

**CEAEC DIRECTOR'S MEETING
Wednesday, April 25, 2018****Fairmont Hotel, Vancouver, BC****Attendance:**

Al Loan - Orica
Pierre St. Georges – Dyno
Stewart McCallum - Austin Canada
Cecil Trites – Atlantic Explosives
Nicholas Ebsworth - CEAEC

Aaron Galt - Maxam
Benoit Choquette - Dyno
Keith Taylor - Austin Canada
Richard Walker - Consbec

CEAEC OBJECTIVES:

- 1) To promote high standards concerning the use, handling, storage & transport of explosives & to co-operate with government authorities in the promotion of these standards in the interest of public safety.
- 2) To encourage the adoption of uniform legislation concerning the explosives industry.
- 3) To develop good working relations between manufacturers & distributors of explosives.
- 4) To promote the general interests of distributors, manufacturers & end users of explosives.

STANDARDS OF CONDUCT FOR CEAEC MEETINGS:

Attention was drawn to the conduct required at CEAEC meetings & it was noted that there must be no using of any terminology or making statements that might jeopardise the Association in the eyes of the law; particularly anti-trust laws.

Attendees were reminded that the Association was formed to pursue the above goals & during any meeting there must be no discussion of:

- 1) Prices.
- 2) Exchange of statistics.
- 3) Price fixing.
- 4) Black balling or bad-mouthing others who work in the industry but are not part of the association. CEAEC is not a control organisation, & everyone is free to compete in the manner they so choose.
- 5) Division or restriction of trade or methods of distribution.
- 6) Boycotting sales to any client because of poor credit.
- 7) Sharing clients or markets.

In other words, there must only be positive discussions which will assist in promoting the aims of the Association.

The President, Al Loan, called the meeting to order & welcomed everyone to Vancouver.

2017 Annual Meeting minutes – Accepted S. McCallum Seconded B. Choquette Passed

Financial update was presented by M. Ebsworth

- See attached Financial Statement – Appendix 1
- Reserve Funds - Start 2017 \$109,742 end of year \$71,917 lower by \cong \$38k:
 - GST/PST on management fees & mileage paid out to S-2M-N \cong \$ 7k
 - 1/4ly meetings ERD / TC / CGSB \cong \$ 6k
 - Accommodation / Mileage Ottawa vs Montreal
 - Meals with attendees
 - Higher % subsidisation of annual / fall meetings \cong \$ 5k
 - Ratio members / spouses / guests (ERD /TC/IME)
 - Venues / transportation
 - IME \cong \$ 5k
 - 40th anniversary expenses \cong \$ 7k
 - Moose & Doris retirement / donation \cong \$ 8k
- Determine viability of incorporating CEAEC recouping taxes - N. Ebsworth & C. Trites

CEAEC manager's update was presented by N. Ebsworth.

- Membership Revenue loss of \$10k
 - Withdrew - Blue Ocean, Gryphon, HVC, Panoramich, Tread
 - Changed Classification - FKD member > Allied
 - New – CNFA, Coogar, EastRock, EPC-Nordex, JVC
- Continue with better meeting facility locations e.g. Westin vs Airport Hilton as per membership request (meals / transportation) - Agreed by BOD
 - Need to look at fees charged (>%) – See revised fee structure
 - Agreed by BOD Accepted K. Taylor Seconded R. Walker - Passed
- Nicholas & Michèle attended IME meeting in San Antonio in 2017
 - tentatively to attend IME in Nashville, October 2018 – Agreed by BOD

General Affairs

Communications:

- Communication of committee work to members has improved in past year
- Executive Team holds 1/4ly meetings with government. Also seeks input & feedback pre/post all meetings; same applies to Annual & Fall Meetings
- Executive Team efforts paying off R. Walker – Consbec finds the communications & resolution of issues by CEAEC in past 2 years to be the best in the last 10 years
- Committee chairs to provide timely updates to membership on project progress
- Need to get more active participation of committee members & members at large

- Executives & Committee Chairs to use CEAEC contact information for CEAEC business

Membership:

- Proposed increase in Annual Membership Fees & change to membership structure - Agreed Unanimously by Board (see attached schedule, Appendix 1)
- Honour System – raise issue at general meeting
- Allied vs Member. Ensure greater distinction between general (all members) & annual meetings (voting members only)
- Have provided support to APT – Research for past few years. Will request they sign on as Allied Members – fees of \$2K / year
- IME – continue with mutual support no fees
 - Provide summary information of meetings to IME. Most companies that need details are already members of CEAEC. It may help incentivise those that aren't to join.
- Continue to have issues with M. Norton / Taiko re payment of membership & event fees. N. Ebsworth contacted Mike for payment of event fees to no avail. To be formally expelled from CEAEC as per BOD directive
- Members that use 3rd party carriers to encourage carriers to join CEAEC. It will help improve safety performance & regulatory compliance of carriers.

