

Constitution of the Organisation for the Safety of Abrasives

§ 1

Name and headquarters

- (1) The name of the association shall be as follows: Organisation für die Sicherheit von Schleifwerkzeugen e.V., (Organization for the Safety of Abrasives), abbreviated to oSa.
- (2) The headquarters of the oSa shall be in Bonn.
- (3) Venue shall be Bonn.
- (4) It shall be possible to move the headquarters by resolution of the general assembly of members pursuant to § 16 (2).

§ 2

Purpose

- (1) The oSa shall pursue the purpose of supporting the currently achieved safety standard for grinding tools in accordance with the pertinent EN safety standards for grinding tools, safety regulations and guidelines as well as safety recommendations and of supporting their further development. In particular the oSa shall have the purpose of
 - a) binding the members to produce and sell the grinding tools in accordance with the safety regulations each laid down in the Conditions of Use for the oSa-trademark,
 - b) supporting those institutions entrusted with the further development of such safety regulations by means of suitable suggestions,
 - c) maintaining constant contact with those test institutes authorised by the oSa to inspect and test grinding tools,
 - d) maintaining contacts with other European or global organisations dealing with the safety of grinding tools and their further development under public or private law,
 - e) establishing the trademark of the oSa on the market as a symbol of their high safety requirements, whereby the members of the oSa can be permitted to use the trademark in accordance with the standards of the conditions of use which are in force at any given time,
 - f) conducting suitable public relations work serving the purposes of the oSa.

- (2) The oSa expressly advocates the compliance with the worldwide accepted minimum standards for abrasives manufacturing. Therefore the oSa requests from its members the creation of safe and healthy working conditions and a responsible environmental behaviour. The oSa rejects any form of child labour.
- (3) The purpose of the oSa shall not be geared to entrepreneurial activity

§ 3

Duration of the oSa

The oSa shall exist until such times as a general assembly of members resolves on its dissolution.

§ 4

Financial year of the oSa

Financial year of the oSa shall be the calendar year.

§ 5

Secretariat of the oSa

The secretariat shall be set up at the headquarters of the oSa. Its costs shall be borne by the members. Working languages of the oSa shall be German and English.

§ 6

Membership

- (1) Companies throughout the world producing and selling grinding tools made of artificial abrasives such as from corundum, silicon carbide, vitrified corundum, zirconium corundum, diamond and cubic boron nitride (CBN) may be members of the oSa. A membership also covers affiliated companies, in which the member has a holding of more than 50% (which, in the case of foreign companies, is to be proved to the oSa by confirmation from the relevant branch of the German Chamber of Industry and Commerce), if, in addition, contractual agreements have been proven to exist between the member and the affiliated company which enable the member to ascertain that the oSa requirements for grinding tools produced by the affiliated company are met in every respect and that this is actually being carried out. With regard to verification, the following regulation also applies. The member is responsible for the fulfilment of the above conditions for the qualification of an affiliated company as member. If this is not the case, the member is in infringement of his obligations to the oSa.

The membership application is to be directed to the Secretariat of the oSa on the application form provided. In this, the applicant, amongst other things, commits himself to produce, internally assess, and market the grinding tools on the basis of the principles stated below as well as the minimum standards stipulated in § 2 (2). In particular, the fulfilment of the requirements placed on the grinding tools, the inspection of the grinding tools at the manufacturing plant, and the labelling of the grinding tools is to be proven with the application. The oSa reserves the right to verify all previously mentioned prerequisites for membership by an independent expert nominated by the oSa (or by a test institute recognized by the oSa), who appraises one or several of the applicant's manufacturing plants. The nomination of the expert takes place from a list which is held at the Secretariat of the oSa. The inspection costs are borne by the applicant. The consideration of his application can be made dependent on the payment of an appropriate advance towards these costs.

Internal and/or external inspection and testing are subject to the safety codes for prototype testing, identification tests or control checks, each stipulated in the Conditions of Use for the oSa-trademark, and the test procedures and conditions described in the Technical Annex to the Conditions of Use for the oSa-trademark with the worldwide most stringent requirements in the most up-to-date version and regarding the manufacturing conditions, the requirements stipulated in the Ethical Annex in the most up-to-date version.

The Board of the oSa decides on the application.

- (2) Members shall be entitled to participate in all facilities and advantages of the oSa, insofar as they fulfil the relevant conditions.

