shall be given,
  - c) setting the amount of the members contributions for participating in the Cluster,
  - d) ongoing supervision of the Cluster's Management Boards actions,
  - e) taking positions in other cases presented by the Clusters Management Board,
  - f) making amendments to the Cluster's By-Laws,
  - g) adoption of the work regulations of the Cluster's Management Board and the Cluster's Council,
  - h) making decisions about the exclusion of entity from the Cluster.
23. The Cluster's Council may set a fee paid by new Participants of the Cluster in form of a resolution, defining its amount.

## **§ 11**

### **Management Board**

1. The Management Board of the Cluster shall represent the Cluster before third parties and manage its affairs for which it has responsibility.
2. The Management Board of the Cluster shall be comprised of three to five members appointed by the Foundation being the Coordinator of the Cluster among its members, who at the same time represent the Founding Members of the Cluster, for the period of joint term of office.
3. The term of office of the Cluster's Management Board shall be 5 years and expire on the day of the report of the Clusters activities for the last year of their office.
4. President of the Management Board is each time the Chairman of the Foundation's Council being the Coordinator of the Cluster, provided that he represents an entity who is at the same time is a Founding Member of the Cluster. Where this is not the case a person meeting these requirements shall be elected from among the members of the Foundation's Council, even if such person does not act as a President of the Council.
5. Member of the Management Board may not be a person convicted by legally-binding judgement for intentional crimes which are subject to public prosecution, or fiscal offences.
6. The membership in the Management Board ceases in the case of submitting a written resignation, death, or dismissal of the member of the Management Board.
7. The Foundation's Council may dismiss the Management Board or each of its members at any time for compelling reasons, in particular if a member of the Management Board does permanently not pursue the Clusters goals, his activities are contradictory with the Cluster's interests, or materially breaches the provisions of this Agreement.
8. The Management Board of the Cluster shall take decisions in form of resolutions, opinions, positions in the presence of at least half of the actual number of members, by simple majority, in open ballot.
9. Each member of the Management Board of the Cluster shall have one vote. In the case of tie, the

vote of the President shall prevail.

10. Management Board meetings shall be convened by the President of the Management Board, and shall take place when necessary.
11. President of the Management Board may convene meetings at any time. Meetings of the Management Board may also be convened upon request of each member of the Management Board or at least five members of the Cluster's Council.
12. In the meeting shall participate members of the Management Board and other persons invited by the Management Board.
13. Minutes shall be taken of each meeting. The minutes shall be signed by all Members of the Management Board present at the meeting. The minutes shall be stored in the Cluster's office.
14. The Management Board shall cooperate with the Clusters Coordinator and the President of the Cluster's Council on an ongoing basis. It also shall report on the activities in front of the Cluster's Council.
15. Each Member of the Management Board shall be entitled and obliged to conduct the Cluster's affairs.
16. The Management Board may represent the Cluster before third parties within the scope set by separate resolutions of the Cluster's Council, although a joint representation comprised of two Members of the Management Board is required.
17. Competences of the Cluster's Management Board shall be in particular:
  - a) implementation of ongoing tasks set in the programming documents and action plans of the Cluster,
  - b) preparation of new initiatives and project offers in the areas set in the programming documents and action plans of the Cluster,
  - c) preparation of the Clusters action plans and suggestions concerning main lines of action with potential changes in the Clusters development strategy,
  - d) producing and submitting of an annual activity report for the Cluster's Council,
  - e) representation of the Clusters interests,
  - f) taking decisions regarding the affiliation of a new Member of the Cluster.
18. Affairs unreserved for the sole competence of other organs of the Cluster shall remain a competence of the Management Board.
19. Members of the Cluster shall be obliged to:
  - a) act in accordance with the Clusters best interest, showing care for the Clusters good image, following binding law provisions and complying to the content of the Council's resolutions,
  - b) act in the spirit of fairness and collegiality with the aim of balance of individual interests of the Clusters Members regarding goals and mission of the Cluster as a whole.
  - c) taking care of cooperative atmosphere by preventing potential conflicts and reducing possible tensions.
20. Breach of the foregoing principles may give rise to dismissal from the duties.

## **§ 12**

### **Programme Board**

1. The Programme Board of the Cluster shall be an opinion providing and advisory body for the Cluster's research activity and other matters indicated by the bodies of the Cluster.
2. The members of the Programme Board shall be appointed by the General Meeting, taking into consideration their academic background and professional experience in the fields that they represent.

