

## Subject: REACH

On 1<sup>st</sup> June 2007 the European Community regulation N° 1907/2006 - REACH (Registration, Evaluation and Authorisation of Chemicals) entered into force. The aim of this new legislation is to guarantee a high level of protection with respect to human health and the environment and to ensure the free circulation of chemicals in the EU, while at the same time enhancing competitiveness and innovation.


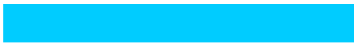

This regulation is a new system for the registration, evaluation and permission of chemical materials. It is a goal to evaluate and analyze comprehensively the effects on the environment as well as on the human health. Further from it responsible handling of individual substances has to be guaranteed.

The system REACH based on the principle of the sole responsibility of the industry has the guidance "no data no market". This is to mean that only registered materials can be sold (in the EU). To accomplish this goal it is necessary that the communication between customers and suppliers in the whole supply chain (final user - material manufacturers) is very intensive. Therefore, all actors in the supply chain are affected!

The half-yearly pre-registration starts on 1<sup>st</sup> of June 2008. The aim of this phase is a collection of all substances which are currently in circulation. The substances-producers / importers are then divided into groups, so-called SIEFs. This should be a good exchange-information-forum and it should help during the registration process. In return the producers / importers which use the free pre-registration, depending on the quantities and material properties, get extended deadlines for registration.

Basically, the following deadlines:

CMR substances (Carcinogenic, Mutagenic or Toxic for reproduction) of 1 t per annum or more, as well as chemicals dangerous for the environment, classified N (R50/53), in volumes of 100 t per annum or more must also be registered within the first 3 years after regulation implementation. For all other substances in the table listed dates:

Tonnage	2007	2008	2010	2013	2016	2018
> 1 Ton per year						
> 100 Tons per year						
> 1000 Tons per year						

Another important point is that only substances can be registered. Preparations and products / articles are exempted from registration.

SAX Polymers Industrie GmbH has carefully watched the various stages of the draft and intends to implement the REACH requirements. We would like to point out that Master-Batches / Compounds, which should be considered as preparations exempted from the pre-registration and registration. However, substances which used in the various preparations have to be pre-registered from our suppliers. Consequently, it is necessary to receive information about the use of the SAX Polymers product; but therefore we ask you to a later date. Thank you for your cooperation.

For further questions please contact us.

Your SAX Polymers team