



PMC Management Committee

Minutes, Brussels, 6 October 2016 (9:00-12:30)

Chair: Guy Ethier, Umicore, Belgium; Co-Chair: Heinz-Günter Schenzel, C. Hafner (Germany)

Actions	Who?	When?	Status
Update financial report table summing "expenses" and "committed"	AR	December 2016	
Present at the GA a table summarizing the expenses since 2013	FC/AR	December 2016	
Prepare a note for the Assembly on mechanisms to input and approve the dossiers	FC	November 2016	
Prepare some slides highlighting what is behind the 2017 budget in more details	FC	November 2016	
Prepare company forecast for 2018-2019	AR	November 2016	
Prepare argumentation on building reserves mechanism for the Assembly meeting but not put it as a separate point on the agenda	FC	November 2016	
Organise in February 2017 a conference call of the Mngt Cttee to decide if the budget for the 2 nd tier of the Substance Evaluation testing program must be invoiced or not in 2017.	FC	January 2017	
Send official request for nomination of 2017-2019 Management Committee representatives following the rules defined in the Consortium Agreement	AR	October 2016	
Check with EM what the potential actions are regarding the Swiss initiative	FC	November 2016	
Check the position of the Swiss companies who contributed to REACH	FC	November 2016	
Circulate to the Management Committee the presentation of the Swiss authorities on this issue.	FC	October 2016	



Send a note from Mngt Cttee to PMC members on silver prioritisation	FC	October 2016	
Send a Doodle for meeting of March 2017	AR	October 2016	

1. Welcome and Introduction

Guy Ethier, the Chair of the Management Committee, welcomed the participants reminding the anti-trust guidelines. The list of participants is available in Annex 1. The quorum is reached.

The agenda has been approved. France Capon reviewed the actions of the previous conference call: all have been executed in due time. The minutes of the previous conference call have been approved.

2. Q3 2016: financial report

France Capon presented the Q3 2016 financial report. The total committed and expenses are 4.641.438€ while the forecast for 2016 was 4.986.950€. The broad conclusion is that we are pretty much in line with our expectations, this must be underlined at the Assembly meeting.

For the Assembly, we need to show a trend of the expenses since 2013. This will aim to demonstrate on an historical point that estimation and trends are correct.

Post-meeting information: the reimbursement from Covance (132.342£) for the TCA testing has been received on Monday 10 October 2016.

ACTIONS:

- Update financial report table summing “expenses” and “committed” (December 2016, AR)
- Present at the GA a table summarizing the expenses since 2013 (December 2016, FC/AR)

3. Status of 2016 Work plan and timelines

France Capon presented the status of the 2016 work plan. Overall the situation is good. However, the approval process needs to be better explained to the members to ensure timely input. Indeed, there is a mechanism for technical input and people engagement (WG meetings/conference calls, written procedures, etc.) and there is a mechanism for the formal approval of the deliverables (the written procedure to the WG, Management Committee and Sub-Assembly) following the rules of the Consortium agreement.

The Management Committee acknowledged the good work done but highlighted the importance to keep pressure on companies to input on time and on staff to continue delivering on time.

Juha Parkkinen asked about potential threats in preparation of 2018. The following issues have been identified so far: the recent delays in Pd dossiers and potential impact on overall work plan but this should be managed by the end of 2016; the chloroplatinates dossiers and the need to improve as soon



as possible the exposure assessment especially for dermal exposure (gathering monitoring data). But overall there are no major threats identified so far in the preparation of the remaining 35 dossiers.

France Capon reminded also the Management Committee that an “Areas of improvement tracker” is under development to help Secretariat and companies to identify potential threats especially after the dossiers submission but also to help to prioritize the work/maintenance of the dossiers after 2018. Nissanka Rajapakse recommended that this tracker is made available to the companies. It was agreed that this will be done in 2017 after the submission of all dossiers and when a comprehensive overview of the situation will be available.

France Capon presented also a reality check of the Human Resources estimation for 2016. In 2015, the Assembly agreed to use HR as the allocation key for the distribution of the administrative costs between the projects. The HR estimation has been used for the cost sharing in 2016 and a reality check has been conducted to ensure the reliability of the system. **The Management Committee agreed that estimation was accurate and that there is no need for correction of the cost sharing in 2016.**

ACTIONS:

- Prepare a note for the Assembly on mechanisms to input and approve the dossiers (November 2016, FC)

4. 2017 Workplan: 2nd draft (cf. annex. 4)

France Capon presented the 2017 draft work plan including budget and HR proposals recommended by the relevant Work Groups.

