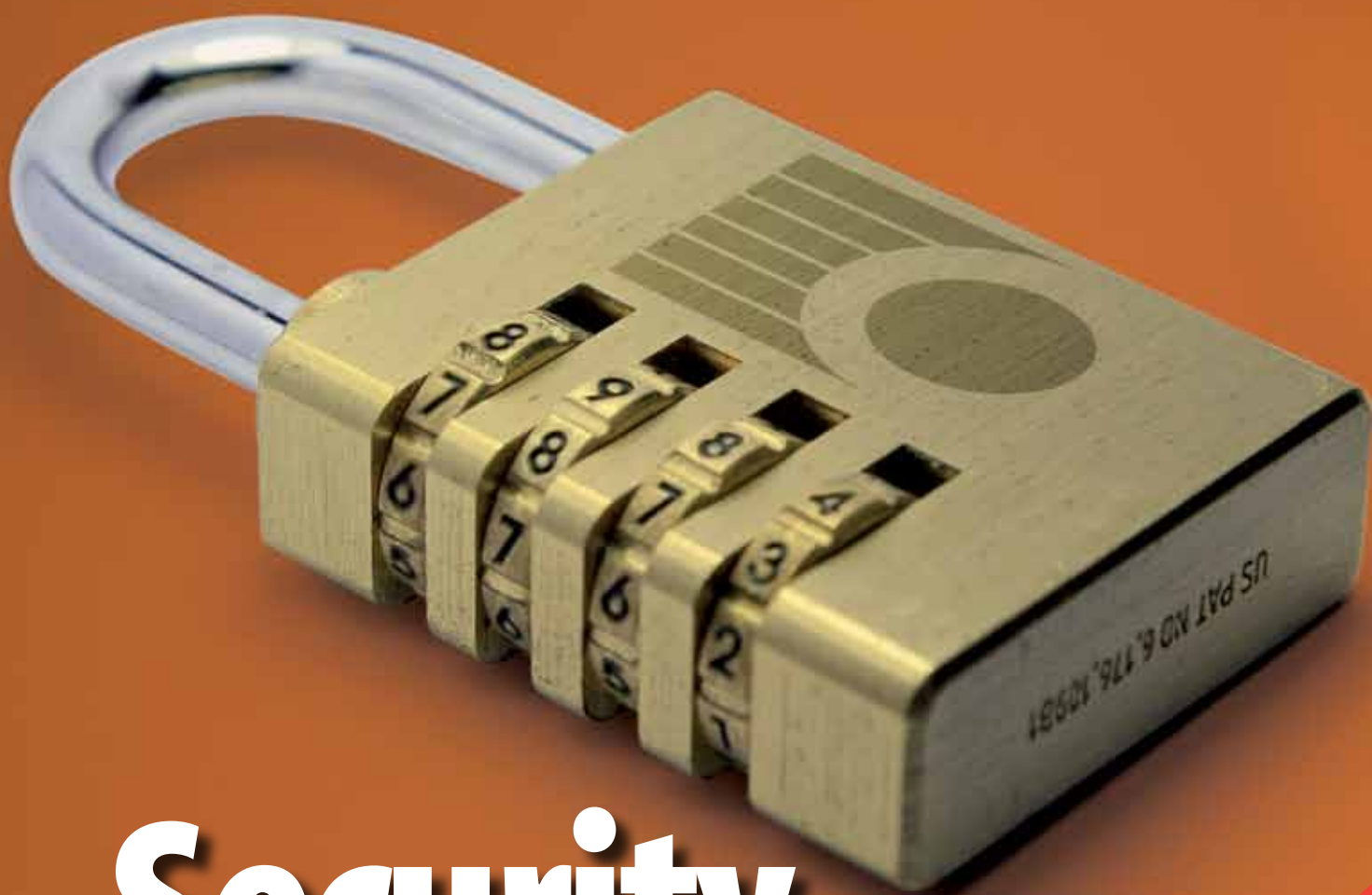


November 2009

Outlook

The magazine of the Chemical Business Association



Security

for the chemical
supply chain

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See page 2

Welcome to CBA Outlook

In this issue of Outlook Magazine we reveal the results of CBA's first-ever Member Survey. This is part of the Association's on-going programme of tailoring its activities to the needs of its member companies. The Survey produced an excellent response and its results show that CBA's work on behalf of its member companies is both recognised and appreciated.

This Outlook also contains a three-page feature on the security of chemicals. Counter terrorism precautions have become an everyday fact of life for the industry over recent years. It is also a policy area to which CBA devotes considerable resource on behalf of its member companies in working alongside a number of security agencies. This briefing aims to ensure that security remains a key part of the management agenda for member companies and is kept constantly under review.

In addition to all the latest industry news, Outlook also contains a briefing on some key aspects of Agency Law governing the relationship between distributors and their principals.

I hope you enjoy reading this issue of Outlook.



Peter Newport
CBA Director



Members and their guests at the 2009 Annual Lunch

Raise your company's profile at the industry's main event

CBA's Annual Lunch is by far the biggest chemical industry event of the year and regularly attracts more than 1,000 members and their guests.

CBA is able to offer a range of unique sponsorship opportunities at the 'Floggers Lunch' to raise your company's profile in front of an audience which includes many of the industry's key decision-makers.

Next year's Annual Lunch will be held on 28 April 2010 at the Grosvenor House, Park Lane, London.

Once again, CBA is offering a number of slots in its rolling audio-visual presentation which runs on two large screens visible to everyone attending the lunch. Only ten slots are available to sponsors – and five have already been sold.

This package offers you 16 minutes of exposure, delivered in a series of two minute slots. For 2010, CBA has held the cost of this promotional package at 2009 prices – £1,500 + VAT.

