

SQAS Service Group Operating rules

The representatives of the European chemical industry found a Service Group which is called the SQAS Service Group.

The SQAS Service Group shall be a Service Group of CEFIC under articles 57 of the statutes and 15 of the by-laws of CEFIC. Through its affiliation to CEFIC, the SQAS Service Group members undertake to comply with the general policies of CEFIC and with the rules governing its activities, particularly the field of competition law and environmental protection.

The SQAS Service Group shall operate in accordance with the following operating rules:

Title, Head Office, objectives and duration.

Article 1:

A non-profit international Service Group is formed, entitled the "SQAS Service Group". The Service Group and the present operating rules shall be governed by Belgian law.

Article 2

The seat of the Service Group shall be at the same location as the CEFIC head office, it is at present located at [Belliard 40, 1040 Brussels, Belgium](#)

Article 3

The quality policies and objectives of the Service Group shall be the following:

- To provide high quality assessment systems of logistics service providers [and distributors](#)
- To strive for continuous quality improvement through evaluation of experience feedback and members comments.

The business policies and objectives of the Service Group shall be the following:

- To [accurately measure and to identify improvement opportunities](#) in the safety, environmental, security and quality performance of logistic service providers [and distributors](#);
- To develop and maintain a system of single standardized SQAS assessments of the safety, environmental, security, quality [and Corporate Social Responsibility management](#) of LSP's [and distributors](#) thus assisting the chemical industry in its commitment to responsible care;
- To develop and maintain a training and accreditation scheme for independent SQAS assessors;
- To create and manage an electronic database of SQAS assessment reports;
- To ensure that [a highly reliable and accurate assessment system is are maintained](#) and that assessment questionnaires are regularly updated in line with legislation, accepted industry standards and technology.

The views of the Service Group may be transmitted through CEFIC to the commission of the European Community, the other European Institutions and other international bodies, particularly in cases where essential issues are involved.

Activities of the Service Group carried out with the objective of directly or indirectly influencing the formulation or implementation of policy and the decision-making processes of the EU institutions will be covered by the registration of Cefic into the EU Transparency Register (n° 64879142323-90).

Article 4:

The objectives and activities of the Service Group shall always comply with the applicable laws of the European Union, its member states and the other jurisdictions when applicable.

The Service Group shall specifically abide by the CEFIC rules and general policies including CEFIC statistics rules and CEFIC policy on competition law. Regarding the latter, CEFIC has always pursued a policy of compliance and transparency with the competition authorities involved.

All meetings of the Service Group shall have an agenda, shall be held in the presence of a CEFIC representative and shall be minuted.

Article 5

The Service Group shall be formed for an unlimited period.

Membership and Permanent Invitees

Article 6

The Service Group shall be composed of members and associate members.

Members:

Any chemical company having manufacturing activities in Europe shall be eligible for membership of the Service Group, upon approval of the executive committee.

Members shall have the right to attend the General assembly and to take part in the activities of the Service Group in accordance with the rules established by the general assembly. The members shall have voting rights as fixed by the present operating rules.

The members shall have access to the electronic database.

Associate members

Non-chemical companies are eligible to become associate members of the Service Group upon approval of the executive committee, if they fulfil the following conditions:

- Have manufacturing activities in Europe
- Not be active in any way as a logistics service provider.

European associations whose members are involved in chemicals transport, cleaning, warehousing and distribution of chemical products are also eligible to become associate members upon approval of the executive committee.

Associate members can be given partial or full access to the SQAS database after approval of the executive committee.

The executive committee may decide to invite associate members to attend the meetings of the general assembly and to meetings of the executive committee. Associate members shall have no voting rights.

ARTICLE 6 BIS

The Service Group may have permanent invitees. These shall neither be members nor associate members.

Permanent invitees will be any chemical logistic company or distributor having chemicals logistics or distribution activities in Europe and at least one active report in the SQAS database.

They will send their application letter to the Service Group Manager who will verify if they fulfill the conditions, and if so, will add their name on the list of permanent invitees as mentioned in Article 7. Articles 8, 9 and 10 will also apply to permanent invitees.

Permanent invitees shall have the right to attend meetings and activities of the Service Group as defined by the General Assembly, without voting rights.

Permanent invitees shall have the right to elect their representatives in the Executive Committee, with voting rights as defined in Article 16 and subsequent.

Permanent invitees shall have access to the SQAS database, upon the conditions defined by the General Assembly.

Article 7

The list of the members and associate members shall be kept and updated by the Service Group manager on the SQAS database. A list of the permanent invitees will also be kept updated by the Secretariat.

Article 8

Written application for membership or associate membership shall be sent to the Service Group manager which shall then submit such application to the executive committee. Membership admission shall be granted on a 2/3 of the votes of the executive committee members.

The applicant whose membership application was turned down has the right to submit its observations in writing to the general assembly, which shall have to review the observations and reply in writing. If the parties disagree and cannot find an amicable solution, the applicant shall have the right to submit the issue to arbitration. The arbitration decision shall be binding on the parties. The arbitration rules of the Centre pour l'étude et la pratique de l'arbitrage (CEPANI) shall be applicable. The place of any hearing shall be Brussels and the language of the arbitration shall be English.

Article 9

Any member, or associate member wishing to withdraw from membership shall give written notice to the Service Group manager of the withdrawal at least 6 months in advance. During this period, the membership obligation to pay the fee(s) and all financial commitments shall remain unaffected.

Article 10

Any members, or associate member who does not comply with the operating rules or does not fulfil anyhow with the membership conditions (as mentioned in article 6) can be expelled by a decision of the general assembly.

The member or associate member shall have the right to present its defense beforehand. If the member, associate member does not accept the decision of the general assembly, it has the right to submit the issue to arbitration.