They shall be entitled to advice and support in all questions falling within the area of activity of the oSa. Members shall be required to support the objectives of the oSa to the best of their ability and to refrain from doing anything which would go against the constitution or damage its reputation.

- (3) The members shall be obliged to provide information on all matters concerning the membership in the oSa at any time to the secretary of the committee or a person authorised by him with the consent of the committee. Information regarding the member companies shall be treated in strict confidence and may only be used in respect of matters concerning the oSa but without naming the company involved.
- (4) The members shall undertake to maintain absolute confidentiality on all confidential matters to which they become privy concerning the oSa or the business circumstances of its members.
- (5) Membership rights may be exercised on the proviso that the member's contributions have been paid.
- (6) Membership shall expire:
- a) through voluntary resignation.

Resignation may be given with a six months period of notice to the end of a calendar year by registered mail to the secretariat.

- b) through discontinuance of requirements for oSa-membership.

Upon dissolution of the company of a member, when the member gives up manufacturing grinding tools or upon discontinuance of further requirements for membership.

- c) in the event of the insolvency of a member company
d) through expulsion.

It shall be possible to expel a member company if it consistently fails to meet its obligations towards the oSa or seriously acts against the interests of the oSa, and other sanctions in a given instance were insufficient. The committee shall decide on the expulsion. An appeal against this decision can be made to the arbitration committee within 2 weeks.

In cases b) and c) payment of the member's contributions must be made up to the end of the financial year. Upon expiry of membership, the members shall lose all rights, especially the right to use the trademark

- (7) Resources of the oSa may only be used for the purposes specified in the constitution. The members shall receive no allocations from the funds of the oSa. For these reasons, they shall have no entitlement to such when they leave or when the oSa is dissolved.
- (8) For a period of 5 years after the end of membership the former member shall continue to be liable for the claims arising to the oSa vis-à-vis the former member during its membership.

§ 7

Organs of the oSa

The organs of the oSa are as follows:

- a) the general assembly of members (§ 8)
b) the committee (§ 9)
c) the secretary (§ 10)

§ 8

General assembly of members

- (1) All matters of the association, insofar as the constitution does not require them to be dealt with by the committee, its chairman or the secretary, shall be regulated by resolution of a general assembly of members. The general assembly of members shall consist of members of the oSa and shall be its highest organ.

- (2) General assemblies of members shall be held as follows:
 - a) ordinary general assemblies of members once every financial year to take place in the first six months of the calendar year,
 - b) extraordinary general assemblies of members by resolution of the committee or by the secretary should the committee be prevented.
- (3) The meeting shall be chaired by the chairman of the committee or by the secretary should the chairman be prevented.
- (4) The following regular duties shall be incumbent on the general assembly of members:
 - a) the acceptance of the report on the past financial year
 - b) the inspection and the acceptance of the annual accounts
 - c) the approval of the actions of the committee and of the secretary
 - d) the approval of the budget for the current financial year including the contributions regulation
 - e) the election of the committee pursuant to § 9
 - f) the election of the auditor pursuant to § 11
 - g) the appointment of the chairman of the arbitration committee pursuant to § 15.
- (5) The invitation to the general assembly of members must be sent in writing together with the agenda to every member at least 6 weeks before the assembly is to be held. The day of the assembly itself shall not be included.
- (6) Motions of member companies for the general assembly of members must be submitted at least 4 weeks before the assembly is to take place and must be announced to the members at least 3 weeks before the assembly is to take place. All motions received in good time must be placed on the agenda. It shall also be possible to put forward motions amending the motions put forward during the general assembly of members.
- (7) Every member shall have one vote during the general assembly of members.
- (8) Member companies shall be represented in the general assembly of members by authorised representatives. A participant in the general assembly with an entitlement to vote may not represent any more than two members in addition to his own company by proxy. The secretary shall not be permitted to represent.
- (9) Every general assembly of members which has been correctly convened shall have a quorum for the agenda specified in the invitation and the motions which have been received and announced in good time by simple majority of votes represented insofar as nothing to the contrary has been stipulated. In the event of an equality of votes a motion shall be deemed to be rejected. In the event of elections, the lot drawn by the

hand of the chairman shall be decisive. § 16 shall be applicable in the event of amendments to the constitution.