CBA's Marketing Manager, Nicola Jones, said, "The Annual Lunch projection package offers an outstanding opportunity for companies to raise their profile in front of a major industry audience and to promote key corporate messages – new accounts, services, investments, accreditations, awards and so on."

There are also a number of other promotional opportunities available (see panel).

For further details, contact CBA's Marketing Manager, Nicola Jones on 01 270 258200 or e-mail on nicola.jones@chemical.org.uk

Other promotional opportunities

- Sponsor the whole event
- Guest speaker
- Guest List
- VIP Reception
- Advertising (Annual Lunch booklet)
- Display stand

Outlook

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The views and opinions expressed in Outlook are not necessarily those of CBA.

For Outlook advertising rates, contact CBA on 01270 258200.

SPECIAL OFFER **chemicalweek**

ChemicalWeek free for six weeks + on-line access to chemicalweek.com

Outlook readers can take advantage of a special offer from ChemicalWeek.

- Six free editions of ChemicalWeek magazine and
- On-line access to chemicalweek.com for a six-week period.

In addition to all the latest industry news, the on-line facility offers access to data and market information since 1992.

This offer is open to any number of individuals within CBA member companies and is not restricted to one offer per company. Once the six-week free period is over CBA members will be offered the chance to subscribe to ChemicalWeek at a 50% discount – £223 for one year.

To take advantage of this free ChemicalWeek offer, just e-mail CBA using the following dedicated address – chemicalweek@chemical.org.uk

To activate the offer, CBA needs the following contact details – name, company, position, e-mail and postal address, and telephone number. You will receive your on-line password directly from ChemicalWeek.

ChemicalWeek's offer ends on 31 December 2009.

Member survey provides positive feedback

The recent survey of member companies provided positive feedback on CBA's performance as a representative organisation, as a provider of services, and as an organiser of events, seminars and workshops.

Survey Sample

Some 76 (55%) of member companies took part in the survey by responding to interactive e-mail questionnaires circulated in June. More than 70% of questionnaires were completed by CEOs or Directors of member companies.

With a single exception, companies responding were all SMEs having less than 250 employees and, of this group, almost 35% were micro businesses with 1-9 employees. Respondents were based throughout the UK, with a higher density of member companies located in the North West, West Midlands, or Yorkshire & Humberside.

Most respondents were members of at least one other trade association – with 22% being members of an association in the Transport or Warehouse sectors; and 19% being members of an association in the Formulators or Specialty sectors.

Of the 76 companies responding, 52 (68%) were represented either on CBA Council, its Executive, or on one of the Association's technical committees. Also, 50% of the companies responding have held CBA membership for more than 10 years. Overall, in survey terms, this provided an informed response to the survey questions.

Services

CBA services recorded high approval ratings, with member companies being 'very satisfied' or 'fairly satisfied' with a range of popular services.

CBA Workshops/Seminars	100%
Update Newsletter	99%
Outlook Magazine	93%
E-mail updates on key issues	92%
CBA Best Practice Guides	87%
CBA Codes of Conduct	86%
CBA Regional Meetings	87%
CBA website	83%

The performance of CBA's Administrative Team and its Technical team also received high approval ratings of 89% and 94% respectively.

Events

The survey asked members to rate their satisfaction with CBA's seminars and workshops. Some 86% of member companies were 'very satisfied' or 'fairly satisfied' with these events in terms of their cost-effectiveness, and seminars and workshops received a 90% approval rating in relation to their quality and content.

Respondents were also asked to rate CBA's Networking Events, such as the Annual Lunch, for their cost-effectiveness and quality. Some 63% of members were 'very satisfied' or 'fairly satisfied' with the quality of these events and 59% were 'very satisfied' or 'fairly satisfied' with their cost-effectiveness.

Contribution

Member companies were asked whether they 'strongly agreed', 'agreed', 'disagreed' or 'strongly disagreed' with a number of statements. The following listing indicates the percentage responses after combining the 'strongly agreed' and 'agreed' responses.

CBA helps my company comply with regulations	92%
CBA leads valuable initiatives such as Responsible Care	92%
CBA effectively puts the industry's case to regulators	88%
CBA lobbies effectively for industry	85%
CBA effectively puts the industry's case to the media	85%
The UK chemical supply chain should be represented in Brussels	81%
CBA is a good source of business information	80%
CBA is my business organisation of choice	78%
CBA provides valuable technical support	77%



Reviewing the results of the member survey, CBA Director, Peter Newport, said,

"Whilst we are always seeking to improve our performance and members' approval ratings, the survey shows that CBA is not only doing the right things, but is also doing them well. I would like to thank all those member companies who took the time and trouble to complete the questionnaire."

Subscriptions

Some 76% of respondents either 'agreed' or 'strongly agreed' with the statement that 'CBA subscriptions are good value for money' and 84% either 'agreed' or 'strongly agreed' with the statement that 'CBA makes a positive contribution to my company'.

Communications

Members were asked to indicate their perceptions of the media coverage secured by CBA – with 42% saying that CBA's media coverage to be 'about enough'; whilst 35% considered it 'too little'; and 14% 'didn't know'.

Members expressed a clear preference to receive information from CBA by e-mail with 79% of respondents opting for this method of communication; 11% expressed a preference for acquiring information through CBA's website; and 10% wanted information to be provided in hard copy format.

Update goes on-line

CBA's monthly management briefing – Update – has been redesigned and is now available in a radical new on-line format sent directly to members' in-boxes.

It contains a series of two or three-line explanatory paragraphs each of which end with the phrase 'click for more'. This provides a link back to a dedicated section of CBA's website, or relevant external site, giving full details on the topic concerned.

"Update's new format provides an easy-to-use and concise overview of the key operational issues currently facing the industry. We have tried to develop an all-purpose briefing document for managers which can be scanned quickly,

whilst further information is only a single click away," said CBA's Director, Peter Newport.