No other ways of recourse shall be available. The arbitration decision shall be binding on the parties. The arbitration Rules of the Centre pour l'étude et la pratique de l'arbitrage (CEPANI) shall be applicable. The place of any hearing shall be Brussels and the language of the arbitration shall be English.

Membership shall also terminate in the event of a member; associate member being declared bankrupt or upon the completion of winding-up procedures.

Article 11

A member or associate member who ceases to be part of the Service Group shall have no claim on the Service Group's funds.

General assembly:

Article 12

The general assembly shall have full power enabling the objectives of the Service Group to be achieved. The general assembly shall, **among others**

- Set the general policy of the Service Group
- Approve the budget and the financial accounts
- Elect the president, vice president(s) of the Service Group and the members of the executive committee (**in the two groups mentioned at Article 17**). They shall be elected for two years.
- Decide upon any modification of these operating rules.

Article 13

The general assembly shall be composed of all the members

Participating members shall be entitled to vote. Each member shall have one vote.

The general assembly can be held virtually partly or in full using a video conference application, then votes can be sent by electronic means.

The agenda for each meeting of the general assembly shall be communicated by the Service Group manager to each member and at least 21 days in advance.

Each member shall be represented by one delegate.

The name of the delegate empowered shall be notified to the Service Group manager. These designations may be changed at any time subject to proper notification to the Service Group manager

Article 14

Decision by the general assembly shall require a simple majority of the votes of the members present except when these operating rules provide otherwise.

No decision shall be taken on an item which does not appear on the circulated agenda.

Article 15

On ordinary meeting of the general assembly shall be held at least once per year, under the chairmanship of the president of the Service Group or the vice-president if the president could not attend. Notice of each general assembly session will be transmitted to each member at least 21 days in advance.

The president shall convene an extraordinary meeting if at least 1/3rd of the members request it.

The proceedings of the General Assembly shall be valid if at least half of its members are present.

Proposals can be put to vote by email and voting is valid if at least half of the members answer by email to the voting request.

The president may decide to invite observers to attend all or part of the general assembly meetings. Observers shall have no voting rights.

Executive committee

Article 16

In the interval between the general assembly, and in accordance with the decisions reached by the latter, the Service Group shall be governed by an executive committee (Ex Com).

In addition to the president and the vice-president, the Ex Com shall be composed of maximum 7 members elected by the general assembly plus maximum 3 permanent invitee representatives.

Article 17

The executive committee shall meet at least twice per year. It must be convened if at least 4 Ex Com members request it.

The proceedings shall be valid if at least ½ of its Ex Com members are present.

If an Ex Com member does not show for 2 consecutive Ex Com meetings, the General Assembly has the right to replace him/her by another member.

The Ex Com consists of 2 groups:

- Members' group consisting of maximum 9 members, including the president and vice-president.
- Permanent invitees' group consisting of maximum 3 permanent invitee representatives.

Each Ex Com members shall possess one vote.

The following votes are required for taking decisions:

- 2/3rd of the votes from the Members present in favor and
- Minimum 1 vote of the Permanent invitee representatives present in favor.

Voting can be organized by electronic means, upon decision by the president.

The **President may** decide to invite observers to attend part or all its meetings, without voting rights.

Service Group manager

Article 18

A Service Group manager shall be appointed by CEFIC, in agreement with the president of the Service Group.

The Service Group manager shall be in charge of the day-to-day management of the Service Group, in accordance with the decisions reached by the general assembly, to ensure that the Service Group is functioning properly. Key duties shall include commutation, managerial and administrative activities.

In performing these duties, the Service Group manager shall report to the president of the execution of his mission, and hierarchically to the CEFIC **Transport & Logistics Director**.

Authorized signatories and representatives in law

Article 19

The rules regarding authorized signatories and representatives in law shall be those governing CEFIC.

Groups and task forces

Article 20

In order to fulfill the objectives of the Service Group, the general assembly shall be empowered to set up any necessary groups and task forces to fulfill specific purposes, the composition, mandate duration and rules of which shall be determined by the general assembly.

Subscription / budget

Article 21

The members shall share the expenses of the Service Group by means of a subscription fixed annually by the general assembly on proposals submitted by the Service Group manager.

Associates Members and Permanent Invitees shall compensate for the Service Group services by means of a fee fixed annually by the general assembly on proposals submitted by the Service Group manager.

Article 22

The financial year shall extend from 1 January to 31 December of each calendar year.

Each year, the Service Group manager shall submit to the general assembly, for approval, the accounts of the past financial year and the budget of the following year.

The Service Group manager shall prepare the budget and the annual accounts, in consultation with CEFIC.

The general assembly may designate two financial auditors.

When, for appropriate reasons, the budget agreed by the general assembly has to be increased in the course of the year, a special vote has to be organized at the next general assembly.

A favorable vote of at least $\frac{3}{4}$ of the members present shall be required for all decisions concerning financial matters.

Amendments of the operating rules and dissolution

Article 23

In case of a proposed amendment to the present operating rules, the text **proposed to be amended** shall be attached to the agenda of the general assembly, which shall deliberate on this matter.

Decisions to amend the present operating rules or to dissolve the Service Group shall require a favorable vote of $\frac{3}{4}$ of the members present or represented at the general assembly.

Article 24

Upon dissolution of the Service Group and after payment of all indebtedness and obligations of any kind of the Service Group, the general assembly shall decide on the method of liquidation and the destination of the Service Group's funds.

General provisions:

Article 25

All matters, which are not covered by the present operating rules, shall be settled in accordance with the provision of the Belgian law

Article 26

In appropriate conditions, the Service Group may seek advice from CEFIC on different activities and issues such as, but not limited to: accounting, statistics, anti-dumping, legal matters, competition law compliance