



TUNGSTEN INDUSTRY – CONFLICT MINERALS COUNCIL

**Operating Guidelines**

**of the**

**Tungsten Industry  
Conflict Minerals Council**

# **OPERATING GUIDELINES**

(April 15, 2013, amended 2017)

## **Tungsten Industry Conflict Minerals Council (TI-CMC)**

### **Article I Name**

1. The name of this group shall be the Tungsten Industry – Conflict Minerals Council (the “Council” or “TI-CMC”).

### **Article II Objective**

1. Establish a Commitment Program for the Tungsten Industry that provides a mechanism for industry members to demonstrate their compliance with the requirements of conflict minerals regulations.

### **Article III Purposes**

1. Create an annual program that supports the compliance of members at the smelter refinery level and stakeholders of the tungsten supply chain with applicable SEC regulations by:
  - a. Assuring that raw materials in the supply chain are not connected to illegal or unlawful exploitation of ores that directly or indirectly finance or benefit armed groups in conflict areas
  - b. Facilitating customer compliance with Reasonable Country of Origin Inquiries within the tungsten industry
  - c. Protecting any confidential, sensitive and proprietary information relating to members’ supply chains
  - d. Building public awareness and supporting the tungsten industry’s transparency objectives relative to the conflict minerals legislation.
  - e. Managing and maintaining the Council’s informational Web site:  
[www.ti-cmc.org](http://www.ti-cmc.org).

## **Article IV Responsibility**

1. The Council will operate under the auspices of the Refractory Metals Association (RMA) within the Metal Powder Industries Federation, an incorporated trade organization. It will be subject to the applicable policies, rules and bylaws of the Federation.

## **Article V Antitrust and Limitations**

1. It is the Council's policy to act at all times in strict compliance with all applicable antitrust and competition laws. Consistent with that policy, the Council has no concern with and takes no action relating to production, sale or any other commercial policies or practices of any company, whether a member of the Council or otherwise.

## **Article VI Membership**

1. **Corporate Membership:** Any firm, corporation or division that is commercially operating as a smelter/refiner or similar type of primary production facility that it is able to convert tungsten ore concentrates and/or secondary tungsten-bearing scrap into APT, Ferro-tungsten, metallic tungsten, tungsten carbide or tungsten chemicals, and other products that can directly be used by downstream consumers, shall be eligible for corporate, voting membership in the Council.
2. **Supporter:** Any firm with a stake in the use of tungsten products or powders is eligible to join the Council as a non-voting Supporter
3. Membership in the TI-CMC does not constitute membership in the Metal Powder Industries Federation or its affiliated associations unless the firm is eligible to join such associations and applies for and is accepted for membership in such organizations and pays applicable membership fees.
4. Any member may withdraw from membership at any time and will forfeit remaining dues paid by giving notice of such withdrawal to the Administrator prior to the end of the dues period.
5. **Official Representative:** Each member shall appoint and certify to the Administrator an individual to serve as the Official Representative and who shall be authorized to act, in person or by proxy, for the member or vote, in person or by letter ballot (if applicable). Other employees of corporate members may participate in the activities of the Council and are eligible to be Directors (if applicable).

6. **Application:** Application for membership shall be on forms provided by the Council, duly executed by the applicant and transmitted to the Administrator. The Administrator shall submit copies of the application to the Board of Directors.
7. **Admission:** Action on an application shall be by majority vote of the Board of Directors. The Administrator shall promptly notify the applicant of the action taken by the Board of Directors on its application.

## **Article VII Management**

1. The management of the Council shall be vested in a Board of Directors subject to these Guidelines.
2. The Board of Directors shall appoint from the MPIF Staff, with the advice of the MPIF Executive Director, an Administrator who shall be responsible for the administration of the Council and its activities.