3. The Programme Board shall consist of people who have special public confidence, have outstanding professional achievements or assume key functions in regard to the effectiveness of implementing the Cluster's objectives as well as implementing the Development Strategy.
4. The task of the Programme Board is to consult affairs crucial for the Cluster's development, for which the Council or Management Board will send an enquiry.
5. The members of the Programme Board shall perform their duties without remuneration taking into consideration the interests and a positive image of the Cluster.
6. The Programme Board shall in particular:
  - a) prepare proposals of projects to be carried out by the Cluster,
  - b) represent the Cluster during the conferences and industry events,
  - c) give advice to the Management Board in appointing the Task Groups.

### **§ 13**

#### **Task Groups**

1. The Management Board may appoint Task Groups by resolution in order to undertake and develop joint initiatives which shall be in line with aims and tasks of the Cluster stipulated by the Agreement, the By-laws, programming documents and action plans of the Cluster.
2. The aims of a Task/Thematic Group, its members and possible sources of funding for its activity shall be each time determined by a resolution of the Management Board on appointing a Task Group.
3. The Task Groups shall be open, which means that each of the Cluster's Participants may propose to the Management Board the appointment of its representative.
4. The Task Group shall be lead by the President who shall be appointed and dismissed by the members of a given Task Group. The President of the Task Group shall manage works of the Group, represent it and report to the Management Board.
5. The President of the Task Group shall be appointed from among the Group Members, within 30 days from the day of adopting the resolution of the Management Board on establishing the Task Group.
6. The members of the Task/Thematic Groups shall perform their duties without remuneration.

### **§ 14**

#### **The Code of Ethics**

1. The Participants of the Cluster who take part in its activities shall treat as confidential all trade, financial and economic information, know-how, results of research and development works including the manner in which they were carried out, as well as any other documents which became known and accessible to them as a result of the cooperation within the Cluster.
2. The trade, financial and economic information, know-how, results of research and development works including the manner in which they were carried out, as well as any other documents which became known and accessible to them as a result of the cooperation within the Cluster may be disclosed or used only with the consent of the Participant who shared it.
3. The Participants who take part in the implementation of the given project may be entitled to acquire intellectual property rights, as well as property rights to the results of the project work. The terms of acquisition of the rights to the results of the project work, management of these rights and benefiting from these rights will be regulated in each case by a separate agreements or memorandums concluded between the Participants who implement a given project.

**§ 15**  
**Funding**

1. The ongoing operating activity of the Cluster shall be financed from the funds obtained
  - a) from contributions made by the Cluster's Participants in the amount and form stipulated by a separate resolution of the Council.
  - b) from EU funds and programmes, national programmes and funds, and other sources of financing available.
2. The participation in the Cluster is connected with membership fees in semi-annual periods, paid on the bank account of the Cluster's Coordinator.
3. The amount of fees varies depending on the level of employment proved by the Cluster's Participant as at 31 December of the previous year:
  - a) in the case of Participants employing up to 9 people the monthly fee amounts to PLN 100,
  - b) in the case of Participants employing between 10 and 49 people the monthly fee amounts to PLN 250,
  - c) in the case of Participants employing between 50 and 249 people the monthly fee amounts to PLN 500,
  - d) in the case of Participants employing over 250 people the monthly fee amounts to PLN 1,000,
  - e) in the case of Participants having a status of a university the monthly fee amounts to PLN 500.
4. The membership fee in the Cluster should be made:
  - a) in the case of a new Participant joining the Cluster - before the end of the month following that of accession in the amount corresponding with period of the month following that of accession until the end of the upcoming semester,
  - b) in the case of an entity being Participant of the Cluster
    - i. for the period from 1 January to 30 June - to 31 January
    - ii. for the period from 1 July to 31 December - to 31 July.
5. The membership fees and possible remaining incomes constitute assets of the Coordinator of the Cluster.
6. In justified cases, the liabilities connected with covering the operating costs of the Cluster may be discharged in the form of the free of charge services of the Cluster Participants provided in close consultation with the Management Board and the Cluster's Coordinator.
7. The method of financing specific projects and activities of task groups shall be determined in the Council's and Management Board's resolutions setting up those projects and groups or in separate contracts or agreements.

**§ 16**  
**Final provisions**

1. The Council of the Cluster may amend the provisions hereof by the resolution passed by an absolute majority of votes.
2. The most recent version of the By-Laws shall be accessible on the Cluster's website and may be consulted at the Cluster's Office.