

## Articles of Association (Unofficial Translation)

(last revision: 29.03.2023 –DCA Members Meeting, Oldenburg)

### § 1 Name, location, business year

- (1) The name of the association is "Verband Güteschutz Horizontalbohrungen e.V." ("Horizontalbohrverband").
- (2) Location of the association is Mönchengladbach.
- (3) The business year is the calendar year.

### § 2 Target

Object of the association is,  
to keep the technical standards for horizontal directional drilling,  
to promote and to develop, especially by

- 1) Keeping the members to a uniform application of the
  - Technical Guidelines of the DCA;
  - Generally accepted contractual conditions for the execution of works,
  - Generally recognised rules of technology for the execution of construction works,
- 2) Co-operation with the development of these conditions accordingly to the demands of experience and technique;
- 3) Promotion of further education and training
- 4) Development and recommendation of specific quality and safety standards for horizontal drilling;
- 5) Continuous exchange of experience in illustration and writing.
- 6) Transfer of knowledge of the technique of horizontal directional drilling in candour.
- 7) Promotion of the connection of the members mutually and outside.
- 8) Creation and maintaining of the institutes for change of the target of association.

A profitable business of the association is out of the question.

### § 3 Membership

Any natural or legal person who is willing to promote the purpose of the association may become a member of the association. The board decides on the admission after a written application. The association has regular and associate members.

#### (1) Regular Members

Regular members are juridical or natural persons, who execute professionally horizontal directional drillings with their own equipment.

The application form of regular membership must include the sum of the pulling forces of all HDD-drilling rigs, two current reference letters of clients, a list of the projects of the last three years and a resilient information of the quality management system in use.

#### (2) Associate Members

Associate members are legal or natural persons who are willing to promote the purpose of the association, but who do not carry out horizontal drilling themselves. An associate member who carries out horizontal drilling commercially after joining the

association becomes a regular member. The application form of an associated membership must include the number of employees, a list of the projects of the last three years and a resilient information of the quality management system in use. Persons who have been active in the HDD industry or whose membership appears suitable for the association's purpose for other reasons (e.g. representatives from science, research or authorities) may be accepted as associate members (personal member). They have no active and passive right to vote. Institutions or associations whose membership is suitable for the association's purpose may also be accepted as associate members. They have no active and passive right to vote and may be exempted from the contribution in individual cases.

#### (3) Honorary Members

An honorary membership can be bestowed to natural persons, if they gained special merit with respect to the associations goals, or the science in the field of the technology of directional horizontal drillings. Honorary members are suggested by the board and are appointed by the general meeting. Their election requires a two-thirds majority. Honorary members are exempted from a membership fee as well as from the attendance fee at the annual congress. They have no active or passive right to vote.

#### (4) The membership expires:

1. At resignation. Members may give written notice by sending a registered letter to the Board of the Association within three months before the end of the financial year. The member shall be bound to the Articles until the end of the notice period. Liabilities remain in place until settled.
2. Upon discontinuation of business activities.
3. By exclusion, which is allowed:
  - a) When a member has not paid the outstanding debts after a second reminder, in which is referred to the consequences, within four weeks from the date of the reminder.
  - b) When a member in other cases acts contrary to the target or the interest of the association.

The exclusion follows after decision of the board. The victim is able to give his position beforehand. The decision, in which the reasons are mentioned and subscribed by the chairman, has to be sent to the victim. The victim has the right of appeal against the exclusion of the association. The right of appeal has to be with the board within one week in writing from the date of the mentioned decision. The right of appeal has a suspending effect. When the right of appeal is received in time, then the board has to convene a member's meeting within three months with regard to the decision of the right of appeal. If this decision is not taken, then the exclusion could be considered as not valid.

The member's meeting takes the final decision on the exclusion with a majority of 2/3 of the votes of the members present.

If the member makes no use of the right of appeal to the exclusion or if he neglects the time for the right of appeal, he submits to the exclusion with the consequence of expiration of the membership. The member's meeting has to decide on a new

membership of the company excluded.

