

REACH CADMIUM CONSORTIUM

BASICS OF THE AGREEMENT

- It is a community of individual Parties, the Members, where each Member is and remains an independent contractor. Collectively, the Members are subject of the agreed rights and duties of the Consortium, on a non-profit basis. The consortium is not a legal person distinct from the legal personality of the Parties.
- In the framework of this Agreement, the Consortium Members join forces in order to comply jointly with the requirements of the REACH Regulation for Substance(s) registration, including the requirements for the respective Substance(s) pre-registration. The Parties to the Consortium Agreement undertake to use all reasonable efforts to ensure the appropriate and timely achievement of the Consortium purposes. In particular, the Consortium Members undertake to pursue collectively the following purposes and objectives :
 - Compile and assess existing Studies ;
 - Prepare proposal for new testing not involving vertebrate animals and have such tests performed;
 - Identify, propose and perform jointly vertebrate animals Studies for the registration purpose, when absolutely necessary and required according to the REACH regulation;
 - Prepare the Core Data;
 - Address technical issues in relation to registration;
 - Develop read-across approach based on surrogate data;
 - Assess opportunities for exposure-based waivers;
 - Develop a uniform Classification and Labelling ;
 - Prepare jointly the Chemical Safety Report and the Guidance On Safe Use of the Substance ;
 - Coordinate the submission, by the Lead Registrant, of the Core Data, the Chemical Safety Report and the Guidance on Safe Use of the Substance ;
 - Register the Core Data before the Deadline for registration applicable to the Member with the highest tonnage band ,.
- Members shall bear the Consortium costs jointly, according to a set of cost sharing formulae, as defined in Appendix 5.
- Membership is open to all EU or non-EU Potential Registrants of one or more of the Substances retained in the scope of this Consortium.
- Group of companies, holding companies or their Affiliates wishing to enter the Consortium will be accepted as one Member. The contributed fees will be calculated on the basis of their aggregated tonnage report. The Registration Dossier(s), as prepared by the Consortium, will be available for purpose of Registration by each of the legal entities of the Group having REACH obligations for the Substances the Group is specifically contributing to the Consortium, as referenced in Appendix 3 and Appendix 5.
- Interested Parties will be encouraged to join the Consortium from the outset. Late entrants to the Consortium, will have to pay their portion of the incurred expenses by the Consortium to date, multiplied , after January 1 2008, by $(100\% + x\%)$, where x is the number of months since the starting-up of the Consortium.
- The effective organization of the Consortium will be based on a General Assembly, a Management Committee, working groups, a Secretariat and a Trustee:

- General Assembly: in order to take strategic decisions, to designate the members of the Management Committee and to approve the yearly accounts of the Consortium. Each Member shall appoint an authorized representative to the General Assembly.
 - Management Committee: in order to make proposals to the General Assembly and to steer the daily management of the Consortium delegated to the Secretariat. It will be composed of 6 participants, designated by the General Assembly among the Members and representing on an equal basis each of the 2 sub-groups of Substances, as defined in Appendix 3.
 - Working groups: ad-hoc working groups, composed of one or more Representatives of the Members, of the Advisors, of experts or of the Secretariat . Those groups will collect and organize the information and the data deemed necessary for the completion of common Registration Dossier.
 - Secretariat: responsible for the daily management and the external representation of the Consortium, in strict compliance with the mandate given by the Management Committee or the General Assembly. For practical reasons, the Secretariat will be delegated to the International Zinc Association – Europe (IZA-E)
 - Trustee: responsible for receiving, collecting, recording and aggregating any information, including confidential and proprietary information, and/or those which, if disclosed to another Member, might be regarded as a breach of the EU competition law. For practical reasons, the Trustee-function will be proposed to the International Cadmium Association (ICdA)
- Each Member shall have one vote to the General Assembly meetings and decisions shall be taken with a majority of 50% plus one of the voting Members (present or represented), except specific cases where 2/3 qualified majority is required (modification or end of Consortium Agreement). Decisions by the participants to the Management Committee shall be taken by the majority of 50% plus one of such voting participants (presents or represented).
 - If deemed necessary, the General Assembly, based on a proposal from the Management Committee, may enlarge the scope of the Consortium to other Substances than the original ones, or to the constitution of the required dossiers for Notification or Authorization of some of the Substances retained in the scope of the Consortium.
 - Each Consortium Member shall comply, in an appropriate and timely manner, with all provisions of REACH Regulation that are required of it, as well as those under the Consortium Agreement. Information and Data provided by one Consortium Member shall remain ownership of such Member and its use restricted to the sole purpose of the Consortium. If and when needed, Data generated by the Consortium shall become co-ownership of the Consortium Members; any right of use granted to third parties (through ‘Letters of Access’) shall be decided by Consortium Members. In any case, confidentiality provisions will be strictly respected.
 - The Consortium Members shall be liable to each other only in respect of willful misconduct, fraud and/or gross negligence (for instance, in case of material breach of this Agreement by non-paying agreed fees or non respect of the confidentiality obligations).

In any case, the liability of each Consortium Member towards third parties shall be several and non joint.

In any case, no Member shall be liable for any loss of profit or loss of margin or for any indirect or consequential damages.