Two main issues have been discussed:

- **Ag:** the budget includes the 2nd tier of the Substance Evaluation requirements. The decision to perform this additional testing will only be taken at the beginning of next year. The Management Committee recommends to the Assembly to approve this budget in December 2016. The Management Committee will consider in February 2017 whether the budget for the 2nd tier of the Substance Evaluation testing program must be invoiced or not in 2017.
- **Building reserves:** the PGM WG expressed concerns regarding the way of reserves are built: based on 5-7% of the total costs of the project and triggering significant amount to be included in 2017 budget for some projects (e.g.: Pt and Ru). Guy Ethier reminded that the reserves are driven by two things: firstly, the legal obligations in case of closure of the association and secondly the possibility to be able to face unexpected challenges in an efficient way. The fact that we use 5%-7% of the real costs of a project and not the forecast is because this is what we know. It is worthwhile to review the status of cash availabilities, status of reserves etc. since this shows clearly that there are some negative reserves for some metals due to holiday payments. These decisions taken in the past must now be assumed and the situation must be corrected. Another important element to consider is the forecast for 2018-2019: at this stage of the process, the forecast represents the best knowledge that we have (obligation to update the dossiers and testing proposal to be implemented) but does not take into account all the uncertainties like potential compliance checks or prioritisation of substances for Risk Management Measures etc. Based on the current situation described above, France Capon



expressed some concerns regarding all the remaining uncertainties and highlighted the need to have clearer picture on issues like LoA income, real costs of a registration dossier and future workplan and mandate of PMC after 2018 before taking any decision regarding the change in the reserves building mechanism. Juha Parkinen raise the issue of availability of cash and the need to ensure good financial management practices. Building reserves must be considered as pre-payment and engagement of companies. **Therefore, the Management Committee:**

- **Decided to keep the same building reserves mechanism until 2018 – consider it again at that time when the number of uncertainties will have decreased.**
- **Confirmed that this is the right policy taking into account the number of uncertainties**
- **Cannot afford having an organisation facing deficiency of cash flow – this decision reflects a good finance management practice**

The Management Committee recommends the Assembly to approve the 2017 budget of 3.255.250€. The budget to be invoiced is always to be adjusted since depending on the carry over.

The Management Committee agreed with the 2018-2019 forecast which is based on best available information.

ACTIONS:

- Prepare some slides highlighting what is behind the 2017 budget in more details (November 2016, FC)
- Prepare company forecast for 2018-2019 (November 2016, AR)
- Prepare an argumentation on the building reserves mechanism for the Assembly meeting but not put it as a separate point on the agenda (November 2016, FC)
- Organise in February 2017 a conference call of the Mngt Cttee to decide if the budget for the 2nd tier of the Substance Evaluation testing program must be invoiced or not in 2017.

5. Brainstorming: PMC after 2018

France Capon presented the agenda of the brainstorming session on the PMC future after 2018, organized on 6th October 2016 afternoon. The main aims of this session are to raise awareness amongst the PMC membership regarding the EU Chemicals Management trends after 2018 and define long terms objectives for PMC to be discussed and approved at the December 2016 Assembly meeting.

The Management Committee recommends to start with a tour de table asking the following questions to the participants:

- How many consortia are you member of?
- What is members feeling about PMC organisation and level of collaboration?
- What experience do you have from other Cs on how they will continue after 2018?

The Management Committee agreed that we need to pass the message that REACH will never really stop and must be considered as another element to be integrated into Business strategy of a company.

Guy Ethier highlighted the fact that the main difference between precious metals and other metals is that PM industry is realizing only now that we are fully part of the regulatory system, while the other metals are already (pro)active in this field since a long time. PM industry needs to increase our



understanding of the substances and supply chain as the other metals did which means that this industry is only in the “catching up phase”. All the companies thought that REACH was only a registering/administrative exercise but this is not. It was never anticipated that this was just the beginning of a comprehensive regulatory system. This message must be passed within the companies and especially at management level.

This raises also the question of the mandate of EPMF versus PMC. Guy Ethier underlined the fact that, as a company, there is a huge duty to look at the different organisations and to ensure to make them a lot more effective.

6. Outcome of the meeting between IPA-PMC

France Capon presented the outcome of the meeting between IPA and PMC. The aim of these meetings were to assess the potential overlaps and areas of collaboration between the two entities.

The Management Committee agreed that some of the companies are sitting in the two organisations and confirmed that it is up to the companies to make sure that associations are doing their mandate and that communication works properly.

7. A.O.B. and closure of the meeting

1. Re-election of Management Committee for the 2017-2019 period

The election of the new Management Committee for 2017-2019 will be organized at the next Assembly meeting in December 2016. Written candidatures have been received from Francisco Boo, Jorn Muehlenfeld and Holger Zitt. Oral candidatures have been received from Guy Ethier and Heinz-Günter Schenzel. Juha Parkinnen, Nissanka Rajapakse and Rudolf Eller confirmed during the meeting their candidatures. Another official request for candidatures will be sent to the Assembly following the rules defined in the Consortium agreement. Heinz-Günter Schenzel reminded that the persons are the members of the Management Committee and not the companies, which is different from the Assembly where it is the company which is represented.

France Capon confirmed that the chairs (Guy Ethier and Heinz-Günter Schenzel) agreed to renew their candidatures as chairs at least until the end of the registration.