With the expiration of the membership all rights and claims of the member expire with regard to the means of the association or payments from these means and with regard to participation in the organisation of the association. Contrary stays the right of the association on payment of the outstanding debts of the member till expiration of the membership.

#### **§ 4 Members' fee**

The members have to pay their contribution in money for each month membership. The amount of contribution, date of expire, as well as the payment of special contributions will be decided by the members' meeting. Specialities will be arranged by the contribution rules.

#### **§ 5 Organ**

Organs of the association are:

- 1) The board and
- 2) The members' meeting.

#### **§ 6 The board**

- (1) The entire board consists of the President and three Vice-Presidents:
  - A: Representative for small scale drilling,
  - B: Representative for large scale drilling,
  - C: Representative for Associate Members,the treasurer and three other board members.

Board in the meaning of the right of association and assembly (§ 26 BGB, Germany) are the President, the Vice-President (Representative for small scale drilling) and the treasurer. Each of them has the exclusive right to represent juridical the board.

- (2) The members' meeting chooses each member of the board for a period of two years, starting on the date of elections.

Board members, whose term of service is ending, stay at service till a new board member has been chosen and till he has accepted his ballot. The term of service of a board member ends also, when a board member finishes his job with a member company.

- (3) The members' meeting at a special election does the election of the President and the Vice-President (representative of small scale drilling) with absolute majority of the valid votes. Abstention leaving outside. If the election does not give absolute majority, a second election will be done for the two members with the highest amount of votes. With this second election the absolute majority of the votes is conclusive. With equity of the votes the election is decided by drawing a lot by the chairman. Simple majority of the valid votes will choose the other board members. Abstention leaving outside. If the election gives in two elections equity of the votes, the chairman decides by drawing a lot.

- (4) Upon leaving of one of the board members before the end of the term of service the other members form the board, till for the rest of the term of service a by-election has taken place at the following members' meeting. Upon leaving of the President or Vice-President (representative for small scale drilling) or the treasurer, the board elects a President and/or Vice-President and/or a treasurer among the board till the by-election.

- (5) The board divides the tasks among them. The treasurer is arranging the finances.

- (6) All the decisions made by the board should be written down and signed by the chairman and keeper of the minutes. Place, date of the board meeting, names of the members present, decisions and results should be mentioned.

- (7) The board works unpaid. The members have right on compensation for their actual expenses.

#### **§ 7 Competences of the board**

- (1) The board is authorised for the matters of the association, as long as it is not assigned by the association's rules of another association. The board has in particular the following tasks:

1. Preparation of the member's meeting and drawing up the agenda.
2. To convene the member's meeting.
3. Follow up of the decisions made at the member's meeting.
4. To arrange the budget for each business year: administration, annual report.
5. Conclusion and resignation of employment contracts.
6. Decision on accepting, cancellation and exclusion of members.

- (2) The board has the right to arrange a business place and to run with the necessary staff and means.

It is allowed to appoint one or more chiefs for a correct organisation of the association. The tasks of this chief will be fixed in a business instruction or in general employment instructions.

#### **§ 8 The decision process of the board**

- (1) The board decides in general at board meetings, which will be convened in writing, by phone or by fax by the chairman or deputy-chairman, one week before the meeting. An agenda is not necessary.

- (2) The board has the right to decide when at least five board members are present. At the decision process the majority of the valid votes is conclusive. With equity of votes the vote of the President is conclusive. The President chairs the board meeting, at his absence the Vice-President (representative for small scale drilling) chairs the meeting. If both persons are not present, a chairperson will be elected from the board members present.

- (3) A board decision can also be made in writing.

- (4) The combination of more board functions of one person is not permitted.

#### **§ 9 The members' meeting**

- (1) In the members' meeting regular and associate members has a vote. For the voting another member can be authorised in writing. This authorisation is for each member's meeting issued separately. However, a member is not allowed to have authorisation for more than three votes. Associate members belonging to the status institutions and associations (see also §3 membership, paragraph 2), personal members and honorary members have no voting rights.

