

January 26, 2015

For Immediate Release

RE: Cr(VI) EU Phase Out Effective 9/2017

To Whom It May Concern:

Due to impending legislation emerging from the European Union under the umbrella of REACH, more specifically Annex XIV, Chromium Trioxide, also known as Chromic Acid or Hexavalent Chrome, has been included as an SVHC, Substance of Very High Concern. REACH is defined as the **Registration, Evaluation and Authorization of Chemicals** by the European Union.

The upcoming REACH legislation severely undermines the ability to manufacture, purchase or process any product containing Hexavalent Chrome in decorative chrome applications following the mandated sunset date of September 21st 2017. Extremely prohibitive financial conditions attached to attaining the required use **Authorization** of Hexavalent Chrome following September 21st 2017 will allow this date to effectively serve as the final marketable date of Hexavalent Chrome for use in decorative chrome applications.

The use of Chromic Acid for functional hard chrome plating and the etch step for plating on plastics have been granted a blanket authorization for continued use. This authorization is a result of no alternative being available to replace these processes. In contrast, decorative chrome plating has no such authorization, as it has been determined within the EU that many viable alternative processes exist for suitable replacements.

The impacts of regulatory measures implemented by both the private and public sectors have often proven to be far reaching. This is evidenced most recently in the automotive ELV mandate, which resulted in sizable modifications to the automotive supply chain and nearly led to the complete elimination of chromates globally. Although the upcoming EU mandate will have immediate impact on any multi-national manufacturer who exports into the EU, we must be aware that there is strong potential for chain reaction of regulatory measures world wide that follow in the footsteps of this upcoming EU legislation.

Pavco has been engaged in this change for some time and has produced an excellent alternative plating process, Hex-A-Gone, which is based on trivalent chrome chemistry. Please discuss with Pavco directly or your local supplier on how to switch smoothly to a process that technically and commercially meets your needs in the coming years.

Best regards,

Pavco Inc.