- The Consortium Agreement shall remain in full effect until terminated by decision of the General Assembly.
 - The Consortium Agreement is governed by Belgian Laws.
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APPENDIX 3

Substances covered by the Cadmium Consortium Agreement

- The Substances, as listed below, will be in the original scope of the Cadmium Consortium.
- The Substances are categorised in two sub-groups and contribution from Members will be calculated according cost sharing formulae, specific per sub-group of Substances, as detailed in Appendix 5.
- Substances will be added or deleted from a sub-group by decision of the General Assembly, based on a proposal from the Management Committee.

A. Sub-group of Cadmium metal & preparations

Name of the Substance	Synonyms if available	Formula if available	EC Number	CAS Number
Cadmium	Cadmium alloys	Cd Cd-Ag Cd-In	231-152-8	7440-43-9

B. Sub-group of Cadmium compounds

Name of the Substance	Synonyms if available	Formula if available	EC Number	CAS Number
Cadmium Oxide		CdO	215-146-2	1306-19-0
Cadmium Hydroxide		Cd(OH) ₂	244-168-5	21041-95-2
Cadmium Nitrate		Cd(NO ₃) ₂	233-710-6	10325-94-7
Cadmium Carbonate		CdCO ₃	298-586-8	93820-02-1
<i><u>Candidate Substances</u></i>	<i><u>To be confirmed</u></i>			
<i>Cadmium Sulphide</i>		<i>Cd S</i>	<i>215-147-8</i>	<i>1306-23-6</i>
<i>Cadmium Sulfo Selenide</i>		<i>Cd S Se</i>	<i>261-218-1</i>	<i>58339-34-7</i>
<i>Cadmium Zinc Sulphide</i>		<i>Cd Zn S</i>	<i>232-466-8</i>	<i>8048-07-5</i>

APPENDIX 5
to the Cadmium Consortium Agreement

Cost-sharing formula

1. According the declaration submitted by the Member to the Trustee at the moment of the signature of the Cadmium Consortium Agreement or afterwards updated to the Trustee , the Member will report the respective tonnages of the Substances manufactured and/or imported, per sub-group of Substances.

2. The share of the total costs exposed by the Consortium and to be paid by each Member shall be calculated based on (i) the declaration submitted by the Member to the Trustee , (ii) the specific cost-sharing formula(e) applicable per sub-group of Substances and (iii) on the annual budget prepared by the Secretariat and the Accountant, as approved by the Management Committee and the Assembly of the Cadmium Consortium.

3. Including the half of the expected cost of a specific additional study -Impact of Cd exposure on bone on workers- , the first yearly cost estimate of the Cadmium Consortium is forecast at the level of €210.000 ; such budget will be reviewed by the Management Committee every six months:
 - 3.1. Generic Cadmium Consortium expenses:

1.1.1. Secretariat:	15.000€
1.1.2. Meeting & travel:	10.000€
1.1.3. Accounting & reviewer:	16.000€

 - 3.2. Experts mandated by the Management Committee to constitute the corresponding Registration files:

3.2.1. Senior expert: 45 days x1000€/d >	45.000€
3.2.2. Junior expert: 55 days x 600€/d >	33.000€

 - 3.3. Provision for the additional study, to be confirmed by the Management Committee, on "the effect on Cd on bone on workers" > 90.000€ (50%, during the first year, of study costs budgeted at 180.000€)

4. The mathematical description of the cost-sharing formula of the sub-group "Cadmium-metal & preparations" of the Cadmium Consortium is the following:
 - 4.1. 3.57% of the total budget, for a tonnage band declared between 1 - 4 t/y
 - 4.2. 4.76% of the total budget, for a tonnage band declared between 5 - 24 t/y
 - 4.3. 5.95% of the total budget, for a tonnage band declared between 25- 124 t/y
 - 4.4. 7.14% of the total budget, for a tonnage band declared between 125- 499 t/y
 - 4.5. 9.52% of the total budget, for a tonnage band declared over 500 t/y

5. The mathematical description of the cost-sharing formula of the sub-group "Cadmium-compounds" of the Cadmium Consortium is the following:
 - 5.1. 1.43% of the total budget, for a tonnage band declared between 1 - 24 t/y

- 5.2. 2.38% of the total budget, for a tonnage band declared between 25 - 199 t/y
 - 5.3. 4.29% of the total budget, for a tonnage band declared between 200 - 999 t/y
 - 5.4. 5.71% of the total budget, for a tonnage band declared between 1.000 - 2.999 t/y
 - 5.5. 7.14% of the total budget, for a tonnage band declared over 3.000 t/y
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- 6. The production report regularly addressed to the Trustee shall mention the Substances for which the Member is contributing to the Consortium, the yearly tonnage of those Substances sold to the market in the last ,or most representative, year; material flow of Substances between sites of the same Group, intended to be transformed in another Substance will not be taken into account for fee calculation purposes
 - 7. The cost related to additional studies, deemed necessary, as decided by the Management Committee, shall be borne by the participants, in proportion to their respective cost share
 - 8. Any change in the Substances and tonnage bands declared by a Member to the Trustee shall be promptly announced to the Trustee.
 - 9. Upon formal request from the Management Committee, the Member will have to accept to submit auditable attestations on the Substances and the tonnage bands declared and registered at the Agency, to the Trustee
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