

LOWER OLEFINS AND AROMATICS REACH CONSORTIUM**EU REACH Regulation¹****To****Potential Members of the Substance Information Exchange Forum**

Dear Sir / Madam,

This letter is addressed to those who are potential participants in the Substance Information Exchange Forum (SIEF)² to be formed for substances as listed on the European Chemicals Agency REACH IT system and which fall within the activities of the Lower Olefins and Aromatics (LOA) REACH Consortium. Current Members of the LOA REACH Consortium are listed in Annex 1 and constitute the vast majority of the EU manufacturing capacity for the substances covered by the Consortium.

The intention of this letter is (1) to set out the measures taken by the olefins and aromatics industry to comply with REACH and to coordinate SIEF activities and (2) to invite SIEF participants to join these activities. The LOA REACH Consortium is offering efficient leadership and expertise in meeting the REACH registration requirements to all importers and manufacturers of substances covered by the Consortium.

This letter does not require an immediate response, as it seeks to provide information on which organisations can base decisions. Further communications in the coming weeks will ask you specifically whether your organisation wishes to join the LOA REACH Consortium.

¹ Regulation (Ec) No 1907/2006 of the European Parliament and Of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH)

² Details of the regulatory status and position of SIEFs pursuant to the REACH Regulation are set forth in Annex 3.

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Introduction

In June 2008, the Lower Olefins and Aromatics REACH Consortium (“LOA REACH Consortium”) was established. The LOA REACH Consortium is open to new members and welcomes applications from EU and non-EU manufacturers and importers of Lower Olefins and Aromatics. Non-EU manufacturers must be represented by an EU-based Only Representative, as required by the REACH Regulation. The dedicated website at <http://www.loa-reach.com/> provides general information on the LOA REACH Consortium, its objectives, scope, and the procedures for joining. The regularly updated list of members of the LOA REACH Consortium is available on the website. A detailed list of the substances covered by the LOA REACH Consortium is also provided on the site.

The LOA REACH Consortium has been created through a detailed and binding contract with the intent to provide an excellent structure and process for collaboration to enable registration of substances under REACH in a timely and cost-effective manner, meeting all the regulatory requirements. It is governed by a General Assembly of all Members, and has an Executive Committee and a Technical Steering Committee. The Consortium is assisted by the LOA REACH Services Team (LOAT), which is responsible for management of the Consortium, including legal and financial management, and for preparation of the registration dossiers, so as to enable the members to meet the requirements of REACH in a compliant, timely, and cost-effective manner. The LOAT’s service providers work closely with the Technical Steering Committee and LOAT is accountable to the Executive Committee.

The credentials of the members of the Executive Committee, the Technical Steering Committee and the LOAT service providers are unsurpassed, and include many of the individuals that have been involved in the science and regulatory aspects of lower olefins and aromatics in Europe for the past decades. Consequently, there is a high degree of confidence in the suitability and quality of the work products.

LOAT contains highly competent management, legal and financial capabilities to ensure the smooth running of the Consortium and compliance with all legal and anti-trust obligations. Financial controls are in place, and the activities of the LOAT are managed so that costs can be controlled and attributed in a fair, transparent and non-discriminatory way. The LOAT’s technical experts ensure that the Consortium’s work products are “state of the art.”

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LOA Deliverables

The LOA REACH Consortium will deliver the core data that is required for each registration dossier. The core data will be the electronic file (IUCLID 5) of common elements of the registration dossier to the level required by the registration type (intermediate or full registration), and will include Classification and Labelling proposals, the derivation of the required DNELS and PNECs, and the Chemical Safety Report. If necessary, dependent on the hazard classification of the substance concerned, it will also include an exposure assessment, risk characterisation and exposure scenarios for agreed common uses which will all be covered in the Chemical Safety Report. Elements of the extended Safety Data Sheet that need to be changed to reflect the conclusions of the dossier will also be made available. Finally, guidance on how to use the information and what is not provided will be given.

Thus, members will receive a complete package of information, along with instructions. They need to provide additional information to ECHA only on company specific details and issues such as uses not covered in the Chemical Safety Report.

Data and Dossier Access

The LOA REACH Consortium welcomes applications for membership from any manufacturer or importer of [Substance Name]. Detail of the membership process is given on the consortium's website. The benefits of membership of the Consortium include (i) efficiency and effectiveness in meeting REACH registration requirements, (ii) access to the working processes, (iii) access to all information developed by the Consortium, (iv) assistance from a first rate team of service providers, and (v) business reassurance of the progress toward registration. However, it is appreciated that this is maybe not the best option for all potential registrants.

An alternative to full membership of the LOA REACH Consortium is to purchase a Letter of Access to the information and data rights within the core data registration package for Substance Name assembled by the LOA REACH Consortium. Further information on the Letter of Access is given on the LOA REACH Consortium website.

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SIEF Management

For many of the substances covered by the LOA REACH Consortium there are many hundreds of potential registrants. Recognising the difficulties that this might cause to the industry, the members of the LOA REACH Consortium requested that the LOAT provide management services for the SIEFs and help coordinate the work of the Consortium with other SIEF participants.

LOAT will manage the SIEFS for substances of interest to the LOA REACH Consortium in order to support the technical work, to promote cost efficiency, and to provide a common platform for all manufacturers and importers of Lower Olefins and Aromatics. The over-all objective of the LOA REACH Consortium is to meet the REACH requirements in a transparent, fair and non-discriminatory manner in line with the requirements detailed in Annex 2. Accordingly, they will provide a forum for:

- The exchange of vertebrate data on substances
- Developing a common position on classification and labelling
- Promotion of valid category approaches to data use to avoid unnecessary vertebrate testing that would otherwise be required by the legislation
- Promotion of sustainable scientific approaches to information
- Easing transactions on study ownership and cost sharing

LOAT will facilitate communication with SIEF participants by means of an electronic system. Because of the very large numbers of pre-registrants for many LOA substances it is feasible to have an open forum for discussions. LOAT will employ more structured and targeted forms of communication. It intends to communicate with all SIEF participants on a regular basis to inform them of progress towards the stated goals and to provide a mechanism to share information and opinions. On critical issues, it will be possible to poll the SIEF participants for a particular course of action. All relevant information from the SIEF will be made available to all SIEF participants and any other interested parties - for example, the organisations in a parallel SIEF that is developing a joint category approach.

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Request for Indication of Support

In order to run the SIEF in an efficient manner, we would like to have the support of the SIEF participants. Consequently, in accordance with CEFIC guidelines, we will be sending you a link to an electronic questionnaire by the end of January 09 to ask for your support and if you consider yourselves:

1. Leading – You would like to join the LOA REACH Consortium and request a membership pack.
2. Involved – You intend to register and may be actively involved. You would like to receive SIEF progress reports and, as appropriate, invitations to comment, but do not intend to become a member of the LOA REACH Consortium. You intend to purchase a Letter of Access from the LOA REACH Consortium.
3. Passive – You have the intention to register but not to be actively involved. You would like to receive SIEF progress reports, and will not join the LOA REACH Consortium. You intend to purchase a Letter of Access.
4. Dormant – You have no intention to register and do not need any further communications.

Once we have this information, we will be in a much better position to inform you of costs and other important issues.

Further Information

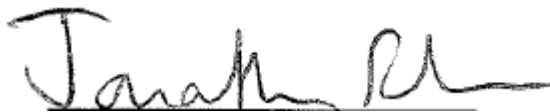
We will keep the LOA website updated with general information relevant to the SIEF and the progress of our communications. We can receive e-mail from SIEF participants at SIEF.manager@loa-reach.com. Please, note, however, that due to the very large number of organisations involved, detailed responses to individuals may be difficult.

In the meantime, please be assured that we are doing everything possible to ensure that the Lower Olefins and Aromatics and associated industries meet their REACH obligations in a full and timely manner.

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On the LOA REACH Consortium's website you will also find a short presentation on many aspects relevant to your internal discussions. We trust that this letter and the presentation will help you in your decision making process.

Yours faithfully,



Jonathan Forbes-Lane
Chairman, General Assembly
LOA REACH Consortium

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Annex 1

Current Consortium Members

The LOA REACH Consortium is a grouping of companies with a common interest in registering Lower Olefins and Aromatic substances within the context of the EU REACH Regulation. The current membership is given below. There are a number of additional companies that have expressed an interest in joining.

- Arsol Aromatics GmbH
- BASF SE
- Borealis AG
- CEPESA QUIMICA S.A.
- Deutsche BP AG
- Dow Europe GmbH
- Evonik Oxeno GmbH
- ExxonMobil Petroleum & Chemical BVBA
- Hellenic Petroleum SA
- INEOS Europe Ltd
- LyondellBasell Industries
- LUKOIL Neftochim Bourgas AD
- OMV AG
- PetroFina NV (Total Petrochemicals)
- Petrogal S.A.
- Polimeri Europa SpA
- Repsol Quimica S.A.
- Rütgers Chemicals GmbH (VFT)
- SABIC Petrochemicals BV
- Shell Chemicals Europe BV

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Annex 2 - SIEF References in the REACH Regulations

REGULATION (EC) No 1907/2006 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH)

Recitals

(54) In order to avoid duplication of work, and in particular to avoid duplication of testing, registrants of phase-in substances should pre-register as early as possible with a database managed by the Agency. A system should be established in order to provide for the establishment of Substance Information Exchange Forums (SIEF) to help exchange of information on the substances that have been registered. SIEF participants should include all relevant actors submitting information to the Agency on the same phase-in substance. They should include both potential registrants, who must provide and be supplied with any information relevant to the registration of their substances, and other participants, who may receive financial compensation for studies they hold but are not entitled to request information. In order to ensure the smooth functioning of that system they should fulfil certain obligations. If a member of a SIEF does not fulfil his obligations, he should be penalised accordingly but other members should be enabled to continue preparing their own registration. In cases where a substance has not been pre-registered, measures should be taken to help downstream users find alternative sources of supply.

Article 29

Substance Information Exchange Forums

1. All potential registrants, downstream users and third parties who have submitted information to the Agency in accordance with Article 28, or whose information is held by the Agency in accordance with Article 15, for the same phase-in substance, or registrants who have submitted a registration for that phase-in substance before the deadline set out in Article 23(3), shall be participants in a substance information exchange forum (SIEF).

2. The aim of each SIEF shall be to: (a) facilitate, for the purposes of registration, the exchange of the information specified in Article 10(a) (vi) and (vii) between potential registrants, thereby avoiding the duplication of studies; and (b) agree classification and labelling where there is a difference in the classification and labelling of the substance between potential registrants.

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3. SIEF participants shall provide other participants with existing studies, react to requests by other participants for information, collectively identify needs for further studies for the purposes of paragraph 2(a) and arrange for such studies to be carried out. Each SIEF shall be operational until 1 June 2018.

Article 30

Sharing of data involving tests

1. Before testing is carried out in order to meet the information requirements for the purposes of registration, a SIEF participant shall inquire whether a relevant study is available by communicating within his SIEF. If a relevant study involving tests on vertebrate animals is available within the SIEF, a participant of that SIEF shall request that study. If a relevant study not involving tests on vertebrate animals is available within the SIEF, a SIEF participant may request that study. Within one month of the request, the owner of the study shall provide proof of its cost to the participant(s) requesting it. The participant(s) and the owner shall make every effort to ensure that the costs of sharing the information are determined in a fair, transparent and non discriminatory way. This may be facilitated by following any cost sharing guidance which is based on those principles and is adopted by the Agency in accordance with Article 77(2)(g). If they cannot reach such an agreement, the cost shall be shared equally. The owner shall give permission to refer to the full study report for the purpose of registration within two weeks of receipt of payment. Registrants are only required to share in the costs of information that they are required to submit to satisfy their registration requirements.

2. If a relevant study involving tests is not available within the SIEF, only one study shall be conducted per information requirement within each SIEF by one of its participants acting on behalf of the others. They shall take all reasonable steps to reach an agreement within a deadline set by the Agency as to who is to carry out the test on behalf of the other participants and to submit a summary or robust study summary to the Agency. If no agreement is reached, the Agency shall specify which registrant or downstream user shall perform the test. All participants of the SIEF who require a study shall contribute to the costs for the elaboration of the study with a share corresponding to the number of participating potential registrants. Those participants that do not carry out the study themselves shall have the right to receive the full study report within two weeks following payment to the participant that carried out the study.

3. If the owner of a study as referred to in paragraph 1 which involves testing on vertebrate animals refuses to provide either proof of the cost of that study or the study itself to (an) other participant(s), he shall not be able to proceed with registration until he provides the information to the other participant(s). The other participant(s) shall proceed with registration without fulfilling the relevant information requirement, explaining the reason for this in the registration dossier. The study shall not be repeated unless within 12 months of the date of registration of the other participant(s), the owner of this information has not provided it to them and the Agency decides that the test should be repeated by them. However, if a registration containing this information has already been submitted by another registrant, the Agency shall give the other participant(s) permission to refer to the information in his registration dossier(s). The other registrant shall have a claim on the other

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participant(s) for an equal share of the cost, provided he makes the full study report available to the other participant(s), which shall be enforceable in the national courts.

4. If the owner of a study as referred to in paragraph 1 which does not involve testing on vertebrate animals refuses to provide either proof of the cost of that study or the study itself to (an)other participant(s), the other SIEF participants shall proceed with registration as if no relevant study was available in the SIEF.

5. An appeal may be brought, in accordance with Articles 91, 92 and 93, against Agency decisions under paragraphs 2 or 3 of this Article.

6. The owner of the study who has refused to provide either proof of the cost or the study itself, as referred to in paragraph 3 or 4 of this Article, shall be penalised in accordance with Article 126.