Update presents information under a series of headings, including:

Advice, Information & Assistance – covering CBA's current advice on a range of legislative and regulatory issues;

REACH – providing the latest information on REACH implementation;

Health & Safety – containing the latest regulatory information and issues;

Technical Committees – providing links to the latest minutes of CBA's Technical Committees and a link to the Secretary of each Committee;

Consultations – listing the range of official consultative documents on which CBA is being consulted and providing links to their full texts as well as requesting comments from members;

CBA website – links to recent additions to CBA's website;

Member Business Services – containing details of added-value CBA Services;

Industry Opportunities – commercial and trading opportunities;

Events, Meetings, & Conferences – listing of CBA and other industry events.

CBA hopes its investment in redesigning Update will be welcomed by members. "When

we conducted our recent survey of member companies, 79% of respondents indicated their preference to receive briefing material from CBA by e-mail. The new Update is an immediate response to this clearly-expressed request from member companies," said Peter Newport.

CBA welcomes feedback on Update's new format – just click the link from the Update e-mail or send to nicola.jones@chemical.org.uk

Do you receive Update? If you don't currently receive Update and would like to do so – just contact CBA's office – 01270 258200 or e-mail cba@chemical.org.uk

Member companies providing services to the wider chemical sector can now take advantage of a free entry in CBA's recently-launched Chemical Services Directory.

The on-line directory allows member companies to provide their corporate profile in one or more service categories relevant to their business (see panel).

The CBA's Chemical Services Directory is fully searchable and can be accessed from the home page of the Association's web site – www.chemical.org.uk – by clicking on the Chemical Classifieds box on the right hand side.

Rather than create a new company profile, member companies have the option of duplicating their existing website entry – see www.chemical.org.uk/list of members.asp

"This is a great opportunity for member companies to promote their service portfolios.

Free Chemical Services Directory

As a free service to our members, CBA is aiming to establish a high-profile shop window for its service companies," said CBA's Marketing Manager, Nicola Jones.

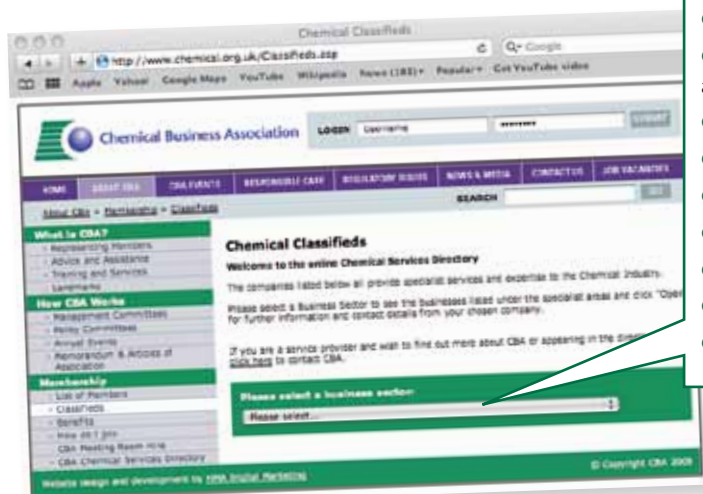
For further information, e-mail nicola.jones@chemical.org.uk or call 01270 258200.



Nicola Jones

Service Categories

- Bulk storage
- Contract Manufacturing (including blending, dilution, solids handling etc)
- Contract Packaging
- Packaging Manufacturers and Suppliers
- Transport
- Warehousing
- Consultancy
- Insurance
- Legal
- Marketing
- Other Business Service





Multisol's Tank Farm

DGSA consultancy for Multisol



Andrew Wilkins

The Multisol Group has taken advantage of CBA's new portfolio of on-site consultancy services designed to help companies to maintain their levels of regulatory compliance. CBA has undertaken a Dangerous Goods Safety Adviser project on behalf of Multisol.

CBA's DGSA consultancy service includes the following elements:

- An annual compliance check visit
- Documentation checks
- Training identification and verification
- Report on compliance, training and legal issues
- Preparing the Transport of Dangerous Goods Annual Report

In addition, CBA also offers an

accident and incident reporting service. CBA uses its in-house expertise and detailed knowledge of the regulatory framework in which supply chain companies operate to tailor its consultancy to meet the specific needs of individual companies.

Multisol Managing Director, Andrew Wilkins, said, "We have been delighted by the service provided by CBA. It provided an efficient, cost-effective solution to our DGSA requirements."

Take the inside track on SIEF operation

Member companies have the chance to get the inside track on REACH implementation at the CBA's next workshop on 26 November 2009 at BASF, Cheadle Hulme, Cheshire.

The latest in the series of CBA's key issues workshops aims to help companies to engage effectively with Substance Information Exchange Forums (SIEFs). SIEFs will play a central role in REACH implementation and can demand a significant level of resources from participating companies – a factor which will be particularly vital for smaller businesses with limited financial and technical resources.

The practical workshop, which will run from 10.00-15.30 hours, costs £97.50+VAT for CBA member companies and includes conference documentation, lunch, tea and coffee. The cost for non-member companies is £195.00+VAT (a cost which will be discounted if the non-member company joins CBA

within six months of attending the workshop).

CBA technical experts will cover a range of key issues relating to SIEFs including their purpose, the role of participants and their interaction with external organisations such as the European Chemicals Agency and the UK Competent Authority (the Health and Safety Executive). The workshop will also examine the anatomy of a SIEF, how it operates, and the role of consortia.

The question of data sharing and its associated costs will be

an important issue for all companies. The workshop will explore these aspects in detail – from information disclosure and its practicalities to sharing information and the submission of registration dossiers.

