



## **SUPERVISORY BOARD MEETING**

**Monday, June 5, 2017 – 13:00 to 16:00**

*Mandarin Oriental Hotel, Miami, FL  
Meeting Room: "Brickell Key"*

### **MINUTES**

|          |                        |                           |                         |
|----------|------------------------|---------------------------|-------------------------|
| Present: | Chairman:              | Pedro Larrea (PL)         | (Ferro Globe)           |
|          | Vice-Chairman          | Esteban Rivero (ER)       | (Autlan)                |
|          | Vice-Chairman          | Patrick Sacco (PS)        | (Ore & Metal)           |
|          | Treasurer              | Branislav Klocok (BK)     | (OFZ)                   |
|          |                        | Guillermo Recio (GR)      | (Autlan)                |
|          |                        | Li Weijian (LW)           | (CITIC Dameng)          |
|          |                        | Alfred Lam                | (CITIC Dameng)          |
|          |                        | Guillaume Verschaeve (GV) | (Eramet)                |
|          |                        | Ruan van Schalkwyk (RvS)  | (Glencore)              |
|          |                        | Fei Lei (FL)              | (Minmetals Development) |
|          |                        | Colin Ouwehand            | (OM Holdings)           |
|          |                        | Erwin Schaufler (ES)      | (South32)               |
|          |                        | Johan Heystek (JH)        | (UMK)                   |
|          |                        | John Raubenheimer (JR)    | (UMK)                   |
|          | Anne Tremblay (AT)     | (IMnI)                    |                         |
|          | Aloys d'Harambure (AH) | (IMnI)                    |                         |
|          | Doreen McGough (DM)    | (IMnI)                    |                         |
|          | Zhou Jian (ZJ)         | (IMnI)                    |                         |
| Excused: | Chaudhari              | (MOIL)                    |                         |
|          | James Choi (JC)        | (Simpac Anc)              |                         |

1

Chairman Pedro Larrea welcomed the members and reminded them of **IMnI's Anti-Trust declaration**, asking them to abide by it throughout the meeting and the Annual Conference. He appointed Anne Tremblay as the Anti-Trust "whistle blower" for the meeting. (Members signed a presence sheet containing the policy.)

- 1. Apologies for absence** were **accepted** as per list above.
- 2. The Agenda** was **approved**
- 3. Minutes of the last meeting.** With regards to the financial reconstitution of the OHES 5-Year Plan Ruan van Schalkwyk had been asked to do, he reported the following:
  - OHES 5-Y Plan Budget approved by Board (Nov. 2010)= 4.265 Million €
  - OHES 5-Y Plan Expenses 2011-2016 = 2.779 Million €
  - 5-Y Plan came in under Budget by 1.486 Million €

Members Had Paid:

- Contribution by all members through fee hike = 1.303 Million €
- Special Contributions from Big Members = 1.495 Million €

The Supervisory Board accepted his report and the **minutes were approved**.

#### 4. Chairman's Report:

Before making his presentation, Pedro Larrea announced that this was Anne Tremblay's last Supervisory Board meeting as Executive Director; she would be retiring at the end of July. On behalf of the Board, he thanked her for her 17 years of accomplishments at the head of the IMnI. The Board unanimously acknowledged the extraordinary contribution of Anne to the construction and growth of what the IMnI is today, thanked Anne for her dedication, professionalism and exceptional personal warmth during her tenure, congratulated Anne for her achievements and wished her all the best in her new endeavours.

PL then introduced Erwin Schaufler from South32, who would be replacing Simon Collins as the company's representative on the Supervisory Board. He thanked Simon for his active contribution to the IMnI, especially in the recruitment of the new Executive Director. He added that Simon's departure left a Vice-Chairmanship opening. He added that Pat Sacco (Ore & Metal) had expressed interest in the seat and invited other nominations. None of the other members responded to his call and Pat Sacco was elected unanimously as the second Vice-Chairman.

John Raubenheimer asked if the question of whether the Treasurer had to be chosen amongst the Super Board members, or was simply appointed by the Super Board from among all the members, had been answered. PL informed him that this question had been raised with the lawyer and as a result the IMnI By-laws had been clarified to allow the Supervisory Board to nominate a Treasurer from amongst all the IMnI members. (The new version of the by-laws had been voted by the General Assembly by e-mail the previous month.)

Anne Tremblay mentioned that Vale had decided to step down from the Supervisory Board, thus leaving a second seat empty (the 1<sup>st</sup> having been left by Nippon Denko last year). The Supervisory Board decided to leave these 2 seats empty until next year when half of the members would be up for re-election.

