RESPONSIBLE CARE® OBLIGATIONS AND GOVERNANCE PROCESS FOR ACC MEMBERS AND RESPONSIBLE CARE PARTNERS

The American Chemistry Council (ACC) will use the following governance process to manage ACC Member and Responsible Care Partner adherence to their Responsible Care obligations. At the request of Members and Partners, the process has been made transparent and thorough, designed to ensure the integrity of the Responsible Care program while fostering support for companies in meeting the program’s obligations of membership.

Steps to be taken by Responsible Care Staff

1. Periodically, Members and Partners will be reminded of their Responsible Care obligations and the associated governance process. Additionally, Executive Contacts of companies that are candidates for new Membership or Partnership will be so advised during the application process. New Executive Contacts (current Member or Partner, but new Contact) will also be advised of Responsible Care obligations upon ACC’s notification of their appointment.

2. In order to confirm adherence to Responsible Care obligations, companies must submit reports confirming completion of their Responsible Care commitments to designated ACC Responsible Care staff and/or outside contractors on a schedule as summarized in the attached “Obligations of Responsible Care® Membership and Partnership”.

3. Within two months of a company failing to meet a Responsible Care obligation, the ACC Responsible Care Managing Director will contact that company’s Responsible Care Coordinator to determine when the company will remedy the non-conformance and to request that the company provide a written action plan for remedying the non-conformance. The written action plan will be reviewed by the Board Committee on Responsible Care (BCRC), which will make a recommendation to the ACC Officers as to whether to accept or reject the plan.

Steps to be taken by ACC General Counsel and Corporate Secretary

4. If the company has not remedied the non-conformance or provided a written action plan within three months of the original deadline, the ACC General Counsel will contact the company’s Executive Contact, Responsible Care Coordinator, and/or legal representative, whichever is deemed most appropriate, to determine when the company will remedy the non-conformance and to request that the company provide a written action plan for remedying the non-conformance. The written action plan will be reviewed by the BCRC, which will make a recommendation to the ACC Officers as to whether to accept or reject the plan.

5. If the company does not remedy the non-conformance or provide a written action plan promptly after notification by the General Counsel, such information will be
shared with the BCRC and Officers by the Managing Director of Responsible Care and the ACC General Counsel, respectively.

**Steps to be taken by BCRC, Officers, and Board**

6. Upon the recommendation of the BCRC and with the consent of the Officers, the Officers, or the General Counsel on behalf of the Officers, will send a letter, as expeditiously as possible, to the non-conforming company’s Executive Contact to provide him/her an opportunity to be heard and to demonstrate why the company should not be suspended or removed from Membership or Partnership.

7. If they determine that the company should be suspended or removed from Membership or Partnership, the ACC Officers shall make such recommendation to the ACC Board of Directors at its next scheduled meeting. The ACC Board of Directors shall vote, in accordance with the ACC Bylaws, on whether to suspend or remove the non-conforming company from Membership or Partnership.

8. If a company is removed from Membership or Partnership, ACC will notify the company that it may no longer use the ACC Responsible Care logo for its U.S. operations, nor may it hold itself out as a Responsible Care company or implementing Responsible Care in the United States.

9. The fact that a company has been suspended or removed from Membership or Partnership for failure to fulfill its Responsible Care obligations may be made publicly available, but such communications will not include the details of the reasons for the suspension or removal. Rather, such communication shall only state the company name, date of suspension or removal, and the explanation that the company was suspended or removed from Membership or Partnership for failure to meet its Responsible Care obligations in a timely and acceptable manner.

10. Official records of this governance process as related to individual companies shall be maintained by ACC’s General Counsel.

**Written Action Plans**

To be acceptable, company written action plans must, at a minimum, provide for the remedy of Responsible Care non-conformances as expeditiously as possible, but in no event later than one year after the original deadline. No additional extensions of time will be provided beyond this one year period, except in unique circumstances. “Unique circumstances” include situations in which a company has missed the deadline in its written action plan for reasons outside of its control (e.g., inability to schedule an audit on a timely basis despite timely and diligent efforts to do so) or situations in which the only remaining non-conformances after the missed deadline are truly *de minimis* in nature and can be remedied expeditiously. The Chairman of the BCRC, in consultation with the ACC Managing Director of Responsible Care and the ACC General Counsel and Corporate Secretary, shall have the authority to determine if such unique circumstances exist, justifying an additional limited extension of time. In cases where a company fails to remedy its non-conformances within the time frames specified in an approved written action plan, the BCRC and Officers will begin the process as set forth in step (6) above. If a company remedies its non-conformances prior to a vote by the Board of Directors in
accordance with step (7) above or by the effective date of the motion, the recommendation to suspend or remove the company shall be terminated.
OBLIGATIONS OF RESPONSIBLE CARE® MEMBERSHIP AND PARTNERSHIP

Obligations of the Responsible Care program fall into four categories: implementation of the Responsible Care Security Code; third-party certification of a Responsible Care management system; measurement and reporting to ACC of designated metrics along with public transparency of company specific metrics; and signing of the Responsible Care Guiding Principles. Further details on these obligations follow.

1. **Implementation of the Security Code.** All companies must submit a Responsible Care Security Code Implementation Affirmation Statement signed by their Responsible Care Coordinator and Executive contact within approximately 3 years of joining the ACC. The Affirmation Statement reflects complete implementation of the Responsible Care Security Code’s thirteen management practices in the areas of physical, cyber, and value chain security.

2. **Third-Party Certification of a Company Responsible Care management system.** Companies that were ACC Members as of June 30, 2002 must have their headquarters certified by December 31, 2005 and sampling of facilities certified by December 31, 2007. Companies that were Responsible Care Partners as of June 30, 2002 must have their headquarters and sampling of facilities certified by December 31, 2007. Companies that have been Members and Partners since June 2002 must also re-certify their headquarters and facility sample by the end of each three year cycle, i.e., December 31, 2010; December 31, 2013; etc. Members and Partners that join in the middle of a certification cycle will be notified of their certification deadlines upon joining ACC, and will generally be given at least three years to complete such requirements.

3. **Tracking, Reporting and Transparency of Metrics.** Members began tracking designated metrics in January of 2004 and annually report the information to ACC. Similarly, Partner companies began tracking designated metrics in the fall of 2005 and annually report the data to ACC. New ACC Members and Responsible Care Partners should use the remainder of the calendar year in which they join to establish an internal company system for tracking required Responsible Care metrics. Tracking of these metrics must begin in the following calendar year, and reporting to ACC begins the subsequent calendar year.

4. **Signing of the Responsible Care Guiding Principles.** All ACC Members and Responsible Care Partners must sign the Responsible Care Guiding Principles upon their joining either ACC or the Responsible Care Partnership Program.

5. **Companies that Leave ACC or the Responsible Care Partnership Program and then Return.** Implementation timeframes for ACC Members and/or Responsible Care Partners that leave and then later return may or may not change. The original implementation timeframes will apply if the company returns within 2 years of its departure. If the company returns after more than 2 years, the implementation
timeframes will be revisited and possibly revised depending on the details and facts surrounding the company’s departure and return.