



SAFEX INTERNATIONAL

Articles of Association

June, 2011

SAFEX INTERNATIONAL ARTICLES OF ASSOCIATION

ARTICLE 1 - NAME AND OBJECTIVE

- 1.1 The name of the Association shall be **SAFEX International**.
- 1.2 **SAFEX** is a registered not-for-profit association established in accordance with Article 60 et seq. of the Swiss Civil Code. Its place of Registration is Blonay, Switzerland.
- 1.3 The objective of **SAFEX** shall be the promotion internationally of health, safety and the environment in the life cycle of commercial and military explosives, explosives accessories and pyrotechnic products.
- 1.4 It is anticipated that this objective will be fulfilled by members declaring their willingness to:
- Report any incident which led or may have led to the consequences foreseen in paragraph 2.5 below and
 - Share the results of any investigation into such incidents including the conclusions and recommendations related thereto and
 - Exchange other pertinent information that could enhance the health, safety and environmental performance of the explosives industry worldwide.
- This information will be distributed to all members of **SAFEX**.
- 1.5 There will be no obligation on any member to provide information that could compromise its legal or competitive position. With this proviso, member companies will nevertheless endeavour to supply as much information as possible and thus contribute to the prevention of future incidents in the explosives and associated industries.
- 1.6 **SAFEX** shall be a voluntary association that is organised not for the financial gain of its members.
- 1.7 **SAFEX** shall provide a forum for debating questions, problems, and topics related to health, safety and the environment during the life cycle of explosives as well as any other subject relevant to accident prevention.
- 1.8 **SAFEX** shall take any action deemed necessary to attain its principal objectives and maintain the resources necessary to carry on this activity.

ARTICLE 2 – INTERPRETATION

- 2.1 Wherever the word "**SAFEX**" occurs in these Articles of Association, it shall be understood to mean "**SAFEX International**", a body that has replaced the organisation previously known as "International Exchange of Experience on Industry connected accidents of the Explosive Industries".

- 2.2 Wherever the word "**Board**" appears in these Articles of Association, it shall be understood to mean the Board of Governors of SAFEX.
- 2.3 Wherever the word "**explosives**" appears in these Articles of Association, it shall be understood to include initiating devices, propellants, industrial and military powders, raw and intermediate materials associated with the explosives industry as outlined in section 1.3.
- 2.4 Wherever the words "**life cycle**" appear in these Articles of Association it shall be understood to include the phases of design, development, manufacture, storage, distribution, usage and disposal or recycling of a product.
- 2.5 Wherever the words "**major incident**" appear in these Articles of Association, it shall be understood as including
- all work related fatalities, on or off location
 - all work related injuries, on or off location, likely to cause a degree of disablement
 - all major fires and significant damage to property
 - all impacts on human health and the environment that may cause concern among stakeholders.
- 2.6 Wherever the word "**member**" appears in these Articles of Association, it shall be understood to mean a Group of companies, an independent company or operating branch of a company, which qualifies as a full member of SAFEX and pays its annual membership fee.
- 2.7 Wherever the words "**subsidiary companies**" appear in these Articles of Association, it shall be understood to mean operating branches of, or companies belonging to, a group of companies or corporation in which the group or corporation is a member of **SAFEX** and holds directly or indirectly at least fifty percent of the equity of the subsidiary company.
- 2.8 Wherever the words "**Expert Panel**" appear in these Articles of Association it refers to the service SAFEX makes available using the specialist experience and skills of individuals that have been accepted as such by the Board of Governors

ARTICLE 3 – FULL MEMBERSHIP

3.1 CLASSES OF FULL MEMBERSHIP

There shall be two classes of full membership. The allocation of members to a class will be at the sole discretion of the Board:

- 3.1.1 Company Members are independent companies or a subsidiary of a group of companies in which the group holds 50% or less of the shares
- 3.1.2 Group Members are holding companies acting on behalf of subsidiary companies

3.2 QUALIFICATION FOR FULL MEMBERSHIP

To qualify for membership a member must be a:

- a) bona fide manufacturer of explosives involved in the explosives life cycle
- b) Company or a Group of companies as in para 3.1 above

as membership will not be granted to any individual person.

3.3 ELECTION TO FULL MEMBERSHIP

Members shall be elected to membership of **SAFEX** on application in writing and only after unanimous approval of the Board. The Board will consider the bona fides of the applicant and grant or reject membership accordingly.

3.4 CONDITIONS OF FULL MEMBERSHIP

It is a condition of membership that Members undertake to observe the Articles of Association and any Codes of Conduct of **SAFEX**. Any member who violates the Articles of Association, rules or resolutions, or who is guilty of conduct contravening the principles of **SAFEX** may be expelled by a two-thirds majority vote at any General Meeting of members.