The Chairman then presented his report (see attached PPT), highlighting his major activities since taking over last June:

- Executive Director's Succession: This had been accomplished through an open and transparent process lasting close to a year. Over 100 applicants, with 11 interviewed by the Special Pre-Selection Committee led by Pat Sacco. The Executive Committee had interviewed the 4 finalists and reached a unanimous decision to select Aloys d'Hambure. The hand over process had lasted 3 months and there would be a one-month overlap period in July.
- Membership: Ten new members had joined the IMnI since last year's annual Conference – half of them from China. He thanked China Representative Zhou Jian for his efforts in bringing them on board. It was also mentioned that unfortunately the IMnI had lost six members over the same period but this still had a positive of an additional four members. This takes the total membership to 63 members.
- Improving "housekeeping" in the downturn: PL had maintained the tradition of regular Executive Board meetings; introduced internal procedures for expenses and other decisions; increased transparency for accounts and hired a new auditor. (RvS wondered if using Deloitte as the accounting firm and dispensing with the present firm, and so the need for an auditor, would not have been more judicious. AT replied that the Supervisory Board had requested that an auditor review IMnI's accounts going

forward, that Deloitte had been selected and that this had since been approved by the General Assembly via an e-mail vote the previous month.)

- Measures taken to reduce operating expenses: PL said that this came by way of a reduction in staff and renting smaller, less-expensive offices in Paris.
- Chairman's Future Goals: Increase membership (create a list of the top 10 companies IMnI must recruit); continue to control costs and improve the IMnI's value proposition for the members are at the top of his list.

**5. Executive Director's Report:** Anne Tremblay (AT) said that the Chairman had largely covered what she had to say, notably:

- Membership was picking up, notably from China. IMnI always reacted slightly behind the market; now that the market was on an upswing, membership was starting to rise.
- The China Committee had met once and Li Weijian had accepted the Chairmanship. She thanked him and added that it was partly due to the existence of this committee that membership was increasing in China and this trend could be expected to continue.
- The transition period was going smoothly and Aloys d'Harambure would be taking over entirely on July 1. She would be leaving the IMnI on July 31st.

**6. New Executive Director's Report:**

The Chairman introduced Aloys d'Harambure as the newly elected Executive Director of the IMnI, that will take over that responsibility at the end of July. PL congratulated Aloys for his election in a process that was thorough and with exceptional candidates, and wished him all the best in his new responsibilities. The Board unanimously congratulated Aloys for his election and offered him full support in undertaking his new responsibilities. Aloys thanked all the Board members for their support and committed to make his best efforts in being up to the challenge. He then presented his report (see PPT):

- IMnI Survey Results: A survey had been conducted earlier in the year asking members to rate IMnI's services. Forty people had responded from 30-member companies. Statistics and Market Research were deemed the most valuable service, followed by the annual conference and other networking events. Health, Safety and Environment services came just behind with Regulatory Information taking up the rear. (Details can be viewed in the PPT.)
- Increase Membership Base: This was AH's number one priority. He aimed to bring the membership base from 63 today to 80 by 2020.
- Control Costs to make the IMnI more flexible and efficient: The MARA REACH Consortium currently contributes 22% of IMnI's income. The IMnI must continue to reduce its operating expenses to progressively reduce its dependency on MARA. First steps include moving to less expensive offices, subsequent to Supervisory Board's approval at the Executive Board meeting on December 8, 2016. (In effect, upon return from the Annual Conference, IMnI signed a lease for new offices, located at 56 rue de Londres, 75008 Paris.)
- Improve the IMnI value proposition for its members: this done by relaying more scientific articles in layman's language; circulating best practices to members; working with other trade associations to monitor new regulations.
- Improving communication: LinkedIn page now up and providing more news and information.

**7. HSE Committee Chairwoman's Report:** Sophie Le Pennec having stepped down and no new Chairperson yet nominated, HSE Director Doreen McGough (DM) presented the report (see PPT):

- New Chair: To be appointed at the November meeting.

- Update on 2017 HSE Projects:
  - Mn Slag Project: A Socio-Economic analysis (SEA) to understand economic value of non-hazardous Mn slags in view of lobbying governments to allow their use. Project is running on time, under budget and is expected to be completed by year's end.
  - IQ Project: A collaborative project, run by the Mn Interest group (MIG), and aiming to understand the environmental exposure to Mn which is said to cause cognitive impairment in children. The project is running slightly late, but under budget and should be completed by year's end.
- Industry's Main Challenges: Environmental ones, caused by fugitive emissions and their alleged effects on children's IQ. Members will need to invest in best available technology to reduce air emissions and comply with tighter environmental regulations in short-medium term (3-5 yrs.).
- Regulations: Regulatory leaders – specifically Canada, the USA and the EU – are liaising, which will lead to more strict and uniform regulations.
- Take home messages: The HSE Committee believes that within the next 3-5 years, the news on the possible effects of Mn emissions on children's IQ's may possibly become widespread and industry will face its worst crisis to date.

