

Meeting Notes EMPHA General Assembly

18 June 2021

Online via Zoom

Present Arjen Bergevoet (Axxor B.V.), Massimo Bottesella (Tonelli spa), Barbara Ginter (EMPHA), Iain Hulmes (The Alternative Pallet Company), Gilles Latil (l'hexagone), Tony Moscrop (Dufaylite Group Ltd), Ram Peleg (Yamaton Paper GmbH), Stephan Schoemaker (Honicel), Maren Schümann (Yamaton Paper GmbH), Dirk Schut (Honicel), Piero Tonelli (Tonelli spa), Wieger Wiegersma (Axxor B.V.)

Minutes: Barbara Ginter EMPHA Secretariat

1. Opening

President Mr. Tony Moscrop opened the meeting and welcomed everyone to his first meeting as EMPHA President but the second online General Assembly for EMPHA. It was the 12th General Assembly since the foundation of EMPHA and the last one was only seven months ago because it was postponed from June to November due to Covid-19.

Unfortunately a physical meeting was also not possible this year but hopefully we will be able to get together again soon. Despite not being able to get together still a lot of work has been done in a short period of time on which we will report back during this meeting.

The three main subjects that past President Ram Peleg mentioned in his opening speech last year still stand today:

1. How do we create more value for our members?
2. How do we attract more members?
3. How to make an impact on our industry?

The Board is still working actively on all three topics and we now have some answers on these questions. Following last year's member survey the Technical Standards have been reviewed and these can be seen as a valuable asset. Also through the report Neil Osment will present at the end of this meeting we are confident to be able to attract new members and it shows the honeycomb paper industry is a very viable industry.

2. EMPHA Antitrust Reminder

The Secretary General of EMPHA, Ms. Barbara Ginter, referred to the EMPHA Antitrust Guidelines. The proceedings of this meeting will be in accordance with these guidelines. A statement summarizing these Guidelines was shown on the screen. Mrs. Ginter then requested all members to read these guidelines and to comply with the statement both in the meeting and during the breaks.

All members present agreed to comply with the EMPHA Antitrust Guidelines.

3. Minutes General Assembly 13 November 2020

The minutes of the last meeting were adopted as a true reflection of the proceedings.

4. Presentation of new member the Alternative Pallet Company (Pallite)

Mr. Iain Hulmes, CEO of the Alternative Pallet Company (Pallite) gave a short description of the company. The company was founded in 2009 with a mission from the founder to disrupt the market for wooden and plastic pallets by offering a sustainable honeycomb paper alternative. At that time the market was not yet ready for such a product so the first few years were tough. They are a small private equity funded business employing about 40 people and offer a real sustainable solutions to their customers. Besides pallets they also make shipping crates, deck layer boards and warehouse racking systems made from honeycomb. Mr. Hulmes is happy to be a part of EMPHA and getting to know the other members over the coming months and years.

5. Round Table

All members present were invited to share developments at their companies, a tour around the table followed in which all members contributed.

To summarize we can say that all members are recovering from Covid-19, wrestling with prices and facing strong market growth. With this growth comes the next challenge concerning transport with driver shortages.

6. President's Message – Looking Back and Going Forward

Mr. Tony Moscrop shared a presentation which started with a timeline of the association with the following 4 phases:

- 2010-2015: Establishment
 - Honeycomb producers were the first members
 - Values & Objectives were defined
 - Technical group was put together and standards for Honeycomb were developed
 - Promotion of EMPHA as an association
- 2015-2020: Consolidation
 - Board producers were able to join as members
 - Technical group continues and standards for Boards were developed
 - Marketing group was formed and created good content
 - Marketing workshops during General Assembly
 - Customer and suppliers presentations at General Assembly
- 2020-2025: Driving
 - Membership benefits
 - Technical Standards reviewed
 - Exciting market opportunities
 - Independent market report
 - Committed Board & Working Groups

We are currently in the 'Driving' phase and in order to get to the 'Breakthrough' phase in the coming years we need to work on our marketing and use the big driver of 'Sustainability' to our advantage and grow the pie. We can learn from the corrugated industry since they are a few years ahead of where we are now. Overall we can say that 'we have come to a good place with a better place to go to' and if we all work together we can get there.

7. Finance

a. Report Audit Committee on financial outcome 2020

Wieger Wiegersma and Dirk Schut as members of the Audit Committee reported that the financial outcome of 2020 had been checked by the Committee and was approved. The result is a little higher than budgeted and this is mainly due to lower income from membership fees and less expenses due to no physical meetings having taken place in 2020. With a total income of € 37.500 and total operating costs of € 35.146 the result at the end of 2020 was € 2.354.

The Audit Committee proposed to the members to discharge the EMPHA board for the financial outcome of 2020. This proposal was accepted by the members.

Both Mr. Wieger Wiegersma and Mr. Dirk Schut confirmed that they are available to check the finances again next year.

b. Budget 2022

The budget for 2022 was based on 10 active members + 1 associated member + 1 new associate member which (including entry fees) will result in a total income of € 45.250. The total expenses for 2022 have been budgeted at € 38.000.

EMPHA Treasurer, Mr. Gilles Latil explained the budget for next is positive with 2 new members and hopefully we will be able to meet in person again so the meeting costs are budgeted at the same level as in 2019.

The members present approved the budget for 2022 (see attached).

8. EMPHA Technical Standards

The EMPHA Technical Committee has reviewed all current technical standards. The proposed changes are:

- Document references have been updated
- A section on 'Moisture Content' has been added to the technical standards for 'Determination of Compressive Strength.

All members will receive the draft version of the updated technical standards with the request if they approve of the proposed changes. If the members approve the updated versions will be added to the website.

9. Honeycomb Paper Industry Report 2021 – Presentation by NOA PRISM

Neil Osment from NOA PRISM presented the 'European Paper Honeycomb Industry Report 2021'. The report is the first report to publish information on the state of the European Honeycomb Paper Industry.

With valuable data and insights to this rapidly growing niche sector of the Paper Industry the EMPHA members now have a solid platform from which to benchmark their recent development in the Paper Honeycomb sector and develop their plans to capitalise on the staggering growth opportunities being presented by the drive to a circular economy. The report contains the following information:

- Overview of the European Honeycomb market

- European production by leading country
- European sales by leading country
- Industry structure
- End-use applications
- Future trends and forecasts

The report will be sent to all EMPHA members free of charge and will be for sale non-members for € 3.000. Non-members who contributed to the contents of the report can purchase a copy for a reduced fee of € 1.500. With the sale of the report some of the investment to produce the report can be earned back.

10. Next EMPHA General Assembly

The next EMPHA General Assembly was scheduled for 16 & 17 June 2022 and will (again) be hosted by Yamaton Paper GmbH in Rostock, Germany. All depends of course on the situation around Covid-19 and the ability for members to travel.

11. Any Other Business

No other matters were raised so the President thanked all those present for their attendance and contribution and closed the meeting.

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EMPHA operates within the regulatory framework of competition law as set out by the European Union and national legal systems and respects all rules thereof. EMPHA actively raises awareness about competition law among its members and encourages its members to comply with these rules. The purpose of the discussions within EMPHA is to identify general trends and market developments without identifying individual company data. EMPHA does not accept responsibility or liability for any type of restrictive agreements concluded by its individual members during EMPHA meetings or within the context of EMPHA events, in spite of the aforementioned precautionary measures.