CBA's Technical Manager, Doug Leech, said, "CBA REACH workshops have always been rated highly by those attending. Our objective is to provide practical guidance and information which will allow companies to comply with REACH effectively and at the minimum cost."

To book place(s) at the workshop, contact Claire Morris - claire.morris@chemical.org.uk or telephone 01270 258200.



Doug Leech

Late Pre-registration of New Products

The European Chemicals Agency (ECHA) has issued a warning to companies importing or manufacturing a substance for the first time – and which require to be registered under the REACH legislation by 30 November 2010 – have only until the 30 November 2009 to complete the pre-registration procedure. This deadline covers substances that have been imported or manufactured since the end of the

six-month pre-registration period last year. Complying with these deadlines allows companies to take advantage of the eight-year phase-in timetable for substance registration. 'Late pre-registrations' of this kind have to be submitted within six months of the first importation or manufacture of the substance and at least one year before the relevant REACH registration deadline for that substance.

Security

for the chemical supply chain



Ever since 9/11, CBA has focused on the security issues affecting the chemical supply chain.

Chemicals are the centre of official concerns due to the fact that much of the terrorist threat stems from Improvised Explosive Devices created using substances that are relatively readily available.

In a broader context, the CBA represents the interests of its member companies on issues concerning a range of sensitive substances including chemical and drug precursors, explosives, as well as chemical, biological, radiological and nuclear materials. The Association also makes a major contribution to security measures relating to the international transport of dangerous goods.

In each of these cases, CBA engages with a number of official bodies, organisations and working parties with oversight of counter-terrorism initiatives in the UK and Europe. Also,

through the United Nations, the Association represents the worldwide security interests of the UK chemical supply chain.

CBA's Director, Peter Newport, said, "Our work on key security and counter terrorism issues is, for the most part, confidential and it is not something we are able to discuss publicly. CBA has developed significant levels of in-house expertise and its contribution is both recognised and appreciated by the security services, government departments and other industry organisations."

Reviewing Personnel Security – red

The Centre for the Protection of National Infrastructure (CPNI) is the official UK organisation aiming to help companies to reduce their vulnerability to terrorism and other threats. Outlook interviews CPNI's personnel security expert for the transport sector.

What do you mean by personnel security?

Personnel security is a system of policies and procedures seeking to manage the risk of staff or contractors exploiting their legitimate access to an organisation's assets for unauthorised purposes. In this context 'assets' refers to anything the organisation considers to be of value, such as its employees, premises, systems and information.

Why is personnel security important?

A good personnel security regime aims to reduce an organisation's vulnerability to insider threats which can be disruptive and may result in financial losses and reputational damage. An

effective personnel security regime helps the organisation to employ reliable people, minimises the chances of staff becoming unreliable after they have been employed, detects suspicious behaviour, and helps to resolve security concerns if they emerge.

What's the first step in effective personnel security?

Personnel security is a continuous process and begins with a risk assessment. Employing unnecessary security measures only serves to alienate staff, so risk assessments must strike the right balance. If particular weaknesses are

identified, a risk assessment can help to explain and justify the implementation of any new measures.

Once the overall risks have been assessed, what's the next step?

The first line of defence in any personnel security regime is the initial screening of prospective employees. Although the level of screening often varies between organisations, the aim remains the same: to identify any individuals who present security concerns. The starting point is always a basic confirmation of a prospective employee's identity and their right

CNPI Guidance

CNPI has issued a number of guidance documents on effective personnel security.

Personnel Security www.cpni.gov.uk/Docs/Pers_Sec_TCM_v2.pdf

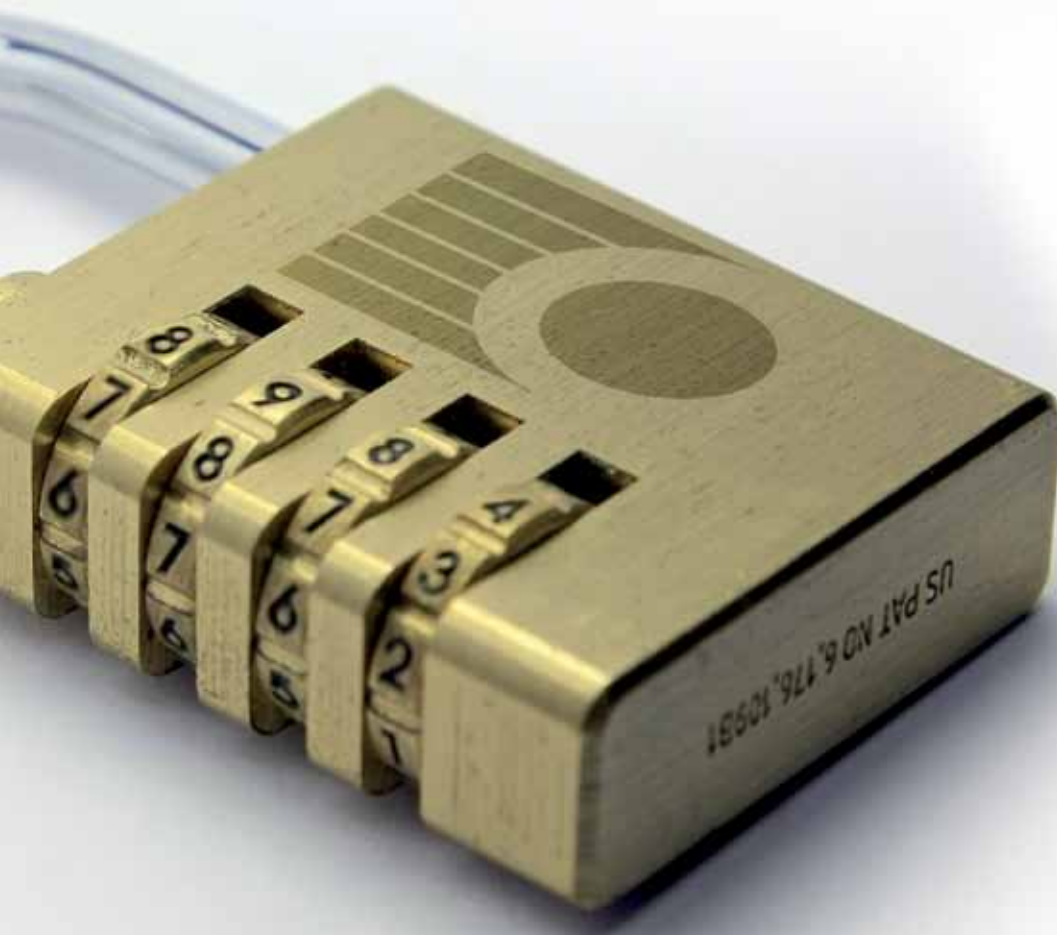
Risk Assessment www.cpni.gov.uk/Docs/Risk_Assessment_Ed_3.pdf

