

Minutes of Meeting

Board of Directors meeting London, 15 October 2015, 10:00-11:30

The meeting of the Board of Directors of the International Cadmium Association was called to order by its Chairman, Howard Winbow at 10.10 AM local time. Those participating in the Board of Directors meeting included the following:

Participants:

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|---------------------|--------------------|---|
| 1. Howard Winbow | James M Brown Ltd. | Chairman of the ICdA Board of Directors |
| 2. Patrick de Metz | SAFT S.A. | Vice-Chairman |
| 3. Ann Vos | IZA (Nyrstar) | |
| 4. Paul Kolisnyk | IZA (Teck) | Vice-Chairman (by telephone) |
| 5. Piet Scheeren | IZA (Glencore) | |
| 6. Jean-Luc Lafitte | Flaurea Chemicals | |

Proxys given by:

- | | |
|--------------------|------------------------------------|
| 1. Eric Nottez | SNAM |
| 2. Albert Hardies | INMETCO |
| 3. Sinha Parikhit | FIRST SOLAR |
| 4. Colin Thirlaway | Stanley Black & Decker Corporation |
| 5. Takeo Hamamatsu | Panasonic |

ICdA Staff present at the meeting:

1. Mik Gilles
2. Noömi Lombaert
3. Christian Canoo

Welcome

The Chairman Howard Winbow welcomed the participants and noted that all of the association's eleven Directors were either present or were represented by Proxy and thus a quorum was established for the transaction of business. The agenda items were:

Agenda

1. Administration
 - Approval of the minutes - Board meeting September 10, 2015
 - Membership report
2. Finance
 - Review of final P&L-2014, forecast P&L-2015, budget 2016
 - ICdA membership fee 2016
3. Organisation next International Cadmium Conference
 - Set-up
 - Budget
4. A.o.b.

Administration

Approval of the previous meeting minutes (Howard)

Page 1: Eric Nottez is listed as vice-chairman.

Since Eric Nottez is only director and not a vice chairman, this error will be corrected in the meeting minutes.

The meeting minutes were unanimously approved. The minutes will be signed by the chairman during his next visit to the Brussels office in November.

Membership report (Mik)

There are no changes to the current membership. Glencore decided to continue the IZA membership and did not enter in an individual ICdA membership. The current members of ICdA are:

1. ACME Aerospace Inc. - Ni-Cd Battery manufacturer
2. Accurec - Ni-Cd Battery recycler
3. Arts Energy - Ni-Cd Battery manufacturer
4. Black & Decker - Article-user > Ni-Cd Battery user
5. EnerSys / Gaz - Ni-Cd Battery manufacturer
6. Flaurea Chimie - Cd compounds manufacturer
7. Hoppecke - Ni-Cd Battery manufacturer
8. Inmetco - Ni-Cd Battery recycler
9. IZA - Zinc Association representing Cd producers
10. JMIA - Japanese Association > Miners & smelters
11. James M Brown - Cd pigment manufacturer
12. 5N Plus - Cd-compounds for PhotoVoltaïc applications
13. Huntsman pigments - Cd pigment manufacturer
14. SAFT Batteries - Ni-Cd Battery manufacturer & recycler
15. Sanyo - Ni-Cd Battery manufacturer
16. SNAM - Ni-Cd Battery recycler
17. First Solar - CdTe Solar Cell manufacturer

Finance

Accounts 2014 (Mik)

The accounts 2014 are closed and audited. In 2014, we booked a positive result of €30.968 which brings the accumulated reserves of ICdA on 31/12/2014 at €87.724.

Most significant difference in 2014 accounts as compared to budget

Positive effects:

- €30,000 Less Staff cost as anticipated in transition period
- €7,000 The budget for external studies in 2014 was not used
- €8,000 Travel and meeting cost lower as expected

Lower income

- €12,000 No fee from Floridienne due to Bankruptcy
Lower than anticipated \$/€ rate

Patrick De Metz asked if ICdA could provide in the next reporting some more detailed information on the US\$ and € income and to provide information on the amount of days or months that were performed by ICdA staff.

Mik Gilles replied that such detail can be included in the next reporting. For 2014, the total revenues received in euros as membership fees from members excluding IZA and JMIA, was about €65.000. Contribution from IZA and JMIA are expressed and paid in dollar. The contribution in dollar of IZA was \$120.000 and for JMIA it was \$30.000. These dollar revenues represented roughly 2/3 of the total revenues of ICdA. Now that we stopped the contract with Hugh Morrow, we have much less expenses in dollars and are more exposed to the exchange rate \$/€. Dollar fees are normally booked at the monthly average exchange rate of the month of invoicing. At the end of the year, the differences between invoiced and actual exchange rate is booked under financial incomes/expenses. Actual value can either be based on the exchange rate of the ICdA \$ account on 31/12 or on the actual value at the moment the money is converted from \$ to €.

Concerning the time spent by ICdA staff, there is an earlier agreement with IZA to pay a fix amount for services delivered by Noömi, secretariat and bookkeeping, independent of the actual time that was spent by these people. For Noömi, 33% of the fulltime equivalent is charged. In 2014, there was no cost allocated with regard to activities of Christian and Frank. For Mik, there is an allocation of the effective days that were spent. Details were not at hand at the meeting but for Mik, it is estimated to be somewhere between 40% and 50% of his time. It was agreed that details will be given during the next reporting on the 2015 accounts.

Upon motion duly made Patrick De Metz and seconded by Ann Vos, the accounts 2014 were approved and will be proposed to the General Assembly.

Accounts 2015 (Mik)

An update of the 2015 spending's until 31/8 and forecast for 2015 was given.