- (10) When voting during general assemblies of members only those votes of present and represented members shall apply.
- (11) The resolutions of the general assemblies of members shall take effect on the date they are passed. Resolved constitutional amendments shall become effective once they have been entered into the register of associations
- (12) Minutes must be taken on every general assembly of members which contains the resolutions passed with a detailed description of the budget. The correctness of the minutes must be confirmed by the chairman of the general assembly of members and by the secretary by signature. Every member must be sent a copy of the minutes within 2 months following the general assembly of members.

§ 9

Committee

- (1) The committee shall satisfy the duties incumbent on an association committee.
- (2) Within the framework of the guidelines specified by the general assembly of members, the committee must take the measures it believes to be necessary. It must in particular
 - a) appoint the secretary
 - b) supervise the management and financial management of the secretary
 - c) supervise compliance with the constitution
 - d) draw up and where necessary amend conditions for the use of the trademark, as well as satisfy the duties laid down in the attached conditions for the use of the trademark
 - e) operate within the framework of the conditions for the use of the trademark
 - f) designate an arbitrator pursuant to § 15
 - g) prepare general assemblies of members
 - h) mediate between the members in the case of disputes.
- (3) The committee must treat all matters of the members to which it becomes privy confidentially. This shall also apply to the time after its period of office.
- (4) The committee shall be able to set up a technical committee of experts (TWG Technical Working Group) with limited or unlimited activity to satisfy special tasks particularly in connection with the conditions for the use of the trademark. The committee shall specify rules of procedure and shall define its work and conditions.

- (5) The committee shall consist of up to 17 members, made up as follows: up to 16 members to be elected by the General Assembly of members and the secretary. The members to be elected shall, if possible, comprise 2 members each from the production areas of bonded abrasive product, flexible wheels and coated abrasives and 3 members each from the production areas of bonded abrasive product and cut-off wheels with diamond or CBN.
- (6) Membership of the persons to be elected to the committee in accordance with paragraph (5) shall be personal and shall presume active professional work in a member company. Only one representative may be elected to the committee from one member company or an affiliated company within the meaning of § 6 (1) sub para 1. § 8 (7) shall apply appropriately for eligibility.

It shall be possible for persons to be elected for a period of 2 years. Re-election shall be permitted. The general assembly of members shall decide from case to case whether the election is to be made by secret ballot or by a show of hands.
- (7) The members of the committee shall elect a chairman and a vice-chairman during the first meeting from the midst of the elected members. Re-election shall be permitted.
- (8) Committee/board (*Vorstand*) within the meaning of § 26 of the German Civil Code shall be the chairman and the secretary. Chairman and secretary shall represent the oSa in court and out of court, each authorised to represent alone.
- (9) Meetings of the committee shall take place at least once within the framework of the annual general assembly of members. A committee meeting must be convened if at least 5 members so demand or the secretary deems this to be necessary.
- (10) Each member of the committee shall have one vote. The committee shall have a quorum if all its members have been invited and at least 60% are present. Resolutions shall be passed by simple majority of votes cast. In the event of equality of votes the vote of the chairman shall be decisive.
- (11) It shall be possible for guests or experts to be invited as required. They shall not have a voting right. The chairman in agreement with the secretary shall agree on the guests to be invited from case to case.
- (12) Minutes shall be taken on every meeting of the committee. Said minutes must primarily contain the resolutions taken and their correctness must be confirmed by the chairman and secretary by signature. A copy of the minutes shall be sent to every member of the committee within 3 weeks.

§ 10

Secretary

- (1) The secretary shall be appointed by the committee. He shall take care of the everyday business of the oSa, of the committee and of the technical expert committee (TWG Technical Working Group) if consulted.

- (2) The secretary shall be granted unlimited postal authority. He shall be viewed to be authorised vis-à-vis the banks to manage the assets of the association.
- (3) In the case of the secretary changing, the retiring secretary must give his successor all files. If no successor is appointed, the secret file material must be sealed and must immediately be given to a notary to be designated by the committee for safe-keeping. Upon appointment of a new secretary, the notary must hand over the material upon request. Otherwise, he shall keep the material for a full five years and then destroy it upon expiry of this period.

§ 11

Auditors

Two auditors shall be appointed annually by the general assembly of members to audit the annual financial statements who may not hold an office within the oSa which collides with these duties. The auditors shall report to the general assembly of members on the results of their audit.

§ 12

Activities in the interests of the oSa

With the exception of the secretary and secretariat, any activities pursued in any of the committees of the oSa shall be honorary.

