EUROPEAN PRECIOUS METALS FEDERATION
PRECIOUS METALS CONSORTIUM
Assembly Meeting
Brussels,13th December 2007

Metals Conference Centre – Cu & Al Room
Rue du Duc 100, BE-1150 Brussels

MINUTES

1. Introduction and confidentiality clauses

1.1. Confidentiality and European Competition Law provisions. R. Binney (Johnson Matthey), Chairman of the Management Committee (MC) of the Precious Metals Consortium (PMC), welcomed the attendees to this first Ordinary Assembly meeting of the Consortium and reminded them to comply with Competition Law and Confidentiality provisions. A list of Do's and Don't's is available for the meeting.

1.2. Approval of the Agenda. The Agenda (cf. Annex 1) was approved.

1.3. Tour de table and apologies. The list of participants (cf. Annex 2) is attached. The authorised representatives of 18 Consortium Members were present at the meeting, as verified by the Trustee. A valid quorum of 72% was therefore present. In addition to the representatives of the Founding Members of the PMC, EPMF representatives, Eurométaux representatives and potential Member candidates for the PMC (precious metals and/or Rhenium companies) have been invited to attend the Assembly meeting as guests.

1.4. Approval of the Minutes of the last meeting (29/06/07). The minutes were approved.

1.5. Word of the Chairman. R. Binney (Johnson Matthey) introduced the attendees to the presentations of the day (cf. Annex 3) and underlined the organisation of the PMC under the umbrella of the EPMF and Eurométaux, as well as the objectives for the meeting (slides 3 – 6 of Annex 3).

2. PMC membership

2.1. List of Founding Members. C. Braibant presented the names of the 25 Founding Members of the PMC and reminded the attendees on their commitments to the PMC (slides 7 – 10 of Annex 3).

2.2. Candidate Member: Recylex. Mrs C. Wickel (Recylex) introduced the attendees to Recylex (cf. Annex 4), company interested in joining the PMC for Silver. Following this presentation the attendees were asked to proceed to a **VOTE**: the application of Recylex to join the Consortium was put to the vote and approved with no Member present dissenting.

3. Election of a Management Committee

As it was concluded at the last 2007 Plenary Meeting in Krakow: "*In order to facilitate the conduction of the imminent activities of the PMC, it was proposed to keep the current acting Management Committee in place and active until the first Assembly Meeting of the PMC is celebrated on the 13th of December 2007 in Brussels. This proposal was approved by the attendees.*", an official election of a MC should take place today (slides 11 – 15 of Annex 3).

3.1. Presentation of the nominees and vote by the Assembly. The invitations to nominate a representative to sit on the MC were circulated and ten representatives were nominated. Following the presentation of the nominees, the attendees were asked to proceed to a **VOTE**: the proposed MC was put to the vote and approved with no Member present dissenting.

3.2. Chairmanship of the MC. The proposed Chairman of the MC is Andrew Griffiths. The Co-chair will be identified and elected at the next MC meeting.

4. Status and progress of the PMC Work Groups (WG)

4.1. TAP (slides 17 – 32 of Annex 3)**.** M. Raffray (Johnson Matthey), Chair of the TAP, informed the attendees on:

- Attempts to obtain the exemption of certain forms of precious metals from Registration obligations notably through the revision of Annex IV and V. On the one hand, the revision of Annex V is likely to be limited to verifying those provisions which are not clear or not consistent with Annex IV. On the other hand, submitting a request to include a material to Annex IV is subject to burdensome demands, rigorous deadlines and low probabilities of success. The TAP and the MC have therefore concluded that the ongoing preparation for pre-registration and Registration of precious metals should continue.
- Houston Consulting Europe (HCE) legal opinion commissioned by UBS Bank. Using Annex V's § 7 and § 8, Houston Consulting Europe concluded that UBS Bank is a downstream user of a naturally occurring material and that it does therefore not need to register its precious metals. This opinion was discussed by several participants of the WG's of the PMC and analysed by an external legal counsel (cf. Annex 5). The conclusion reached by the TAP and the MC is that the HCE study should not be relied on and that precious metals should be pre-registered and prepared for registration unless and until ECHA indicates otherwise at some time in the future.
- Substance profiles and buddy system. Each substance and intermediate of the substance indicative lists of the PMC has being assigned a profile (individual master file excel sheet), a company responsible for the profile and a "buddy" company to verify the profile. All assigned companies have been asked to confirm their willingness and availability to act as responsible and/or buddy. All technical specifications and other information Members provide on their substances and intermediates are centralised in the appropriate profile. The Chairs have prepared some examples of substance profiles which will be presented later.
- Substance indicative lists. Progress in completing the indicative lists (draft working documents) has been very good. The lists (particularly for PGM's) are not yet completely stable in terms of included substances. In order to work with clear starting scopes with the consultants, it becomes necessary to limit the lists to certain materials. Companies joining later need to know that their substances (if different from those already listed) might be left out of scope, or be subject to deferred testing, because the level of advancement of the consultants does not allow for scope modifications anymore.
- Consultants. A TAP-reformulated Phase II of the Silver Project will be launched by EBRC & Euras in January 2008: Phase IIa constitutes an in-depth literature search on 11 silver substances and intermediates (extenstion of Phase I, cf. Annexes 6, 7.1 and 7.2); Phase IIb constitutes a set of tests to be performed in order to enable read-across and test-waiving. As regards Gold and PGM's, the TAP chairs are currently identifying consultants with Human Health and Environmental expertise in metals, providing a "one-stop" service: RCC/Safepharm, Watts & Crane Associates (WCA)/BIBRA and Dr. Knöll. Formal exploratory meetings should take place in January 2008.
- PM Refiners meeting. A first meeting gathering some representatives of precious metals refineries has been held in order to discuss the approach to be followed under REACH for non-waste refinable/recoverable materials. A decision tree including key waste/REACH checkpoints was drafted at the meeting and a second discussion based on prototype examples of refinables (e.g.: sweeps and anode slimes) is envisaged in February 2008.