Government Affairs:

Regular contact was maintained with ERD and Transport Canada via formal quarterly meetings with agendas & topics submitted ahead of time. Regulators & CEAEC continue to find this format productive.

- A. Loan representing CEAEC on CGSB Packaging Standards revision
- N. Ebsworth representing CEAEC on CGSB TDG Standards revision
 - TC proposal for TDG exam has been withdrawn

Annual Meeting 2019:

- Conference to be held Hotel 71, Québec City, QC, June 5 – 7
- Michèle & Nicholas to visit Québec City Fall 2018 to select remaining venues

Annual Meeting 2020:

- Options selected Calgary, Kelowna, Victoria
- To be held in Q2

New Business:

- CEAEC sponsored reception & presented at International Chief Inspectors Conference in Ottawa April 2018
- Update website & logo \$2k budget approved – S. McCallum
- Fees Payment - review options (cheque, eTransfer, credit card) – N. Ebsworth

- Orica nominated B. Sullivan as 2nd Orica rep on Board of Directors
 - Accepted R. Walker Seconded P. St. Georges Passed

- Transfer of explosives in open pits / quarries - improves safety / efficiency & reduces delays on road construction projects - A. Loan to prepare proposal as part of Explosives Regulations Amendment #3

Meeting adjourned: P. St. Georges Seconded: A. Galt Passed

Financial Statement 2017 **Appendix 1**



NOTICE TO READER

On the basis of information provided by management, we have compiled the balance sheet of Canadian Explosives Industry Association as at December 31, 2017 and the statements of operations and net assets for the year then ended.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

February 9, 2018
Orléans, Ontario

TurnerMoore, LLP

Chartered Professional Accountants
Licensed Public Accountants

CANADIAN EXPLOSIVES INDUSTRY ASSOCIATION
BALANCE SHEET
AS AT DECEMBER 31, 2017
(Unaudited - See Notice to Reader)

	2017	2016
ASSETS		
Current assets		
Cash	\$ 74,234	\$ 119,260
Prepaid expenses	1,000	3,000
	\$ 75,234	\$ 122,260
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 2,317	\$ 2,518
Deferred liability payable	-	10,000
Due to members	1,000	-
	3,317	12,518
NET ASSETS		
Net assets	71,917	109,742
	\$ 75,234	\$ 122,260

Approved on behalf of the Board:

_____ Director

_____ Director

"See Notes to the Financial Statements"

**CANADIAN EXPLOSIVES INDUSTRY ASSOCIATION
STATEMENT OF OPERATIONS AND NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2017**

(UNAUDITED - See Notice to Reader)

	2017	2016
REVENUE <i>(Note 2)</i>	\$ 110,288	\$ 99,759
EXPENSES		
Advertising and promotion	406	406
Bank charges and interest	188	293
Insurance	1,063	1,053
Office expenses	-	2,133
Professional fees	5,505	6,660
Rent	5,152	5,091
IME meetings	-	50
Convention expenses	71,542	35,885
Fall meeting	15,607	5,300
Managers' expenses and travel	3,351	22,680
Training	-	825
Management fees	43,371	36,000
Donations	2,100	-
	148,285	116,376
(DEFICIT) EXCESS FROM OPERATIONS	(37,997)	(16,617)
OTHER INCOME	172	499
DEFICIT OF REVENUE OVER EXPENDITURES	(37,825)	(16,118)
NET ASSETS, BEGINNING OF THE YEAR	109,742	125,860
NET ASSETS, END OF THE YEAR	\$ 71,917	\$ 109,742

"See Notes to the Financial Statements"

CANADIAN EXPLOSIVES INDUSTRY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017
(UNAUDITED - See Notice to Reader)

1 INTRODUCTORY NOTES

The organization's main purposes are to promote high standards in the manufacturing, use, transportation and handling of explosives in the interest of worker and public safety. The organization is incorporated under the Canada Business Corporations Act as a non-for-profit organization and is exempt from income tax as a not-for-profit organization under the Income Tax Act.

2 REVENUE

	2017	2016
Membership fees	\$ 67,353	\$ 73,230
Convention registration	31,452	22,392
Fall meeting	11,483	4,137
TOTAL REVENUE	\$ 110,288	\$ 99,759

3 COMPARATIVE FIGURES

Certain prior year's figures have been reclassified for comparative purposes to conform with current year presentation.

Appendix 2**New Registration Categories & Fees**

MEMBERSHIP OPTIONS			
Regular Member (Voting)	\$0-10 Million in Sales / Handling / Use	\$4000/yr	
	\$10-20 Million in Sales / Handling / Use	\$6000/yr	
	\$20+ Million in Sales / Handling / Use	\$10000/yr	
Allied Member (Non-Voting)	Transportation / Distribution/ Associations	\$2000/yr	
	Consulting	\$1000/yr	