This conclusion led to a strong debate about the course of action to follow. It was agreed that industry must take the lead with regards the possible affect that Mn emissions may have on children's IQ to be in a position to respond and act responsibly and in the interests of all those involved. It was agreed to review the budget-and its current limitations, in order to include additional work that may be needed to be conducted by the HSE Committee

**Action:** The Supervisory Board will hear the results of the IQ project at their November meeting and based on these approve a plan and a budget for 2018 to address them. It was also agreed that all other HSE projects should come after the IQ project due to the possible implications.

## 8. Statistics Committee Chairman's Report: Guillermo Recio presented his report (see PPT) covering the following items:

- New Statistics Committee Member: Arnaud Vigier, a former Chairman of the Stats Committee, is returning as a member, representing Eramet.
- IMnI Members Survey: Stats and Market Research had been designated as the most valuable of IMnI's services.
- A number of recent improvements to the IMnI Reports: These include extra tables (Mn ore S/D balance, EMM trade matrix and EMM production table) along with forecasts provided by CRU free of charge to IMnI members.
- New Publication: IMnI Key Figures 2017, published in hard copy and on our web site thanks to generous support from Autlan.

## 9. EPD Chairman's Report: Li Weijian presented his report covering the following points:

- The 14<sup>th</sup> EPD Conference had taken place in Changsha on March 20 and attracted over 110 delegates, making it the premier event for EMD and EMM producers worldwide. Environmental regulations had been highlighted, as there are many new regulations and restrictions presently coming into force in China. Consolidation of the industry was necessary and innovation and better technology were needed, Mr. Li explained. A survey conducted at the end of the conference showed that 98% of the delegates had been satisfied with the event in general and 97% of them with the speakers and presentations.
- Next year's conference would take place in Nanning around late March or early April to dovetail with Metal Bulletin's Asia Ferroalloy Conference. IMnI will promote it to non-

Chinese traders and Mn ore suppliers as well as try and increase membership in the EPD Division, which now numbers 5 members.

Mr. Li concluded by congratulating Aloys d'Harambure on his appointment as Executive Director, recognizing that he possessed the right background and knowledge for the job.

Thanks to Anne Tremblay's legacy and AH's contribution going forward, he was certain IMnI would continue to increase its reputation and membership base in China.

He added that he was honoured to have been asked to Chair the China Committee and he would do everything possible to promote IMnI in China.

Pedro Larrea thanked Li Weijian for all the work he had done to of the EPD Division and its conferences. Thanks to him and Zhou Jian, PL noted that IMnI was improving its presence in China.

**10. Treasurer's Report:** Treasurer Branislav Klocok (BK) reminded the Supervisory Board that the 2015 and 2016 Financial Reports along with the 2017 budget had already been approved by the General Assembly by an e-mail vote in May. He went on to submit his report, covering the following points:

- 2017 Initiatives:
  - Deloitte had been retained to audit IMnI's accounts on a statutory 6-year contact (2018-2023). Deloitte had also audited the 2016 account.
  - The Supervisory Board would receive going forward a monthly KPI report, covering income and expenses to date, membership fluctuations, AC results, accounts receivable & payable.
  - An Exceptional Expenses Approval process had been put into place. This was a simple process done via e-mail whereby the Executive Director would request the Treasurer's approval for any expense above 10K€ and the approval of 2 officers (Chair, 2 Vice-Chairs and Treasurer) for any expense above 20K€.
  - A Travel Policy was under discussion and BK would propose it at the next Supervisory Board meeting in November.
- 2017 Budget and P&L on 30 May
  - BK noted that this year expenses appeared to be well under control and that the target of achieving a small year-end profit achievable.

**Action:** The Executive Director to send out the P&L to the members along with the minutes of this meeting and systematically before the 15<sup>th</sup> of each month going forward.

**11. Any Other Business:** The Chairman announced that the Executive Board had decided to hold the 2018 Annual Conference in Kuala Lumpur and that the three IMnI members operating in Sarawak at the Sala Manju Industrial Park had offered to organize a technical tour to visit their plants. This was greeted with enthusiasm.

**12. Date & location of Next Supervisory Board Meeting:** Lisbon, during the Metal Bulletin Ferroalloys Conference, Sunday, November 19 through Tuesday, November 21. (Date to be fixed shortly.)

The Chairman then closed the meeting.