PMC Management Committee Meeting

Brussels, 29 April 2015 (10:00-12:00)

Executive Summary and list of actions

Heinz-Gunther Schenzel will replace Mark Raffray as Vice-Chair of the PMC as of 1 June 2015.

2015 forecast overspend

- The work cannot start before the approval of the Assembly
- To avoid losing time in the overall timeline, the Secretariat is requested to prepare and negotiate already with the consultants and the labs to ensure that the contracts can be signed and the work can start immediately after the GA.
- For the costs sharing, a 6th option is proposed by the Management Committee: rather than apply the standard cost sharing across the PGM Sub-Assembly, instead apportion the incremental 2015 costs on a charge basis whereby the companies responsible for the tonnage band changes incur 80% of the costs, and then divide the remaining 20% of the costs between the other co-registrants of the substance. This must be seen as a special contribution in exceptional circumstances (i.e. the occurrence of major external cost increases which were not budgeted, and with significant amendment to the cost sharing formula only under discussion at this time). This situation will not recur in future thanks to the anticipated changes in the cost sharing formula and the drop date for the freezing of the inventory.
- The ownership of the data will still remain with the Consortium.
- The Management Committee requested the Secretariat to change the deadline for freezing the consortium scope and to move it to 4 June. Companies will be invited to come to Milan with the firm commitment concerning the consortia scope.

2016-2020 PMC Workplan

The Management Committee welcomed the PMC WP format and agreed to develop it further to reflect 5 years forecast.

The Management Committee agreed that a budget must be already included in the draft workplan of 2016 to reflect the need of an additional FTE to fill the HR gaps demonstrated in the first draft of the WP.

Actions	Who?	By When?	Status
Send to GE a summary of the situation on Karstedt	FC	5 May 2015	
Contact ERM which just acquired REACH Centrum about Karstedt	GE	May 2015	
Send a request on option 6 to the 3 companies	FC	30 April 2015	DONE
Update the preparatory document according to the final recommendation of the Management Cttee (option 6 or option 2 if the companies refuse option 6).	FC	18 May 2015	
Compare the estimation of option 2, option 3 and option 6 in preparation of the recommendation to the GA.	FC/AR	15 May 2015	
Send an email to the PMC membership informing about the change in the freezing deadline, the reasons and the procedure in case of new changes happen after June (inclusion of the changes in the rolling plan for the maintenance of the dossiers).	FC	5 May 2015	
Send to the Secretariat a list of exceptional circumstances allowing changes in the scope between June 2015 and December 2017, to be considered by the Management Committee.	RB/MR	15 May 2015	
Update the Workplan and slide deck with the updated budget of generic costs reflecting the recruitment of one additional person (1 FTE).	FC	18 May 2015	

1. Welcome and Introduction

Guy Ethier (Chair of the PMC MC) started the meeting/conference call reminding the participants on confidentiality and Competition Law.

The meeting started by a tour de table. The quorum has been checked and reached. (cf. Annex I List of participants and apologies).

Guy Ethier presented the agenda. **The agenda has been approved by the MC.**

The actions of the previous meeting organized on 24 February 2015 have been reviewed and **the minutes have been approved.**

The Management Committee requested that:

- SDS: will be added as an agenda item in Milan meeting. The messages will be to stick to the facts: currently the draft and maintenance of SDS is not in the scope of the Cs, to explain the kind of requests and expectations received so far, to present a benchmark of what other commodities are doing, and estimate the financial and resources consequences if this should be added.
- The Secretariat identifies and present a case on the identification of uses in the SIEF.

Mark Raffray updated the Management Committee regarding his discussion with ECMA on a DU pilot case. The catalysts association does not have the information on precious metals since there are part of niche applications.

Roland Brasch updated the Management Committee regarding his research concerning a DUs associations dealing with Karstedt but it does not exist.

2. PMC and Legal Work Group Chairmanship

Cf. Presentation slide 9.

Heinz-Gunther Schenzel accepted the position of Vice-Chair in 2015 and he will be proposed in 2016 as PMC Chair. A new procedure will start in June 2016 to recruit a new Vice-Chair. The Management Committee recommends that a toxicologist will become Vice-Chair. The position of chair of the Technical Advisory Panel must also be filled in. Mark Raffray draw the attention of the Management Committee on the fact that the ITS are now defined and that an Expert Group exists for the PGM. Therefore, his replacement as chair of the Technical Advisory Panel is less urgent.

Concerning the presence of Johnson Matthey (JM) in the Management Committee, Mark Raffray will ensure JM representation in MC. This will be officially communicated to the PMC by JM.

Cf. Presentation slide 10.

The Management Committee approved the outsourcing of the legal counselling due to the departure of Alain Palmers. The replacement of Alain Palmers as chair of the Legal Work Group in ongoing and will be discussed in Milan in June 2015.

3. 2015 Budget forecast

Cf. Presentation slides 12-21.

Q1 2015 financial report (cf. slide 12)

The Management Committee took note of the presentation of the Q1 2015 financial report.

Changes in consortia scope and impact on 2015 budget and HR (cf. slides 13-21)

France Capon presented the background and the financial and resources estimation for 2015 due to the changes in the scope of the consortium but also some overspent forecast due to changes in the PMF staff, remaining 2014 to be paid and changes in the hydrazine project.

Questions of clarifications and discussions:

- Why Reconsile members do not want to discuss directly with PMC members a reasonable approach? The situation is still unclear and REACHCentrum will come back to PMC regarding the LR issue and a potential meeting after the 29 April 2015 (date of Reconsile Steering committee meeting).

  If we achieve to take the lead on this dossier and that a PMC company becomes LR, the Reconsile members will need to buy letter of access and this will represent some incomes for the consortium.