A member may resign from **SAFEX** with effect from the end of a calendar year by tendering its resignation in writing to the Board by no later than 30 June of that calendar year. Notice of resignation received by the Board after this date will be effective from the end of the subsequent calendar year and the resigning member will remain liable for fees until this date. This will not apply in the case of a merger or acquisition involving an existing member provided the resultant entity still remains a member.

3.5 RE-ADMISSION OF MEMBERS

3.5.1 In cases of hardship the Board at its sole discretion may provide a Member with "leave of absence" for a maximum of two years. During that time the Member will forfeit all membership privileges (e.g. SAFEX incident reports, invitations to any of its events, access to the Intranet, etc.). Upon re-admission to SAFEX such a Member will not be required to pay an Entry Fee. This will be a once-off concession.

3.5.2 In all other cases where a Member has left SAFEX and wishes to re-join after an absence of more than two years, an Entry Fee will be required as if the Member is joining for the first time.

ARTICLE 4 - ASSOCIATE MEMBERSHIP

4.1 CLASSES OF ASSOCIATE MEMBERSHIP

There shall be two classes of Associate Membership of **SAFEX**:

- 4.1.1 Corporate Associate Membership for organizations such as federations of explosives manufacturers, societies or institutes that serve **SAFEX** members' interests.
- 4.1.2 Individual Associate Membership for individuals who are involved with the explosives industry and comply with the conditions in paragraph 4.4.4 below. The Board may at its discretion confer certain of the privileges of this class of membership to a member of the Expert Panel.

4.2 QUALIFICATION FOR ASSOCIATE MEMBERSHIP

To qualify for Associate Membership of **SAFEX** the organisation or individual:

- 4.2.1 Is, in the opinion of the Board, able to promote actively the objects of **SAFEX**.
- 4.2.2 Be concerned with the explosives industry.
- 4.2.3 Not use their association with **SAFEX** for the purpose of financial gain.

4.3 ELECTION TO ASSOCIATE MEMBERSHIP

Election to associate membership shall be by invitation and only after unanimous approval of the Board and ratification by an Ordinary General Meeting.

4.4 CONDITIONS OF ASSOCIATE MEMBERSHIP

- 4.4.1 Each Associate Member shall agree to uphold the Articles of Association of **SAFEX**,
- 4.4.2 Associate Members are not entitled to vote at Ordinary or Extraordinary General Meetings
- 4.4.3 Organisations that are Associate Members will:
 - a) Be entitled only to receive the preliminary report of any incidents which occurred among **SAFEX** members.
 - b) Be obliged to advise **SAFEX** of any incidents of which they become aware particularly if such incidents occurred among their own members.
 - c) Encourage any of its members who qualify for membership to join **SAFEX**.
- 4.4.4 Individuals that are Associate Members must:
 - a) Not be employed by a member
 - b) Be closely associated with the explosives industry or offer expertise in a specific area that advances the objects of **SAFEX**.
 - c) Have expressed an interest in belonging to **SAFEX** and making an active contribution to advance its objects.
 - d) Accept the confidentiality requirements **SAFEX** may impose to protect its interests opposite third parties that are not members.

- e) By virtue of their presence not detract from the safe environment **SAFEX** tries to create for the open and honest exchange of information.
- f) Be accepted purely on the basis of their individual merits and not by virtue of their association with any "class" or group of individuals.

ARTICLE 5 - ASSESSMENTS AND MEMBERSHIP FEES

5.1 FINANCIAL YEAR

The financial year of **SAFEX** shall begin on 1 January each year and terminate on 31 December of the same year.

5.2 SAFEX MEMBERSHIP FEES

5.2.1 Annual fees payable by Full Members shall be based on the amount necessary to meet the operating costs of **SAFEX** including an annual provision for the next **SAFEX** Congress equal to the cost of the Congress divided by the intervening years. The relevant fee will be determined by the Board during the first quarter of each year. It will be based on the results of the preceding **SAFEX** fiscal year and the budget for the current year. The annual membership fee will be announced to the members as soon as possible after the Board has made this decision.

5.2.2 Company and Group Members will not pay the same annual membership fee. Group Members will pay more than Company Members by a factor which the Board decides when determining the annual membership fee for any year. This factor will be known as the "Group Fee Factor". Any Group Member's subsidiary companies that qualify as a member in terms of section 3.2 will then be considered a member of **SAFEX**.