4.2. Ag WG (slides 33 – 39 of Annex 3). On behalf of R. Garrett (Ames Goldsmith), Chair of the Ag WG who could unfortunately could not be at the meeting, C. Braibant (EPMF) presented the latest Silver substance indicative list (organised into mono-constituent substances and intermediates, refinables and complex intermediates, preparations and materials requiring a link with other consortia). Although a good set of information has been received for Silver substances, information on Silver intermediates is still retained or not-existing. *A third request for information will be sent to all Members in January 2008* in order to obtain the last set of available information on Silver and Silver compounds and avoid unnecessary costs to produce information which already exists. R. Davies (Ames Goldsmith) indicated that a set of information on Silver has been produced already and should be available to the PMC. *C. Braibant will revert to Ames Goldsmith with a list of references already gathered by the PMC to date.* S. Hottenroth (Umicore) reminded that KODAK agreed to share three Silver studies which could be of interest to the PMC. *C. Braibant will revert to KODAK and contact the existing Photographic Industry Associations (e.g.: Europe, North America) in order to identify any other existing information on Silver and make them available to EBRC and Euras.* The two examples of Silver and Disilver oxide substance profiles pictured the current information gaps. Members were informed on that *all draft profiles will be circulated to them by mid-February in order to be corroborated and completed* (verify impurities' ranges, insert uses, etc.). Additional actions points are presented in the envisaged Silver work programme.

4.3. Au WG (slides 40 – 45 of Annex 3). S. Hottenroth (Umicore), Chair of the Au WG, presented the latest Gold substance indicative list (same organisation as for Silver). The set of information which has been received for Gold substances is less complete than the one received for Silver. The same occurs for gold intermediates, where information is still retained or not-existing. A positive point is that no company has declared to be manufacturing or importing Gold powder, which allows avoiding inhalation tests for Gold materials. *A third request for information will be sent to all Members in January 2008* in order to obtain the last set of available information on Gold and Gold compounds and avoid unnecessary costs to produce information which already exists. The two examples of Gold and Gold hydroxide substance profiles pictured the current information gaps. Members were informed on that *all draft profiles will be circulated to them by mid-February in order to be corroborated and completed* (verify impurities' ranges, insert uses, etc.). Additional actions points are presented in the envisaged Gold work programme.

4.4. PGM's WG (slides 46 – 51 of Annex 3). M. Raffray (Johnson Matthey), acting Chair of the PGM's WG since W. Pastoors' (BASF Catalysts Germany) departure, presented the specificities of the PGM's materials: more than 100 materials from which only a few are only intermediates, and only a few companies have submitted technical specifications of highly variable quality (adequate to poor). The current situation does not allow preparing substance profiles yet and makes it difficult to launch the discussions on substance sameness and on pre-registration and registration approaches. Moreover, this illustrates a situation where technical level participation from some Member companies with PGM portfolios is insufficient, and is a strong argument to engage additional neutral and independent technical support using an external contractor (see also: 6.1.: "Increase in REACH Generic Costs"). The envisaged PGM's work programme is intended to focus primarily on ensuring a harmonised pre-registration for all listed materials, as well as on launching a data-gap analysis and a first set of enabling tests in 2008.

5. Rhenium (slides 52 – 55 of Annex 3)

M. Raffray (Johnson Matthey), Chair of the TAP, presented the technical assessment conducted for Rhenium, aiming at exploring the potential impact Rhenium could have on the scope of activity of the PMC. Several non-Member companies had approached C. Braibant inquiring about whether there could

be any interest in including Rhenium in the scope of the PMC. First of all, PMC Members were invited to indicate whether any of them shared this interest in Rhenium, to which three companies responded positively. Initial exchanges were launched with the representatives of Rhenium manufacturers and importers in order to list the Rhenium materials *(Potassium perrhenate was idenitifed as an additional Rhenium substance)*, their applicable tonnages and compile initial descriptions on their physical forms and compositions. Based on the information received, a technical assessment was conducted, which conclusions allowed to build a business case.
The Assembly was invited to **VOTE**: the proposal to extend the scope of the Consortium to include Rhenium and Rhenium compounds was put to the vote and approved with one Member abstaining. G. Ethier (Umicore) has indeed pointed out that, considering the scarce technical expertise and the limited Secretariat/Trustee workforce of the PMC, the inclusion of Rhenium must not distract the PMC from the main objective of registering Silver, Gold and PGM's under the REACH regulation. Should additional resources be needed, C. Braibant should make it known to the MC without delay, and adequate actions should be taken from there. Furthermore, it was reminded that future Rhenium Members of the PMC are required to set up and contribute actively to a Re WG, whose work programme should be compatible and in line with the current work programme of the PMC working structure. Likewise, any new Member to the PMC must agree with and commit to all terms and provisions of the PMC Agreement.

