



18 May 2015

Minutes

PMC Management Committee

Conference call, 18 May 2015 (16:00-17:00)

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).

The conference call is an extraordinary conference call organized to prepare the Assembly meeting and discuss in particular the issue of 2015 budget.

Guy Ethier reminded the Management Committee to be factual and to reflect and act during the call as Management Committee members and not as company representatives. Companies specific discussions will happen at the Assembly meeting in June where the Management Committee proposal will be presented.

2. Background and status

France Capon summarized the status of the discussions related to the 2015 overspend forecast as follows:

As agreed at the last Management Committee meeting (29 April 2015), I have contacted bilaterally the 3 companies involved in the changes of the scope of the PMC. Here a summary of the current ongoing discussions:

- Company A: review of the tonnage of the Rh nitrate. It was confirmed that there is no need to prepare a dossier for 10-100T and therefore, 194.800€ can be removed from the overall overspend forecast. The company approved the exceptional principle of 80-20% proposed by the Management Committee. For Karstedt, please see specific summary below.
- Company B: The company approved the exceptional principle of 80-20% proposed by the Management Committee. For Karstedt, please see specific summary below.
- Company C: The company approved the exceptional principle of 80-20% proposed by the Management Committee except for Karstedt. The proposal was accepted under the condition to have a substance-specific and comprehensible cost accounting and a biannual update on the accounts.



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Karstedt: The initial proposal was to share equally the costs related to Karstedt between the 3 companies involved since the change in the scope was due to the inclusion of Karstedt and not a “last minute” change in the tonnage band.

Company A and B requested that the 80-20% applied also in this case since the reason why PMC has to include the Karstedt in its scope is the need to cover the 10-100t requirements that Reconcile refuses (so far) to cover.

Company C disagrees with this interpretation highlighting the fact that this tonnage was always known and that they are not responsible of the change in the scope and proposed to use the reserves to cover this change in the Cs scope.

HPPA compound: For this substance there were indeed no tonnage band change but a change between SCC and non-SCC which was overlooked in the past. This means that the fact that this forecast overspend is not due to the late declaration of the companies but to a mistake of the Secretariat.

New request from another company: A company came back to us yesterday (12 May 2015) with an informal request to increase the tonnage band for two substances: Palladium dichloride (PdCl_2) and Disodium tetrachloropalladate (Na_2PdCl_4). Currently, the dossiers are prepared for 1-10t and the company could need a dossier of 10-100t. However, this company will not be able to confirm this before August.

Proposal

- 1) Apply the 80-20% rule for the 2015 overspend for Ruthenium trichloride
- 2) Karstedt:
 - a) Invoice the PGM companies based on the usual costs sharing formula since the change in the scope is independent of the willingness of PMC company
 - b) Use the PGM reserves but this could lead to a difficult position end of 2015 and the risk to be very short for the PGM project
 - c) Put the work on hold and convince Reconcile to work on the 10t-100t requirements: high risk to not be able to comply on time for the 2018 registration deadline.
 - d) Apply 80-20% rule to the company with the higher tonnage band but in this case, the change in the scope is not attributable to that company and there is no reason to apply this extraordinary rule of 80-20% in this case.
- 3) HPPA compound: use the reserves to cover the 2015 related costs – update the 2016 budget accordingly for remaining work to do in 2016.
- 4) PdCl_2 and Na_2PdCl_4 : A meeting has been organized with this company next week (19 May 2015), the proposal is to apply read-across from existing data (experts are currently checking the feasibility). If possible, only a minimum budget will be required (40.000€ for the two



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substances). If we postpone from Q2 to Q3 2016 the registration of palladates, this budget can be included in 2016 and there will be no need for money in 2015. The Secretariat will insist on the fact that a decision must be taken by the deadline set by the Management Committee (4 June 2015).

Post-meeting information: the Secretariat met the company. It was agreed that the increase of tonnage band for PdCl₂ and Na₂PdCl₄ can be presented at the Assembly. There will be no financial impact on 2015 and this change will be taken into account in the 2016 WP.

3. Discussion and recommendation of the Management Committee

The Management Committee agreed with the above proposal and discuss in details the Karstedt issue. Guy Ethier summarized the facts as follows:

- The tonnage band of 10-100t/y for Karstedt is known since a long time
- Ongoing discussions with Reconcile since years on sameness and a Memorandum of Understanding
- 2014: agreement to have Bluestar as LR and Reconcile taking the lead on this issue
- In REACH, the LR must lead the SIEF and ensure that the highest tonnage band is covered
- 2015: Reconcile declared that they are not interested in the 10-100t/y

Therefore, the PMC decision must be driven by the timing and associated risk. Two options:

- 1) No risk tolerance: need to start testing asap and need to ensure that money is available
- 2) Risk tolerance: continue to negotiate with Reconcile until agreement but with the risk that this agreement comes too late for the 2018 deadline.

The Management Committee agrees that there is no risk tolerance and based on the fact that nothing changed except an external factor forcing us to take back Karstedt into the PMC scope, the usual cost sharing formula should apply (cf. proposal a) from Secretariat described above).

Actions	Who?	By When?	Status
Send to Mark Raffray rationales of read-across for the Palladates	KR	ASAP	DONE
Update Preparatory note for the Assembly to reflect MC recommendation	FC	20 May 2015	DONE
Review of the Preparatory note	MC	21 May 2015	ONGOING
Send preparatory notes to Assembly	FC	22 May 2015	
Prepare a simulation for LoA	FC	4 June 2015	



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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)

Roland Brasch (Heraeus, Germany)

Guy Ethier (Umicore, Belgium)

Jörn Mühlendorf (Aurubis, Germany)

Mark Raffray (Johnson Matthey, United Kingdom)

Nissanka Rajapakse (Johnson Matthey, United Kingdom)

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

Juha Parkkinen (Norilsk Nickel, Finland)

Markus Willeke (Heraeus, Germany)