5.2.3 Upon election to membership an annual membership fee and, in addition, a single entrance fee equivalent to the annual membership fee shall be payable.

5.2.4 Associate Members as per Article 4 shall be exempt from any annual membership fee unless the Board at its discretion levies a membership fee for Associate Members as determined by prevailing circumstances.

5.3 SAFEX LIABILITY

The liability of **SAFEX** shall not exceed the value of its assets. Personal liability of the members of **SAFEX** shall be limited to the value of the outstanding annual membership fees.

ARTICLE 6 – CONGRESS

6.1 A Congress of all the members of **SAFEX** shall be held every three years unless a General Meeting of members decides otherwise. The Board will be responsible for

the organisation of such Congresses with the intention that members will exchange views to further the objective of health, safety and the environment in the explosives industry by any means the Board deems appropriate including the presentation of papers by members at plenary sessions. It is also anticipated that any member who has had a major incident in the intervening years will report on the incident with particular reference to lessons learned and actions taken to prevent a recurrence.

6.2 Full Members shall be entitled to send delegates to the Congress subject to the following limitation, which limitation excludes participants in the pre-Congress activities, presenters of papers or any person taking an official part in the proceedings:

- a) Each Company Member shall be entitled to be represented by two delegates who must be employees of the member.
- b) Each Group Member shall be entitled to be represented by the number of delegates calculated on the basis of the "Group Fee Factor" multiplied by two, who must be employees of the Group or any of its subsidiaries that qualify as members.

The Board may in its wisdom waive this constraint if circumstances warrant it.

ARTICLE 7 - MEETINGS

7.1 ORDINARY GENERAL MEETINGS

An Ordinary General Meeting of all members will take place during each Congress with the following main objectives:

- 7.1.1 consider a report on the Board's activities for the period since the last Ordinary General Meeting
- 7.1.2 endorse any actions taken on behalf of the Association by the Board, an individual Governor or the Secretary General during the preceding period.
- 7.1.3 accept the **SAFEX** financial statements as presented.
- 7.1.4 accept the auditor's report and appoint an auditor for the ensuing period.
- 7.1.5 confirm the memberships accepted by the Board and if necessary expel members who violate the Articles of Association
- 7.1.6 finalise and approve the composition of the Board for the ensuing period.
- 7.1.7 deal with whatever matters the Board deems appropriate.

The Ordinary General Meeting of members has an unlimited right of information and investigation with regard to all the activities of **SAFEX** and its bodies.

7.2 EXTRAORDINARY GENERAL MEETINGS

An Extraordinary General Meeting of all Members may be called at any time by the Board when:

- a) in its opinion the interests of **SAFEX** require it, or
- b) one fifth or more of the members request it in writing.

The Board shall convene an Extraordinary General Meeting within 6 months after receipt of such request.

All calls and requests for Extraordinary General Meetings shall:

- a) specify the time and place of the meeting;
- b) provide an agenda which reflects the purpose of the meeting and the content of any motions to be considered;
- c) be delivered to all members at least one month in advance of the time set for the meeting in order to permit each member to be represented at the meeting.

7.3 VOTING AT A GENERAL MEETING

7.3.1 Company Members will be entitled to one vote.

7.3.2 Group Members will be entitled to the number of votes equivalent to the "Group Fee Factor" regardless of the number of their subsidiaries that qualify as members of **SAFEX**. The Group will designate which of its representatives will exercise the votes to which it is entitled.

7.3.3 Proxies are allowed for any General Meeting. They should be given in writing to an attendant member who must sign that they accept the proxy. Completed proxies must be sent to the Secretary General who must have it at least one week in advance of the meeting.

7.3.4 A simple majority vote of members represented at any General Meeting shall be necessary to pass resolutions with the exception of those related to section 10 and 11 hereafter.

7.3.5 The quorum for any General Meeting will be the number of members present and represented by proxies on the understanding that those present will be entitled to make decisions on the matters raised at such a Meeting

7.4 PRESIDING OFFICER OF A MEETING

The Chairman of **SAFEX** acts as the presiding officer for any General Meetings. In the absence of the Chairman, the members represented at such meetings shall by simple majority vote choose a presiding officer from members of the Board.

7.5 PRESENTATIONS AND MOTIONS

7.5.1 All motions to be considered in formal session at a General Meeting must be submitted in writing to the Secretary General at least six weeks in advance of the proposed date of the meeting.

7.5.2 Any motion directly affecting the Articles of Association of **SAFEX** must be formally tabled and the membership given due notification. That notification must be in writing at least four weeks before the general meeting is due to be called.