Pre-employment Screening www.cpni.gov.uk/Docs/pre-employment-screening.pdf

Document Verification www.cpni.gov.uk/Docs/Document_verification_guidance_-_July_2007.pdf

Ongoing Personnel Security www.cpni.gov.uk/Docs/HYPERLINKED_OPS_May_2009.pdf

Disclosure of Information www.cpni.gov.uk/Docs/DisclosureExternal.pdf



ucing the threats

to work. Depending on the level of threat that particular organisations face, there are a range of further checks that can be carried out which are outlined in CPNI's pre-employment screening guidance.

An integral part of the pre-employment screening is the authentication of documents of identity. Forgeries are not always easy to spot and illegal immigrants have been known to use false identities to gain employment in the UK. CPNI has produced a guide to help to identify fraudulent documentation and its authenticity. A thorough screening process reduces the likelihood of employing staff who may be a threat to the organisation. However it is important to remember that these checks only provide a single 'snapshot in time' of the individual concerned.

Does this mean some continuing personnel security is necessary?

Individuals change over time, even though they may have started out as good recruits. In these cases, monitoring to detect unusual employee behaviour can help. Having clear policies and good communication strategies also reduces the chances of employees becoming disaffected and

posing a threat to the organisation. In a very few cases it is necessary for authorities such as CPNI to disclose employee-related information to employers. It is important that the passage of information between security authority and employer, and any subsequent actions by the employer, is handled legally, proportionally and discreetly. Any failure to do so may result in complications, including the possibility of employment tribunals. CPNI has recently issued a good practice guide for employers on this important topic.

Taking personnel security seriously pays dividends and is the key to ensuring the effectiveness of an organisation's protective security regime.

About CNPI

CPNI is the official source of expert advice on protecting the critical infrastructure of the UK. It provides information on physical, personnel and information security. CPNI works closely with businesses and organisations that own or operate critical infrastructure, government departments, security specialists and the police.

Chemicals and Counter Terrorism

Most of the terrorist attacks in the UK or overseas have used home made explosives in one form or another. The UK's tight security regime applying to commercial and military explosives has meant that terrorists have either smuggled explosives into the country or made their own from more commonly available chemicals.

Products such as fertiliser, weed killer and hair bleach have all been used as components of improvised explosive devices. These devices have resulted in fatalities, serious injuries and large scale damage.

The National Counter Terrorism Security Office (NaCTSO) works with trade associations – including the CBA – and businesses to restrict access to such chemicals through initiatives such as its 'Know your Customer' campaign (see this page).

NaCTSO is a police unit working closely with the CPNI (Centre for the Protection of National Infrastructure) and contributes to the UK government's counter terrorism strategy. Its staff can offer specialist advice regarding the security of explosives and pre-cursor chemicals (including fertilisers), pathogens and toxins, radiological sources and other toxic chemicals.

At a local level, specific counter terrorism advice is available through a national network of Counter Terrorism Security Advisers. These specialists can be contacted through local police control rooms.

To contact NaCTSO, e-mail nactso@btconnect.com

Pan European security of chemicals

Following the bombings in London and Madrid, there is an increasing focus on the security of chemicals at a Pan-European level. CBA's Technical Manager, Doug Leech, outlines the key issues.

There is a growing interest at the European level in the security of chemicals within the supply chain. Currently, this is focusing on two key areas: the potential for chemicals to be diverted to Improvised Explosive Devices (IED) and issues concerning chemical, biological, radiological and nuclear (CBRN). Within the European Commission, the work programme is being led by the Justice and Enterprise Directorates.

In relation to explosive precursors, a Standing Committee has been formed to take forward the Action Plan outlined by an expert Task Force in 2007. The Committee's objective is to make recommendations to the Commission regarding measures to enhance the security of explosive precursors to prevent terrorists making IEDs.

The Standing Committee is concentrating its activities on a limited group of key chemical pre-cursor substances (contact CBA for details).

The Committee is also addressing a range of horizontal issues, such as the exchange of information and best practices; identifying other precursor substances; increasing staff awareness; regulatory improvements; improving traceability of transactions involving pre-cursors; the security vetting of personnel; and the secure storage of pre-cursors.

Another Task Force is tackling issues concerning chemical, biological, radiological and nuclear materials. It has published an

action plan which contains 180 recommendations – of which 83 relate directly to chemicals. The action plan should be formally agreed later this year and it is likely that three or four standing committees will be established to undertake a five-year implementation programme.

In many respects, the UK is ahead of the game. The Chemical Business Association (CBA) and Chemical Industries Association (CIA) have a long-standing Code of Conduct on Trade Controls covering the key

issues (see panel). This document has been communicated to the UK regulatory bodies responsible for enforcement and licensing. These bodies, whilst not formally endorsing the Code, are satisfied with the process by which companies control access to 'sensitive' chemicals.