- Transition between slides 14 and 15 is unclear – the overspent forecast related to other issues than the changes in the scope must be clearly explained as it is done in the preparatory note on pages 2 and 3. This must be adapted in preparation of the Assembly meeting.
- Slide 18: table must be updated to reflect the incomes of 2015 (including the final amount in reserves), the expected reserves (and how there were calculated), to demonstrate that it will be very risky to use the reserves to cover 2015 overspent. In preparation of the Assembly, it will be important to build a logic case to explain that reserves cannot be used.
- Cost sharing of PGM: it will be important that the Cost Sharing Work Group considers the possibility to have a cost sharing formula by substance family and not for all the PGMs as it is the case now. Additionally, it would be also important to consider ventilating the generic costs between the projects and not between the companies on an equal basis. Mark Raffray reminded the Management Committee that this was decided as such due take into account that large companies brought a lot of data at the beginning as a lot of human resources. Guy Ethier highlighted the fact that this is perhaps now the time to look ahead of us.

- Can the Secretariat confirm that the money requested to cover the overspent in 2015 will be spent in 2015? Some of the invoices will perhaps be received later in Q1 2016 but the Secretariat needs to commit these studies in 2015 and to commit the studies the money must be available. The current budgeting system does not allow the Secretariat to commit money which is not available.
- If option 2 is recommended to the Assembly the Management Committee requested the Secretariat to send out the proposal and the estimation to the companies prior to the Assembly to ensure that a decision can be taken.

Decisions of the Management committee

- The work cannot start before the approval of the Assembly
- To avoid losing time in the overall timeline, the Secretariat is requested to prepare and negotiate already with the consultants and the labs to ensure that the contracts can be signed and the work can start immediately after the GA.
- For the costs sharing, a 6th option is proposed by the Management Committee: rather than apply the standard cost sharing across the PGM Sub-Assembly, instead apportion the incremental 2015 costs on a charge basis whereby the companies responsible for the tonnage band changes incur 80% of the costs, and then divide the remaining 20% of the costs between the other co-registrants of the substance. This must be seen as a special contribution in exceptional circumstances (i.e. the occurrence of major external cost increases which were not budgeted, and with significant amendment to the cost sharing formula only under discussion at this time). This situation will not recur in future thanks to the anticipated changes in the cost sharing formula and the drop date for the freezing of the inventory.

Post-meeting information: For HPPA compound there were indeed no tonnage band change but a change between SCC and non-SCC which was overlooked in the past. This means that this forecast overspent is not due to the late declaration of the companies but to a mistake of the Secretariat. The following approach discussed at the Management Committee (80%-20%) will be followed for the costs sharing of 3 other substances whereas the usual cost sharing formula will be followed for the HPPA compound since this is due to a mistake of the Secretariat. We made already the simulation based on this proposal (the division of the costs related to HPPA compound between the PGM, attached for your convenience). Concerning the companies to be contacted for the acceptance of the costs sharing for 2015, there are only 3 companies now.

- The ownership of the data will still remain with the Consortium.
- The Management Committee requested the Secretariat to change the deadline for freezing the consortium scope and to move it to 4 June. Companies will be invited to come to Milan with the firm commitment concerning the consortia scope. It was suggested that there may be very unusual circumstances, specifically <u>beyond the control of companies</u>, which could require exceptional changes to this frozen registration scope, e.g. an imposed registration

dossier split. These few scenarios should be identified for consideration of the Management Committee/General Assembly.

ACTIONS:

- **FC will send to GE a summary of the situation on Karstedt**
- **GE will contact ERM which just acquired REACH Centrum.**
- **FC will send a request to the 3 big companies**
- **FC will update the preparatory document according to the final recommendation of the Management Cttee (option 6 or option 2 if the companies refuse option 6).**
- **FC/AR compare the estimation of option 2 and option 6 in preparation of the recommendation to the GA.**
- **FC will send an email to the PMC membership informing about the change in the freezing deadline, the reasons and the procedure in case of new changes happen after June (inclusion of the changes in the rolling plan for the maintenance of the dossiers).**
- **Roland Brasch and Mark Raffray will send to the Secretariat a list of exceptional circumstances allowing changes in the scope between June 2015 and December 2017, to be considered by the Management Committee.**

4. 2016-2020 PMC Workplan

France Capon presented the new format of the PMC Workplan. The Management Committee welcomed the proposal and agreed to develop it further to reflect 5 years forecast.

The Management Committee agreed that a budget must be already included in the draft workplan of 2016 to reflect the need of an additional FTE to fill the HR gaps demonstrated in the first draft of the WP.

ACTION: FC update the Workplan and slide deck with the updated budget of generic costs reflecting the recruitment of one additional person (1 FTE).

5. Conclusions

A.O.B

The Management Committee agreed to have Mark Raffray in Milan and requested the Secretariat to proceed accordingly.

ACTION

- FC send to the chairs the preparatory documents for the Assembly (18 May 2015, COB) and organize a conf call to prepare the meeting if needed.

Next meetings/calls

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Annex 1: List of Participants and apologies

Secretariat:

France Capon (EPMF, Belgium)

Audrey Rondepierre (EPMF, Belgium)

Participants:

Francisco Boo (Metalor, Switzerland) (By phone)

Roland Brasch (Heraeus, Germany) (In person)

Guy Ethier (Umicore, Belgium) (In person)

Jörn Mühlenfeld (Aurubis, Germany) (By Phone)

Mark Raffray (Johnson Matthey, United Kingdom) (By Phone)

Heinz-Günter Schenzel, (C. Hafner, Germany) (In person)

Juha Parkkinen (Norilsk Nickel, Finland), a proxy has been sent to the Secretariat.

Apologies: