Issue

The European Chemical Regulation REACH (EC/1907/2006) requires importers to pre-/ register imported substances, unless the importer is considered to be a downstream user. This is the case if the imported volume is covered by an Only Representative (OR) appointed by the non-EU manufacturer of the imported substances on their own or in a preparation.

REACH does not distinguish between direct and indirect imports into the EU. Therefore, non-EU business followed by export to EU is more complicated – in particular if several non-EU steps along the supply chain are involved and substances have been formulated into preparations with confidential composition. In a multi-level non-EU supply chain the manufacturer of a substance usually does not know through which channels, in which products and finally how much volume of his substances is being imported into the EU. It is an essential business secret (CBI) of traders or formulators what the components of their products and who their suppliers and customers are. Neither the non-EU manufacturer (represented by the OR) nor the importer can fulfill their obligations without disclosing CBI and potentially leading to loss of business.

Solution

The non-EU manufacturer of a substance has nominated an OR (according to REACH Article 8) and agreed to the use of the REACH-Code-Model. The OR himself or an external Trustee will act as a trustee of the non-EU manufacturer, the traders, formulators and importers for their respective substances or mixtures in order to maintain confidentiality for all steps of the supply chain. A coding system will be used for exchanging supplier, material and volume information between the different parties of the supply chain and the OR/Trustee. The OR/Trustee generates and assigns unique and time limited codes to every participant of the supply chain for every single product containing material originating from the non-EU manufacturer. The OR/Trustee keeps track of all importers, substances and volumes and issues Import Certificates to the importers related to the substances and volumes covered.

All parties can continue their business without disclosing confidential business information (CBI) and in full compliance with REACH.
Procedure

According to this REACH-Code-Model, the manufacturer of a product requests a Code Certificate from the OR/Trustee for a customer-fixed quantity for the purpose of potential import into the EU and supplies the product (together with the Code Certificate) to his customer. The customer has the right to resell the whole certified quantity under the purpose of potential export to the EU. For this, he has to request a new code, which he can receive again from the OR/Trustee. The code will be issued to the customer or any supplier down the supply chain for a certain volume of a substance or mixture and a validity period. Due to this information, the OR/Trustee can locate the product origin and the OR of the non-EU manufacturer can verify that the substances contained are in their total annual quantity covered by the pre-registration under REACH. The OR/Trustee is contractually obligated to treat the identity of the respective suppliers and customers and any product and volume related information confidential. The Code applied for can be valid at maximum from the date of issuance until the end of the following calendar year.

After the OR/Trustee has recorded all respective quantities of the substance or mixture for the non-EU manufacturer, finally the EU importer(s) will receive an Import Certificate, which documents the calendar year, the product and quantity for which the OR is fulfilling the obligations of an importer under REACH. For this reason it can be presented to the competent authorities. Due to the REACH tracking requirements, this Import Certificate can be valid for the current calendar year only. The REACH-Code-Model enables the OR to calculate the total amount of a certain substance being imported to the EU. Also the compliance concerning the tonnage band, which was stated in the pre-registration, can be assured.

No information on EU importers will be provided to the OR, in case that the OR is an own legal entity of the non-EU manufacturer. In such a case the Trustee will keep this information on file and provide to the competent authorities on request.

Process Steps to be followed:

1. The non-EU manufacturer determines the total volume for each of the substances that he wants to „enable“ to be imported into the EU (= EU cleared volume).

2. The Only Representative (OR) pre-registers all substances in the appropriate volume bands

3. By using Form 1 the non-EU manufacturer applies for Code Certificates (Form 2) or Import Certificates (Form 3 - in case of direct EU business).

4. The OR/Trustee (Chemservice) generates a Code Certificate for the non-EU manufacturer for every product (substance/mixture) for each non-EU customer who exports to the EU or whose value chain exports into the EU.

5. The non-EU manufacturer provides the Code Certificate to his non-EU customer, who exports products (containing EU-cleared material) to the EU directly, or who sells EU-cleared material to another non-EU customer (who exports to the EU).

6. The non-EU customer contacts the OR/Trustee (Chemservice) and applies for a Code Certificate or Import Certificate (Form 1) for every product that contains Code Material and that he either wants to export directly to the EU or that he wants to sell to the next non-EU customer, who again needs EU cleared material. The OR/Trustee (Chemservice) records the data and sends an invoice to the code applicant. No individual contract between the non-EU customer (who wants to participate in the system) and the OR/Trustee is required, but Certificates applied for have to be paid in advance.

7. Once the invoice is paid, the OR/Trustee (Chemservice) generates a new Code Certificate (Form 2) for the non-EU customer for every product being supplied to each further non-EU customer or an Import Certificate (Form 3) for each importer that he is selling to.

8. The OR/Trustee (Chemservice) records all substance, volume and importer data of all Code material being exported to the EU (either by the non-EU manufacturer directly and/or their non-EU customer(s) indirectly), in order to fulfill the REACH compliance obligations.
Further information and our REACH-Code-Model package, which includes our Terms & Conditions and all necessary documents, are available at:

http://www.chemservice-group.com/reach_code_model.html

In case you have any further questions, please feel free to contact our Code Team at the following email address:

code@chemservice-group.com

The REACH-Code-Model is applicable in cases of external Only Representatives (OR Model), internal Only Representatives (Trustee Model), for EU Re-Imports (Re-Import Model) and of course for combinations of these.

The Flow Charts on the following pages illustrate the different scenarios:
**APPLICATION FOR CODE / IMPORT CERTIFICATE**

Please submit by email to: code@chemservice-group.com

<table>
<thead>
<tr>
<th>Date of request:</th>
<th>Day</th>
<th>Month</th>
<th>Year</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Request type:</th>
<th>Code Certificate</th>
<th>Import Certificate (only if Customer = EU Importer)</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Certificate is valid from:</th>
<th>Certificate is valid to:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Day</td>
<td>Month</td>
</tr>
<tr>
<td>Determines the start date of the validity period of the Code or Import Certificate.</td>
<td></td>
</tr>
<tr>
<td>If this request is based on a Code Certificate then this date cannot be before the “valid from” date of the Code Certificate.</td>
<td></td>
</tr>
<tr>
<td>Leave this information blank in order to obtain the maximum validity period for a Certificate.</td>
<td></td>
</tr>
<tr>
<td>This information would be required only by non-EU manufacturers whose products may contain substances, which will not be registered by the REACH registration deadline 2018/05/31.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Supplier:</th>
<th>Supplier contact regarding this request:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company name:</td>
<td>Name:</td>
</tr>
<tr>
<td>Address:</td>
<td>Phone:</td>
</tr>
<tr>
<td>Country:</td>
<td>Email:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Authorized Customer / EU Importer to which this request applies:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company name:</td>
</tr>
<tr>
<td>Address:</td>
</tr>
<tr>
<td>Country:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Application for a Code/Import Certificate of REACH compliance for the following product &amp; volume:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product name:</td>
</tr>
<tr>
<td>This is the trade name of the product that is being supplied to the Customer / EU Importer.</td>
</tr>
<tr>
<td>Amount of product that is being supplied to the Customer / EU Importer and for which this Code or Import Certificate is providing coverage.</td>
</tr>
</tbody>
</table>

*This section is applicable only if your product contains material for which you received a Code Certificate*

This application refers to the following supplier Code Certificate(s):

<table>
<thead>
<tr>
<th>Code No.:</th>
<th>percentage of product covered by given code:</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Code No.:</td>
<td>percentage of product covered by given code:</td>
<td>%</td>
</tr>
<tr>
<td>Code No.:</td>
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<td>%</td>
</tr>
<tr>
<td>Code No.:</td>
<td>percentage of product covered by given code:</td>
<td>%</td>
</tr>
</tbody>
</table>
CODE CERTIFICATE OF
REACH COMPLIANCE COVERAGE (NON-EU)

Code No.: 71696AF80E1AF582F61CE400A1-2009

As the appointed Only Representative of a non-EU manufacturer, according to Article 8 of the Regulation (EC) No. 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH), and/or Trustee of a non-EU and/or EU manufacturer and/or Trustee of a non-EU manufacturer's Only Representative, we herewith confirm that

the following product: Product ABC
supplied by: AllChemicals Corp.
Great Ave. 6278
Fantasy City, GX 02654
USA

to: Mishmash Chemicals
Uphill Road 1423
Plastics Town, KL 72533
USA

with a delivery amount of 80 metric tons
contains 100% (w/w) of substances which are either exempt from the obligation to register, according to REACH Article 2, or are covered (within the supply chain of this product) by (Pre-)Registration(s) at the European Chemicals Agency (ECHA).

This document and the provided Code are only valid for the named customer outside the European Union. The Only Representative and/or Trustee has to be contacted by the named customer to provide further REACH-Code-Model support either for the non-European supply chain or for the European importers.

We are prepared to provide enforcement authorities in the EU with the necessary details upon request.

This certificate is valid from November 06, 2008 to December 31, 2009.

Dr. Dieter Drohmann
Managing Director

Chemservice S.A.
5, an de Laengten
L-6776 Grevenmacher, Luxembourg
Email: code@chemservice-group.com

November 06, 2008
IMPORT CERTIFICATE OF
REACH COMPLIANCE COVERAGE (EU)

Certificate No.: 88696CF80E1AF388F61EB2000B-2008

As the appointed Only Representative of a non-EU manufacturer, according to Article 8 of the Regulation (EC) No. 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH), and/or Trustee of a non-EU and/or EU manufacturer and/or Trustee of a non-EU manufacturer's Only Representative, we herewith confirm that

the following product Multimix 25
supplied by Mishmash Chemicals
Uphill Road 1423
Plastics Town, KL 72533
USA
to European Importer
P.O. Box 53778
D-09724 Nordhall
Germany

with a delivery amount of 50 metric tons
contains 100% (w/w) of substances which are either exempt from the obligation to register, according to REACH Article 2, or are covered (within the supply chain of this product) by (Pre-)Registration(s) at the European Chemicals Agency (ECHA).

We are prepared to provide enforcement authorities in the EU with the necessary details upon request.

This certificate is valid for the year 2008.

Dr. Dieter Drohmann
Managing Director

Chemservice S.A.
5, an de Laengten
L-6776 Grevenmacher, Luxembourg
Email: code@chemservice-group.com

December 15, 2008