Overall, the UK government and industry support a pragmatic, proportionate and sustainable approach to the chemical terrorist threat. There has been a great deal of work performed by the Dangerous Goods Unit and Transport Security sections of the Department for Transport regarding transport security. The Home Office, which controls the supply of drug precursors, has undertaken a review of its operations in this area and is currently introducing additional resources to increase the department's engagement with industry.

CBA believes that the UK needs to formulate a government-wide position in these areas and suitably resource discussions at both the EU and global level. There are concerns that some of the EU proposals are not pragmatic, proportionate or sustainable, not only for industry but also for the governments of member states.

Scope of the CBA/CIA Code of Conduct

Chemical Weapons and their precursors	(R)
Drug precursors	(R + V)
Prior Informed Consent	(R)
Military Export licensing	(R)
Environmental embargoes	(R)
Explosive precursors	(V)

(R) = Regulatory (V) = Voluntary

The Code is available from the Members' section of the CBA website: www.chemical.org.uk

Launching the latest revision of the Code in August this year, CBA's Director, Peter Newport said,

"As a responsible industry, we share a common goal, through Responsible Care, to go beyond legal minimum requirements to make sure that chemicals are distributed properly and used safely. Customer vetting procedures and vigilance controls, included in the latest edition of the joint code of conduct, go beyond legal minimum requirements. Our member companies will only sell chemicals to customers that have been vetted."

Know your customer

The 'Know your Customer' campaign aims to raise awareness about the potential use of many chemical substances and to offer basic advice to ensure that such products are only supplied to known customers.

Importantly, the campaign also aims to ensure that suspicious enquiries or transactions are identified and reported to the authorities.

'Know your Customer' leaflets and posters are available and can be downloaded free of charge from <http://www.nactso.gov.uk/chemicals.php>

NACTSO has a six-point checklist which

chemical suppliers should apply to all enquiries or transactions:

- Is the customer(s) known to you and are their contact details verifiable?
- Are they familiar with the product?
- Are they ordering unusual quantities or concentrations?
- Are they ordering an unusual combination of chemicals?
- Does the customer want to pay in cash?
- Are the delivery instructions transparent? Does the customer want to collect in person?

KNOW YOUR CUSTOMER!



■ Do they fit the usual profile of your customers?



■ Is the order unusual?



■ Are they familiar with chemicals and their use?



■ Have you checked their documents carefully?

■ Are they being evasive?

■ Are they trying to pay in cash?



If you notice anything that you suspect may be connected with terrorist activity... **DON'T HESITATE...** Call the Anti-Terrorist Hotline on **0800 789321**



To report suspicious activity, call the Anti-Terrorist Hotline – 0800 789 321

Agency Law for distributors

Stephen Sidkin, a partner with Fox Williams LLP, outlines some aspects of the law governing the relationship between agents and their principals.

The introduction in the 1990s of statutory protection for agents saw a reduction in the use of agents in many industries. More recently this trend has been reversed as companies appreciate how their statutory exposure to agents can be limited.

The Commercial Agents Regulations provides a variety of rights for agents. Some operate during the agency agreement; others after the agreement has ended. These rights sit on top of the rights given by common law and the terms of the agency agreement itself. The parties cannot (with one exception) opt out of these rights which are cumulative in effect.

The agent has the right to be paid commission no later than the end of the quarter following the month in which it accrued. The agent also has the right to inspect the principal's books.

These rights are dwarfed by the protection which arises on termination. The starting point is that unless the agent has committed a serious breach of the agency agreement, the agent must receive at least the statutory period of notice. The UK law maximum is three months and 30 days.

A terminated agent will also be entitled to compensation or indemnity unless the agent has committed a serious breach or has given notice of termination (which is not justified by the principal's action or the agent's ill health or age). The Regulations provide no formula as to how these are calculated. Compensation and indemnity can be regarded as a statutory payment for the goodwill created by the agent and which the principal will enjoy after termination: the greater the goodwill, the larger the payment to the agent.

The agent can also claim for post-termination or "pipeline" commission and



Stephen Sidkin

for commission on accepted orders which the principal has failed to fulfil.

How then can a principal limit exposure? The best way is to elect in the agency agreement for indemnity and not compensation. This is because the indemnity payment cannot exceed more than one year's worth of commission and often will be far less. If the parties do not elect, compensation will apply by default and cannot be capped.

Secondly, the principal should exclude the right to pipeline commission. Although not the subject of clear court judgment, it is generally accepted that this is one of the few rights which can be excluded in the agency agreement.

Including in the agreement various obligations on the agent allows the principal to manage the agent's performance to the benefit of both parties. But when things go wrong, breaches of one or more of the obligations may be relied on by the principal to avoid liability altogether. Probably the most potent obligation is the imposition of

minimum sales requirements (not targets) on the agent. Although not tested in the courts, poor performance by the agent may be used by the principal to justify termination.

Having the contractual right to turn customers into house accounts may (by judicious action by the principal) substantially reduce the amount of compensation or indemnity. Contractual mechanisms involving service companies or requiring the agent to purchase the agency are often used where the principal's exposure is likely to be substantial. But getting it right is not limited to the agency agreement itself. Exposure can be reduced by the principal's management of the agent and by putting down a paper trail in respect of the agent's performance.

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About Fox Williams LLP

Fox Williams LLP is an independent business law firm based in the City of London. Agency Law is an area in which Fox Williams specialises and its agentlaw team is a dedicated group of lawyers from different disciplines with an in-depth understanding of the agent-principal relationship. The team provides specialist technical expertise in relation to the rights and obligations of agents and principals as well as providing practical, commercial advice on all aspects of the agency relationship. For further information, go to www.foxwilliams.com or www.agentlaw.co.uk.