ACTIONS:

- Send official request for nomination of Management Committee representatives following the rules defined in the Consortium Agreement (October 2016, AR)

2. PMC website: creation of members area

PMC Secretariat suggested to create members area on the PMC website. The main aim will be to use this area as a repository to get access to key documents of PMC (minutes of meeting, agreement, budget etc.) but also to the most recent version of the different registration dossiers. It is worth to note that due to technical constraints, the passwords will be delivered by Sub-Assembly and not by substance. This is consistent with the current approach followed in the emails communication.



3. EBRC

France Capon shared with the Management Committee concerns related to recent offers and invoices received from EBRC. The Management Committee agreed that it is important to look for alternatives for occupational exposure. They also highlighted that there is a risk and that the need for capacity building. It should be covered by the support of the companies and the increasing expertise of PMC team.

4. Data sharing: REACH Switzerland

During a presentation in a conference in China, Switzerland presented the recent update of Swiss Chemicals Regulation (CR). If, in general, this is largely harmonized with the EU (REACH, CLP and BPR), this is not the case for the data sharing principle. Indeed, the Swiss authorities recommends to the Swiss industry to use ECHA dissemination data for Swiss REACH and CLP compliance, without having to proof data legitimate access! (cf. slides 11, 18, 26 of presentation circulated with the minutes – annex 5). This issue is not specific to precious metals since this concerns the entire chemicals industry. Eurometaux requested a mandate from the consortia to start some actions to avoid setting unfortunate precedent. The Management Committee agreed to support EM actions to avoid setting a precedent and defending Swiss companies involved in the different REACH Consortia

ACTIONS:

- Check with EM what the potential actions are (November 2016, FC)
- Check the position of the Swiss companies who contributed to REACH (November 2016, FC)
- Circulate to the Management Committee the presentation of the Swiss authorities on this issue. (October 2016, FC)

5. Silver: prioritisation in the WFD

The potential prioritisation of silver under the Water Framework Directive to define an EQS is not in the mandate of the PMC. However, it is important to understand that this could have an impact on REACH dossiers. So far, the issue has been handled by EPMF but based on the current available resources for 2017 there is little chance that EPMF will be able to cope with this work if the prioritisation is confirmed. This issue will be discussed at the next EPMF Board meeting on 17th November 2016.

Jorn Muehlenfeld suggested that for the time being PMC handles it. Guy Ethier reminded that the core activity of PMC is REACH. The current resources are only related to this core business and are not sufficient to cope with other work. On the other hand, the regulatory system is continuing and impact one of our substances. Therefore, it is fair indeed that the industry worries about the regulatory system but not the PMC as it is. This is the duty of the companies to say to the other organisations to fulfil their mandate. The question remains on what to do if EPMF cannot handle this issue.

The Management Committee agreed that PMC could play the role of watching dog and allocate some time to understand the impact on registration dossiers. The remaining question is how do we manage the advocacy at EU level now to ensure that relevant data are taking into account and avoid negative impact on REACH dossiers. The Management Committee agreed to send a note on this issue to the PMC member companies to raise awareness, list the consequences and propose options (including financial estimation).



ACTION: send a note from Mngt Cttee to PMC members on silver prioritisation (2 ½ October, FC).

6. Hydrazine

PMC has been contacted by some hydrazine producers who are planning to update critical information in preparation of potential prioritisation of hydrazine in Authorisation. The SVHC WG would like the opinion of the Management Committee regarding sharing the outcome of the occupational exposure project.

The Management Committee agreed on the principle. However, such a type of data sharing not being clearly in its mandate, the Management Committee requested that the HTF is consulted and that the contributing companies agree to share these data.

7. Pb and Co classification

Jorn Muehlenfeld and Juha Parkinen draw the attention of the Management Committee on the classification of Pb and future classification of Co which could have an impact on the SVHC WG workload.

8. Dates of the next meetings:

- 21 November 2016, 11:30: conference call to prepare the Assembly meeting
- 13-17 March 2017: face-to-face meeting (a doodle will be sent with the minutes of the meeting)

List of Annexes:

Annex 1: List of participants

Annex 2: Agenda

Annex 3: Slides presented at the meeting

Annex 4: Second draft of 2017 work plan

Annex 5: Slides from the Swiss authorities



Annex 1: (confirmed) Participants

Francisco Boo, Metalor (Switzerland)
France Capon, EPMF (Belgium)
Rudolf Eller, Heraeus (Germany)
Guy Ethier, Umicore (Belgium)
Jorn Muehlenfeld, Aurubis (Germany)
Juha Parkinnen, Norilsk (Finland)
Nissanka Rajapakse, Johnson Matthey (UK)
Audrey Rondepierre, EPMF (Belgium)
Heinz-Günter Schenzel, C. Hafner (Germany)

Apologies:

Michael Herman, Ames Goldsmith (US)