6. 2007 Accounts and 2008 Budget (slides 58 – 65 of Annex 3)

6.1. Presentation of the accounts for 2007, proposed budget for 2008 and previsions for 2009 and 2010. C. Braibant (EPMF), Secretariat and Trustee of the PMC, updated the attendees on the expenditures of 2007. According to the PMC Accountant, F. Roland, from the 138,100.00 € budgeted for 2007, less than 95,000.00 € were spent by 31st of October 2007. Those EPMF Members who pre-financed the 2007 REACH Generic Costs of the PMC will be fully reimbursed. PMC Members will however be charged less than expected for their 2007 REACH Generic Costs. The exact amount will be made known by the Accountant in January 2008. **Post-meeting note:** Recent discussions indicate that the closure of accounts is due by late January or early February. Invoicing might therefore be delayed.

The 2008 Budget (cf. Annex 8) was presented:

- Increase in REACH Generic Costs: due to (1) Secretariat / Trustee salary increase as approved by EPMF Board on 26/06/07 in Krakow; (2) Potential cost of Secretariat / Trustee's Professional Liability Insurance (cf. Article 8.3.3 of PMC Agreement); and (3) Tentative place-holder for neutral and independent technical support for the PMC. The Members acknowledged that (2) and (3) are estimates subject to variation. As regards (3), some Members recommended hiring a full-time employee instead of working with a part-time consultant and it was noted that this item of the budget could be used for that purpose if the MC finds it appropriate to do so.
- Silver-specific costs: based on EBRC & Euras estimates and testing recommendations which were discussed, analysed and re-scoped by the TAP.
- Gold and PGM's-specific costs: based on the Silver experience, the estimates should allow commissioning a data-gap analysis and a first set of enabling tests (to enable read-across and test-waiving) for each PM group. They are subject to further refinement.

6.2. Clarifications and vote by the Assembly. Each Member official representative received a sealed envelope containing information on the ID codes of the company as well as a copy of the submitted Signature folio and Substance and tonnage band declaration. C. Braibant explained how the cost-sharing formula will be applied in order to calculate each Member's share for the 2007 and 2008 (first half) costs of the PMC (cf. Annex 8):

- Cyanides: although it was initially envisaged to assign precious metal cyanides (PM CN^-) to the scope of the Cyanide Consortium (currently launched by CEFIC's Cyanide Sector Group), the latter decided to restrict its scope to Sodium cyanide, Potassium cyanide and Hydrogen cyanide. The PMC will therefore set up a PM CN^- WG and develop a separate work programme for PM CN^-. Members will however not be charged for PM CN^- until the second half of 2008.
- Intermediates: the experience of the PMC to date has shown that intermediates should be included in the cost-sharing formula. Indeed, the preparation of pre-registration and registration for simple or complex intermediates (non-waste refinables), the work performed by the consultants and the existence of companies having only intermediates under REACH justify that intermediates should be somehow weighted in the cost-sharing formula. The Cost-sharing Work Group (CWG) together with the Legal Work Group (LWG) and the TAP will be asked to propose an option at the next Assembly meeting. Until then, Members will not be charged for intermediates (simple or complex ones).

Moreover, some indications, tips and recommendations were given on the invoicing procedure in order to avoid late payments or payments on wrong accounts.
The Assembly was invited to **VOTE**: the 2007 accounts and the 2008 budget, including potential variations, were approved by the Members present with no Member dissenting.

7. Key tasks, proposed timeline and next Assembly meeting (slides 66 – 70 of Annex 3)

7.1. Upcoming key tasks and proposed timeline. Those key tasks which were identified throughout the entire presentation were summarised on one slide. A detailed timeline was included in the handouts (cf. Annex 9) and attendees were informed on the upcoming WG's meetings.

7.2. Next Assembly meeting. The next Ordinary meeting of the Assembly will take place on the 20th of June in Toledo, Spain. Potential attendees will receive an invitation for the meeting in January. *Hotel reservations should be confirmed by the 1st of February 2008 to the latest.*

8. AOB.

No other business was raised.

9. Conclusion (slides 72 – 74 of Annex 3)

R. Binney recollected the key messages for the upcoming months and expressed thanks to the attendees for participating to the meeting and for approving those items which were subject to vote today. Special thanks were addressed to the chairs and the Secretariat for their hard and continuous work in setting up the PMC.
The PMC thanked R. Binney for his excellent job in leading and supporting the activities of the PMC and for running his last meeting as Chair of the MC with such success. The PMC marked this event with a retirement gift. Farewell Bob!