

REACH Summary

The European Commission adopted a new EU regulatory framework for chemicals - "REGULATION (EC) No 1907/2006 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL" concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (commonly known as REACH).

In REACH the responsibility for the risk management of chemical substances lies with the natural or legal persons that manufacture, import, place on the market, or otherwise use the chemical substances in the context of their professional activities. For this reason REACH will have significant impact on the manufacturer or importer (M/I) of chemicals in the EU as it will require that the M/I **Register** chemicals greater than 1 tonne, **Evaluate** based upon defined hazard criteria, and ultimately receive **Authorization** (or be **Restricted**) in the market of particularly hazardous chemicals. The substance use in chemical preparations will be evaluated with respect to health, safety and environmental aspects when manufactured or processed.

The Classification and Labeling (C/L) of chemicals will be impacted throughout the supply chain including to the Downstream User (DU). Chemicals may only be traded down the supply chain if the end use is specifically known and accounted for both in streamlined Dossiers or more extensive Chemical Safety Reports (CSR) that will be submitted to the EU and communicated on SDS sent to the DU. It is expected that the administrative workload for companies will grow significantly with the introduction of REACH, and will stay high for several years.

Normally, registration is done before a substance can be manufactured, imported or placed on the market. However, for most substances that are already being manufactured or imported (so called "phase-in substances") a special transitional regime (pre-registration) applies which allows their manufacture or import to continue.

Pre-Registration (June 1, 2008 to November 30, 2008)

Substances in preparations may qualify for pre-registration, or phase-in, under these conditions; (1) chemicals are listed on the European Inventory of Existing Commercial Chemical Substances EINECS, (2) manufactured in the EU once within 15 years but not placed on the market, or (3) qualify as "No-Longer Polymers". Pre-registration affords importers of substances to benefit from a phase-in period that delays registration and its associated workload documentation.

Registration (various dates)

Specialty chemical preparation manufacturers, such as printing inks that are comprised of a variety of chemical products, must insure that all chemical substances within all raw materials and intermediates are registered under REACH. Additionally, a chemical substance manufactured by one supplier will not automatically carry the same registration number as an alternate supplier. As an example, if "Polyamide Resin A" is registered under REACH by one manufacturer and there is an alternate supplier of a chemically similar "Polyamide Resin B", they will both require registration under REACH and communication down the supply chain.

INX International Ink Co. REACH Activities

INX International Ink Co. and its affiliated companies are well aware of the REACH Regulations and are committed to the implementation of REACH within our business. We are working with trade associations, our suppliers and our customers already and will continue to do so over the coming years on the implementation of REACH.

In order to implement the new REACH Regulation we are currently executing our internal plan of measures intended to consider all requirements and obligations arising for substances used in our products. We are analyzing all of our current products and projecting our new product portfolio to identify all of the chemical substances requiring pre-registration and or registration. We intend to pre-register all phase-in substances. This pre-registration will ensure uninterrupted business at least until November 2010. Further it is our intent to register each of these chemicals at the appropriate time based upon our level of manufacturing in the EU or importation into the EU or an acceptable alternative scenario.

Exceptions will be identified on an individual basis, and we will of course notify you should the REACH requirements cause us to decide not to register or seek authorization of substances that are part of any product that we sell to you.

In early 2009 we will participate with many other companies to establish the required Substance Information Exchange Forum (SIEF) required for the substances where we are involved in the Importation into the EU of more than 1,000 tonnes. This activity is in preparation for the initial Registration and Test Plan submissions due November 30, 2010.

It is the intent of INX International Ink Co. to support the registration of all customer uses consistent with our Corporate Policies and Strategic Vision which aim to protect our customers and society.

We hope that this provides you with an overview of REACH and our Corporate Strategy to insure compliance and protect our mutual interests of responsible chemical use within industry and society at large.