Emerging markets – Brazil

Outlook profiles the national association for chemical distributors in Brazil.

Background

Based in São Paulo, ASSOCIQUIM – the Brazilian National Association – represents companies serving 85% of the country's 4 billion-euro chemicals and petrochemicals distribution market. In 2010, the Association celebrates its 50th anniversary.

Membership

The Association has 97 member companies distributing chemicals and petrochemicals and offering processing, formulating, mixing, repacking, and storage services to industrial customers.

Management

The Association is managed by an eight-member Executive Board and a 22-member Board of Directors. Its President and Chairman is Rubens Medrano who is also currently the President of the International Council of Chemical Trade Associations (ICCTA). The Association has four employees and seven advisors.

Standards

ASSOCIQUIM operates Responsible Distribution which is now mandatory



Rubens Medrano

for all new member companies as is Third Party Verification. The Association runs three Responsible Distribution workshops for its members each year. Three years ago, the Association introduced a Code of Ethics which applies to all member companies, their executives, consultants, and employees – as well as to the Association's Board of Directors, all its Committees and Working Groups as well as its consultants and employees.

Committees

ASSOCIQUIM has technical committees covering Responsible Distribution; Environment & Logistics; the Carriage of Dangerous Goods; Regulatory Affairs; Labour Issues; the economy; and foreign trade.

Events

The Association's formal annual dinner attracts over two hundred members and guests. It also organises EBDQUIM – the Brazilian Congress of Chemicals and Petrochemicals Distributors. This is a bi-annual event aiming to bring together member companies, foreign companies, national and international organisations, government and the chemical and petrochemical supply chain for benchmarking and to discuss key issues affecting the sector

Communications

The Association publishes a newsletter – *Informequímico* – three times a year and, at least once a year, it publishes or re-issues its guides on labelling, storage, handling, transport of chemicals and petrochemicals. To find out more about the Association, go to www.associquim.org.br

NEWS DESK

Hazchem Award nomination

Hazchem Emergency Response Service has been nominated for the Energy Institute Safety Award for 2009 sponsored by Shell. The Award winners are scheduled to be announced at a special ceremony at the Sheraton Park Lane Hotel, London on 19 November. For more information, go to www.eiawards.com/shortlist.php

Newport exclusive

Newport Industries have won an exclusive contract to distribute Soda Ash Dense in the UK and Ireland on behalf of ETI Soda, Turkey. The product is manufactured in ETI's Trona site which is the world's second largest facility for the production of Soda Ash Dense.

20-20 vision

In October, Sasol Chemicals Europe, based in Solihull, Birmingham, celebrated its twentieth anniversary. The European arm of the company was founded in 1989 as an independent division of Sasol Chemical Industries, South Africa, one of the world's major suppliers of oxygenated Solvents. The company now has bulk storage facilities in Middlesbrough and Antwerp from which it supplies the pharmaceutical, cosmetics, print and paint sectors and has incorporated Responsible Care and ISO 9000 and ISO 14000 certifications into its operations. Managing Director, Jonathan van Rensburg, "Our objective remains to establish itself as the oxygenated supplier of choice to the UK and Irish markets, whilst also continuing to develop the concept of a shared services platform for the other eleven Sasol companies in the UK."

Website housekeeping

A new survey has revealed that many users of small business websites encounter problems with outdated or non-functioning links, unfinished pages, and contact details which are no longer valid. The research, covering 1,700 users of small firms' websites, found that 83% of those questioned said they had experienced technical faults with the sites they had visited. The survey also found that most small business owners were blissfully unaware of the technical problems highlighted by the survey and the damage they were inflicting on the company's reputation.



CBA hosts Alliance

CBA's Crewe offices played host to the quarterly meeting of the Alliance of Industry Associations (AIA) on 9 October.

The AIA was formed in 1991 and is an alliance of trade associations representing companies operating in many sectors of the chemical industry supply chain, from the manufacture of specialty chemicals, chemical distribution to chemicals-using sectors such as plastics, coatings and cosmetics. The Alliance provides a forum for key elements of the UK chemicals supply chain to discuss issues affecting the members of all its associations and to formulate, where appropriate, common positions, as well as representing the industry in discussions with Government and the regulators.

Between them, the trade associations in membership of the AIA represent 1,200 member companies, the majority of which are SMEs, with an annual turnover of £28 billion, employing over 75,000 people. The AIA offers a mechanism through which its members can formulate, where appropriate, common positions and to represent the industry in discussions with Government and the industry's regulatory bodies.

Our photograph shows (left to right): Giles Malpas, UK Cleaning Products Association; John Reid, British Association for Chemical Specialties; Peter Davis (AIA Chairman), British Plastics Federation; Peter Newport, CBA; Patrick Walsh, Business, Innovation and Skills; Sue Rogers, British Aerosol Manufacturers Association; Steve Elliott, Chemical Industries Association; Peter Johnson, British Colour Makers Association; Tony Mash, British Coatings Federation. For information on the AIA, go to www.aiabusiness.org

IN BRIEF

Export credit guarantee

The export credit agency, ECGD, has launched a letter of credit guarantee scheme to help UK exports. The scheme provides a secure method of payment for exporters by a UK bank guaranteeing payment to its exporting customer on presentation of documents stipulated in a letter of credit issued by the buyer's overseas bank. ECGD will share 90% of the risk on individual letters of credit. So far, five banks have agreed to support the scheme – Barclays, RBS, HSBC, Lloyds TSB, and Standard Chartered. The scheme runs until 31 March 2011 and covers 282 overseas banks in 36 export markets. It does not cover exports to the European Union, Australia, Canada, Iceland, Japan, New Zealand, Norway, Switzerland, or the United States.