Positive effects:

- €17,000 Boosted income by high \$/€ rate
- €6,500 Non recurrent income: last contribution JMB in legal fees was received.
- €7,000 Provision not used since no engagement in external studies in 2015
- €10,000 Travel and meeting cost lower as expected

Negative effects

- €5,000 Staff cost 5% higher as anticipated
- €5,000 B&C legislative support cost higher: unfavorable evolution of \$/€ exchange

Conclusion

- 2015 Result will likely be €30,000 better as foreseen in budget.
- Consolidated reserves will likely increase to €145,000

Budget 2016 (Mik)

The budget 2016 was given with reference to the 8+4 forecast for 2015.

A number of factors are expected to unfavorably affect the 2016 budget

- €12,000 Reduced income :
 - Expected less beneficial \$/€ rate
 - No one time legal fee (potential reimbursement of legal cost by EU not anticipated in 2016 and therefore not taken in budget)
- €14,000 Increased staff cost related to organization of the Cadmium conference
- €3,000 Increased cost of B&C contract (\$18,000/year + Lexis charges)
- €15,000 Study prof. Smolders which the Board agreed in the previous meeting
- €10,000 Travel and meeting cost will be also be higher because of the conference
- €10,000 Potential financial loss of International Cadmium Conference

Conclusion

- In 2016, the forecast is an operational loss of €10,000
- End 2016, we expect to have a consolidated reserve of €135,000
- reserves will likely increase to €145,000

The chairman asked to ensure with B&C that ICdA is timely informed to enable us to take appropriate action when required and he referred to the September report of B&C in which the deadline to comment on an item had already expired.

Mik contacted B&C about this issue to express the concern. Lynn Bergeson replied that the item we referred to was a 3-year recurrent administrative action for which comments were given long time ago. According to Lynn, it is unlikely that there will be any legislative action but by law, the Administration is obliged to re-open this public commenting period every 3 years. Patrick de Metz replied that it is up to ICdA and its members to decide if something is important to react upon and not up to B&C. He asked Mik to discuss with B&C the bi-monthly reporting. Today's reporting is not giving any appreciation of importance of the reported items but just a dry listing of items that relates to cadmium.

There was agreement in the meeting that we should continue the contract with B&C to be sure that we can continue to inform the membership about legislative initiatives in the US and Asia. However ICdA should question B&C concerning the justification for the very high 50% increase of the fees and ask to emphasize which items are esteemed to be of particular importance and which are not.

Upon motion duly made Patrick de Metz and seconded by Piet Scheeren, the budget 2016 was approved and will be proposed to the General Assembly.

Membership fee 2016 (Mik)

The Board is asked to propose the membership fees for 2016 for approval at the General Assembly. Over the past years, a 3% annual increase was proposed. Considering the low inflation of today and the cash position of ICdA, a 1.5% increase is proposed for 2016.

Since the budget 2016 was prepared with a 3% increase, a fee increase of only 1.5% will negatively affect the 2016 budget for an amount of €3.000 as compared to what was presented on slide 10.

Upon motion duly made Piet Scheeren and seconded by Howard Winbow, the fee structure for 2016 was approved and will be proposed to the General Assembly.

Organization of the 2016 International Cadmium Conference

Set-up

- Proposed date: October 26-28
- Two full days conference : October 27-28
- Venue: Lisbon
- Conference center: 2 locations (4 stars hotels) were elected as potential candidates
 - SANA LISBOA HOTEL
 - HILTON FONTANA PARK HOTEL
- Both hotels are located in the city center.
- 5 star hotels were much more expensive

Conference budget

The conference budget was presented.

There are a number of elements to consider that have an important impact on the budget and financial engagements:

- Cost of full cancellation in case there is not sufficient interest
 - Decision to be taken mid July 2016 based on received registrations
- Cost of reducing the number of participants
 - We need to fix upfront the number of participants (proposals based on 80)
 - Contract value is dependent on number of forecast participants.
 - Some contract reductions are possible when less participants register
 - We could try to contract for less participants and check option for expanding when more registrations come in.
- Dinner and reception contracts
 - We could consider concluding separate contracts for dinner event and welcome reception with better cancellation conditions
- Accommodation
 - We could consider excluding any rooms from the contract.

The proposals ICdA received, are all based on 80 participants. Both hotels set the cancellation cost on the total contract value. For the Sana hotel, the 80 rooms are also considered part of the contract, which forces ICdA in a financial engagement which is too high. The best option therefore is to further negotiate with the Hilton hotel and reduce the contract value by excluding reception and dinner and reducing the number of participants. From a risk point of view, it is probably a better option to expand on the original number of participants than to reduce when we have no enough registrations.

The board confirms that ICdA should organize the conference and agrees on the budget as foreseen in the budget 2016, but asks ICdA to work out the proposal in further detail and check for better conditions with the hotel. A working group including ICdA staff and volunteering ICdA members should be set up further to develop the conference. Potential speakers should be contacted ASAP to check availability and block their agenda.

A discussion on the content of the conference will be held during the Technical Session, which will take place immediately after this board meeting.

A first call will be organized on Friday October 23 at 15:00 (Brussels time-zone). The Board of directors committed to make a decision on the conference not later than end of November. Further delay could affect availability of conference facilities in Lisbon.

Date of Meetings

H&S-EU meeting

- Proposal: spring 2016 (adjacent to Reach meetings)

North-American regulatory affairs committee meeting

- No interest from members to organize
- Next Board meeting:
- Summer 2016 by conference call.
 - The suggestion to have the October 2016 Board Meeting and General Assembly not in London but in Lisbon in the afternoon preceding the conference was accepted.

As no other items were suggested by the participants, the meeting was closed at 11:30 AM.