ARTICLE 8 - THE BOARD OF GOVERNORS (“Board”)

8.1 NUMBER

8.1.1 The policy and direction of **SAFEX** shall be determined by a Board of no more than twelve members.

8.1.2 A quorum of the Board shall be deemed to be four members.

8.1.3 The Board shall have the right to co-opt individuals from the membership at any time. Membership of the Board shall be ratified at an Ordinary General Meeting for the ensuing period.

8.1.4 A decision will only be accepted if it is approved by at least two thirds of the Governors present

8.2 CONDITIONS OF OFFICE

Membership of the Board shall be chosen from individuals who are either employed by members or by corporate associate members or who are individual associate members.

8.3 CHAIRMAN OF THE BOARD

The Chairman of the Board will be appointed by the Board from amongst its members at the earliest Board meeting after a General Meeting. Should a vacancy of Chairman occur between Ordinary General Meetings a new Chairman will be appointed at the first Board meeting following the occurrence of such a vacancy.

8.4 MEETINGS OF THE BOARD

The Board shall meet at least once a year or more frequently at the request of the Chairman or any four Governors. If a Governor cannot attend a specific meeting he/she may by prior arrangement with the Chairman and with the approval of the majority of the Governors designate a suitable alternate for that meeting. If a meeting cannot take place the Chairman can request Governors to approve any resolution in writing.

8.5 COMPENSATION FOR GOVERNORS

Governors shall serve without compensation for any services they render unless the Board unanimously deems otherwise for the optimal conduct of **SAFEX** affairs. In the absence of sponsors, Governors may claim travel expenses or other expenses directly concerned with a Board-approved SAFEX activity provided such expenses can be justified.

The Board will report the compensation granted to any of its members and officers of **SAFEX** to an Ordinary General Meeting

8.6 LIABILITY OF THE GOVERNORS

According to Swiss laws the liability of the Governors comprises:

8.6.1 Specific liability for the due execution of the obligations under the Articles of Association and the law and other activities performed by the Governors on behalf of the Association.

8.6.2 General liability with regard to unlawful direct actions against other persons.

8.7 SECRETARIAT

The Board shall be empowered to appoint a Secretary General and make such arrangements as are necessary for the conduct of the affairs of **SAFEX** and in such a manner as it deems appropriate.

The Secretary General assists at any Board meetings without the right to vote.

The Board will determine the compensation granted to the Secretary General.

8.8 DUTIES OF CHAIRMAN AND GOVERNORS

8.8.1 The Chairman shall call and preside at general meetings of **SAFEX** and of the Board.

8.8.2 The Chairman will be responsible for the governance of **SAFEX** and report to the Board.

8.8.3 Governors will be called upon to chair sessions during Congresses and assist with the Congress arrangements as required.

8.8.4 Governors shall be entitled to modify the legal address of **SAFEX** provided it remains located in Switzerland.

8.9 DUTIES OF THE SECRETARY GENERAL

8.9.1 He shall be responsible for the day-to-day conduct of the affairs of **SAFEX** and for

carrying out the policies set by the Board and endorsed periodically by General Meetings.

8.9.2 He shall keep in a book belonging to **SAFEX**, a record of the proceedings of all meetings of **SAFEX** and of the Board.

8.9.3 He shall have the custody of all books, papers and records of **SAFEX**, which shall be kept in accordance with the instructions of the Board, and he shall deliver these to person(s) designated by the Board or by the Chairman when so directed by the Chairman or the Board.

8.9.4 He shall attend all meetings of **SAFEX** and, in particular, be responsible for arranging the Congresses.

8.9.5 He shall be empowered by the Board to expend certain monies on their behalf in the execution of his duties.

8.9.6 He shall prepare a budget to be submitted annually for the approval of the Board

8.9.7 He shall account to the Board through a suitable audit and control system for all monies expended.

8.9.8 Each year he shall prepare the annual financial statements of **SAFEX** to be audited and submit it to the Board for approval.

8.9.9 He shall maintain up to date membership records, call for the annual fees from members and assure their normal recovery

ARTICLE 9 - AUDITORS

The books shall be audited every year by an auditor appointed by the Board.

ARTICLE 10 - DISSOLUTION

SAFEX may be dissolved by the affirmative vote of two-thirds of its members. The assets or other property of **SAFEX** shall, in the event of dissolution, be donated to the International Committee of the Red Cross, Geneva.

ARTICLE 11 - AMENDMENTS

The Articles of Association, and any amendments thereto, may be altered or repealed by an affirmative vote of not less than two thirds of all members of **SAFEX** present or represented at a General Meeting as stipulated by the relevant legal requirements.