§ 13

Liability

- (1) The oSa shall be liable with regard to its members for any actions or failure to act of its organs in accordance with the provisions contained in §§ 664 – 670 of the German Civil Code applicable to this matter. The members shall hereby explicitly waive any claim against this committee or the other oSa organs arising from such behaviour.
- (2) Outwardly the oSa shall only be fully liable for the satisfaction of those obligations entered into by its organs with the approval of the general assembly of members. In the case of all other legal transactions entered into without such approval liability shall be limited, with the exception of wilful intent, to the oSa assets and if there are no such assets, to the entire member's contributions for the current financial year.

§ 14

Member's contributions and assets of the association

- (1) In order to cover the costs of the oSa contributions shall be levied from the members and in special cases special levies charged as determined by the committee.
- (2) Every member company shall be obliged to pay a one-off admission fee, the amount of which shall be determined by the committee.
- (3) The contributions shall be payable in advance every six months. The due dates and the collection of the member's contributions shall be regulated by resolution of the committee.
- (4) The contribution regulation shall be subject to the approval of the general assembly of members.
- (5) The administrative costs and other expenses of the oSa shall be covered from the oSa's income.
- (6) Any shortfalls shall be covered by levies as resolved by the general assembly of members. The committee shall be entitled to collect levies up to the amount of double the annual contribution insofar as the set annual contribution is inadequate to cover the costs.
- (7) The budget shall be set up in the first quarter of the current financial year by the financial committee to be formed by the committee. The secretary must belong to this financial committee under all circumstances and must inform the committee that the budget shall be submitted for approval at the next general assembly of members.

§ 15

Arbitration committee

- (1) An arbitration committee shall be responsible for disputes between the oSa and its members. Its word shall be final. Any permissible appeals brought before the civil courts shall have no more suspensive effect than the appeal to the arbitration committee itself.
- (2) The arbitration committee shall consist of the arbitration chairman and two associate arbitrators.
- (3) The arbitration chairman shall be elected by the general assembly of members for two years. Re-election shall be permissible. He may not be a member of the committee.

An associate arbitrator shall appoint the committee for the duration of 2 years. Re-election shall be permissible.

An associate arbitrator shall be appointed by the member making the complaint. If said member fails to appoint an arbitrator despite being requested to do so within 4 weeks after the receipt of the request, the complaints procedure shall be deemed to have been concluded and the complaint shall thus be rendered invalid.

- (4) The minutes shall be taken by the arbitration chairman. The members of the arbitration committee shall be obliged to assess all disputes in an unbiased and objective manner to the best of its knowledge and belief as well as to treat confidentially all matters to which they become privy in the exercise of their office.

§ 16

Amendment to constitution and headquarters

- (1) It shall only be possible to amend the constitution with a majority of $\frac{3}{4}$ of the votes represented if at least 49 per cent of all members entitled to vote in the general assembly of members are present or represented by proxy (refer to § 8 (8)).
- (2) Paragraph (1) shall apply accordingly to the decision to move the headquarters of the oSa.

§ 17

Dissolution of the organisation

- (1) A motion to adopt a resolution concerning the dissolving of the oSa shall require the support of at least 49 per cent of all votes of the members. The motion to dissolve must be announced forthwith by the secretary to all oSa members by means of registered letter. A general assembly of members shall decide on the motion. This general assembly of members must be convened immediately giving notice of 6 weeks and specifying the agenda in detail. The assembly shall have a quorum if at least 49 per cent of all member entitled to vote is present or represented. A majority of $\frac{3}{4}$ of the votes represented shall be required to resolve dissolution. In the event of the assembly failing to have a quorum the assembly must be convened anew within one month with the same agenda and shall have a quorum under all circumstances; reference shall be made to this point in the invitation.
- (2) In the event of the dissolution of the oSa the assets remaining after covering all liabilities shall be divided amongst the member companies proportionate to the payments made over the past three years.
- (3) After the work of the oSa organs has come to an end the sealed files shall be given to an office determined by the general assembly of members on the condition that they will be kept sealed for a period of five years and destroyed upon expiry of this time. Should the oSa be revived again within the five years following the resolution to dissolve the files shall be returned upon request by the office entrusted with their safekeeping.

§ 18

Final clauses

- (1) This constitution in the present version comes into force by the registration of the resolution of the general assembly of members on 15 June 2018 into the official association register as of 7 August 2018.

I/We recognize as binding on my/our company the statutes stipulated above.

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Place and Date

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Company stamp and Signature