- (2) The members' meeting should be held once a year. The members' meeting may also be held using electronic communication (e.g. by phone or video conference) or in a mixed meeting with members attending both live and via video conference/other media/phone. It is up to the board discretion whether the members' meeting shall be held as a live event, via electronic communication or as a mixed meeting with both members present and attending using video conference/other media/phone.

- (3) Special members' meetings can be arranged all the time. The

board has to convene the meeting when at least 1/5 of the members this under statement of the subject to be discussed or decided is requested to the board in writing. The meeting is to be held at least one month after receipt of the proposal.

(4) The board convenes each members' meeting. The written invitation follows with the agenda 3 weeks before the meeting. The invitations are sent by e-mail or by post. Place of the meeting to be decided by the Board.

(5) The board should put each proposal on the agenda, which are done in writing by at least half of the members till at the latest 2 weeks before for the meeting. The proposal should be with the members at least one week before the members' meeting. The board has the right to put in supplemented points for the agenda at the same time.

(6) The chairman decides the sequence of the agenda, the member's meeting can decide on another sequence.

(7) The President chairs the members' meeting, at his absence the Vice-President (representative of small scale drilling) chairs the meeting. At both absences simple majority of the members present will decide the leader of the meeting.

(8) The members' meeting has to right to decide when at least a quart of the members is present. If the matter is left undecided the board is obliged to hold a meeting with the same agenda within four weeks. At this meeting the member's meeting has the right to decide, irrespective the number of members present. This should be mentioned in the invitation.

(9) Subjects not placed on the agenda, can be discussed and decided when at least 2/3 of the present members agrees.

(10) As long as the meeting is not deviant, all decisions are conclusive with majority of the valid votes. Abstention leaving outside. With equity of the votes, the vote of the chairman is conclusive.

(11) The chairman decides the decision process, when members object, the members' meeting decides.

Voting takes place through ballot papers. However, the members' meeting can decide on open voting unanimously.

(12) The keeper of the minutes has to make minutes of meeting to be signed by the chairman and the keeper of the minutes.

### § 10 The Responsibilities of the members' meeting

The competences of members' meeting are:

1. Investing and application of the capital of the association.
2. Agreement of the budget proposed by the board for the coming business year.
3. Receipt of the annual report of the board on its activities.
4. Receipt of information on administration and on the capital of the association.
5. Assisting the board.
6. Election and calling back of members of the board.

7. Auditing the two accounts.
8. Fixing the fees for membership.
9. Agreement of exceptional high expenses, meaning more than € 25.000,00.
10. Admission of Honorary Members
11. Decision on the final exclusion of a member in the appeal procedure
12. New membership of members who were excluded with the decision of the members' meeting
13. Change of articles of the association.
14. Finishing of the association.

### § 11 Audit of the accounts

Two controllers should audit the annual report before the ordered members' meeting. Members can have a look at this report and attachments, which are available with the controller, three days before the ordered members' meeting.

### § 12 Changes of the articles of association and termination of the association

(1) Changes in the articles of association need the agreement of 2/3 of the members present. A change in the articles of association is only possible when this subject is mentioned in the invitation for the members' meeting.

(2) The termination of the association is only possible when this is decided at two separate meetings, with at least one month in between. The decision on the termination is only conclusive when at both meetings a majority of 2/3 of the members present agree to this decision.

As far as the members' meeting do not decide differently, both President and Vice-President (representative of small scale drilling) are authorised to act as liquidators. The before mentioned articles apply as well in the case, when the association terminations for another reasons or loses its legality.

### § 13 Miscellaneous

Representative language of the association is German. This especially applies to the articles of association, the writings on decisions of the board and protocols on the members' meetings. Members who left the association are obliged to keep silent the information on the association and its activities, awarded from their membership. On disagreements between the members and the association a court of arbitration decides instead of the respectable court of law. Little details will be arranged by the arbitration of the association. This arbitration of the association is part of the articles of association and will be founded together with the request for registration at the register office.

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