Loan guarantee scheme

The Loan Guarantee Scheme, launched in January as part of a Government support package for business following the banking crisis, has received applications from 7,500 companies seeking loans to the value of £860 million. However, only about 5,700 of these companies have been offered loans totalling around £575 million. The Loan Guarantee Scheme has recently been extended by the Department for Business, Innovation and Skills to include top-up finance facilities and new or increased borrowing up to £1 million. This extension was designed to encourage invoice discounters to join the Scheme to provide additional working capital. The factoring and invoice discounting industry has given a lukewarm welcome to the new aspect of the scheme saying that level of the Government's guarantee is insufficient to encourage their participation.

Welcome to new members

Tapfreight Limited

Barnsley-based Tapfreight has over thirty years' experience in providing logistics and transport services to the European chemical and pharmaceutical sector. The company has built its reputation for quality, reliability and efficiency in the transportation and warehousing of packaged hazardous and non-hazardous goods. Handling consignments ranging from single pallets to full loads, Tapfreight provides a national and international service, including daily UK and European groupage, hazardous freight, ambient and temperature-controlled transport, next day and economy deliveries, as well as warehouse and distribution facilities. Its services comply with the highest industry standards, based on ISO9001 standards, SQAS assessments and integrated IT systems.



Contacts Bob Milton – Managing Director
E-mail sales@tapfreight.co.uk
Website www.tapfreight.co.uk
Telephone 01226 702500
Facsimile 01226 702519

People on the move



Changes at Azelis UK

Following an international restructuring programme, Azelis UK has announced key changes to its leadership team. The current Managing Director of Chance & Hunt, **Joan Traynor**, has become **Managing Director** of all the Azelis operations in the UK. In addition to Chance & Hunt, this includes S. Black UK, Brown & Gilmer, and Broste UK. In other changes, Neil Berry, former Managing Director of S. Black, becomes the company's International Business Director, Personal Care. The Azelis Group consists of 36 operating companies and had annual sales of 1.1 billion euros in 2008 and employs 1,100 people.

New Brenntag Chief Operating Officer

Brenntag have appointed **Steve Holland** to the newly-created post of **Chief Operating Officer**. He will be responsible for directing Brenntag's day-to-day chemical distribution business worldwide. In addition to his new responsibilities, Steve Holland retains his current role as CEO of Brenntag Europe. He was previously Managing Director of Albion Chemicals which was acquired by Brenntag in 2006 and he became President and CEO of Brenntag Europe in 2007. Steve Holland is a graduate in polymer chemistry and has a 27-year career in chemical manufacturing and distribution. In his new role, he assumes responsibility for a company with global sales of 7.4 billion euros (2008) with more than 11,000 employees in 64 countries worldwide.



Univar promotions

David Jukes has been promoted to become Univar's **Vice-President Sales and Marketing for Europe the Middle East and Africa**. He was formerly CEO of Distrupol and Regional Director Univar UK and Ireland. The promotion is part of the company's focus on regional sales organisations. In his new role, David Jukes will lead all regional and central sales and marketing teams. As part of the same re-organisation, Nigel Hayes, formerly Univar's Sales Director for the UK and Ireland, has also been promoted to the post of General Manager, UK and Ireland.



DIARY DATES

- Date: **10 November 2009**
Event: **Environment Seminar**
Venue: **CBA, Crewe**
- Date: **26 November 2009**
Event: **REACH Module 4 – SIEF Operations**
Venue: **BASF, Cheadle Hulme**
- Date: **2 December 2009**
Event: **Update on Health and Safety Compliance for SMEs**
Venue: **CBA, Crewe**
- Date: **2 February 2010**
Event: **Trade Controls for Chemicals – The Practicalities**
Venue: **CBA, Crewe**
- Date: **28 April 2010**
Event: **AGM/Annual Luncheon**
Venue: **Grosvenor House, London**

CBA workshops are currently being planned for 2010 on the following topics:

- Process Safety Indicators**
- Storage Tank Safety**
- REACH Forum**
- Emergency Response**
- Carriage of Dangerous Goods**

Further details will shortly be available at www.chemical.org.uk/events

NEWS DESK

Banner signs new deal

Distributor Samuel Banner has signed a sales and marketing arrangement with Ineos ChlorVinyls for PERKLONE™ and TRIKLONE™. These substances were previously manufactured by the Ineos ChlorVinyls' Perchloroethylene and Trichloroethylene plant in Runcorn, UK, which closed earlier this year. As a company, Samuel Banner has a long history of supplying chlorinated solvents and it will continue to supply all grades of PERKLONE™ and TRIKLONE™ previously supplied by Ineos.

For further details, contact Samuel Banner on +44 01928 597000 or go to www.bannerchemicals.com

Simon to supply CEPESA solvents

The Simon Storage terminal facility at Seal Sands is to provide an integrated solution for the receipt, storage and distribution of industrial solvents manufactured by CEPESA UK – a subsidiary of one of Spain's leading companies in the oil, gas and petrochemical sectors. The contract with CEPESA involves the storage and handling of ten different solvent products covering a range of applications, from paints and varnishes to adhesives and cleaning agents.

Change at DistriConsult

In a move designed to ensure its long-term continuity and expansion, specialist consultants, DistriConsult, have announced that Günther Eberhard joined the company on 1 October as its senior and lead partner. Marc Fermont, the company's founding partner, will work alongside Günther Eberhard during 2010. Günther Eberhard has spent more than 25 years in line and project management in basic and specialty chemicals manufacturing, materials technology and chemicals distribution and, most recently, was Director of Purchasing & Logistics for Prochem AG, a Swiss specialty chemical distributor and now part of the NRC Group. For further information, go to www.districticonsult.com