## **Article VIII Board of Directors**

1. **Board of Directors:** The Board of Directors shall consist of no more than nine members, elected by the corporate voting membership. The Board shall be comprised of a Council Administrator and at least one member from the industry organizations including the Refractory Metals Association (RMA) and the International Tungsten Industry Association (ITIA) or representative of a Tungsten industry organization, such as the Chinese Tungsten Industry Association (CTIA).
2. **Term of Office:** Directors shall serve for a term of three years or until their respective successors are elected and qualify. Any director may be re-elected for one additional term. All terms of office begin at the close of the annual meeting.
3. **Election of Directors and Chairman:** For election of Directors and Chairman, a nominating committee shall be appointed by the RMA President. This committee shall consist of three members of whom a minimum of two shall, if available, be Past Presidents of the Association. The RMA President shall preside as Chairman. The name(s) of the nominee(s) shall be submitted by letter ballot to the Official Representatives of all corporate voting members. The ballots shall provide for write-in candidates and shall be returned to the Administrator prior to the Annual Meeting.
4. **Annual Meeting:** The Annual Meeting of the members of the Council shall be held during the second half of each year on a date to be set by the Board of Directors.

5. **Regular Meetings:** Regular meetings of the Board of Directors shall be held twice yearly at such times and places as from time to time may be designated by the Chairman.
6. **Special Meetings:** Special meetings of the Board may be called at any time and place by the Chairman, or upon the request of any two Directors.
7. **Quorum:** A majority of the Directors shall constitute a quorum for the transaction of business. At any meeting at which there is less than a quorum those present may adjourn the meeting from time to time until a quorum is present.
8. **Order of Business:** At any meeting of the Board, the business shall be transacted in such order as the Chairman may determine.
9. **Meeting Notice:** Notice of the time and place of each regular meeting shall be given to each Director in writing at least thirty (30) days before the meeting, and notice of each special meeting must be given in writing or by electronic mail at least seven days before the meeting.
10. **Removal from Office:** Any member of the Board of Directors whose actions are deemed to be detrimental to the interests of the Council may be removed from office by a vote of two thirds of the Board of Directors at any regular or special meeting of the board.
11. **Vacancies:** Any vacancy in the Board of Directors shall be filled by majority action of the Board. The person selected shall hold office during the unexpired term of the person he or she succeeds.

## **Article IX Dues**

1. **Dues:** Each member of the Council shall pay dues to support the activities of the Council. The costs of the activities consist of:
  - a. Programs, Services and Administration budget which is established annually by the Board of Directors;
  - b. Costs of programs including promotional and other activities as determined annually by the members;
  - c. other items to be conducted and shared by Council members.
2. **Amount of Dues:** The dues for Members and Supporters shall be as determined by the Board of Directors.
3. **Funding of Council Programs:** The funding of those Council activities that are not supported equally by all corporate members shall be borne by the participants.
4. **Dues Payment:** Membership dues for a full year are due and payable before the end of the first month of the calendar year.

5. **Failure to Pay:** Failure to pay dues within sixty (60) days of the due date will cause the member to forfeit all rights and privileges of membership without relieving it of the obligation for dues payment in full. A member's rights and privileges shall be reinstated upon payment of any dues arrearages.

### **Article X Fiscal Year and Budget**

1. The fiscal year of the Council shall be the calendar year.
2. The costs of operating the Council and supporting its activities shall be budgeted annually by the Board of Directors subject to the approval of the members. The proposed budget shall be submitted to the members for adoption at the Annual Meeting prior to the fiscal year involved.
3. If impractical or inequitable for inclusion in the budget, special activities of the Council approved by the Board of Directors may be financed separately.

### **Article XI Compliance**

1. The acceptance of membership and payment of dues shall constitute an acceptance of and agreement to abide by the terms hereof and any other rules of the Council.
2. These guidelines may be amended by the Council after approval by a two-thirds (2/3) vote of the corporate membership.

## **Appendix**

### **Idling of Operations Guideline**

(added March 8, 2016)

Any smelter planning to idle production should contact both, TI-CMC and RMI/RMAP regarding the operations' timeline. It is important that the parties know of the smelter's plans so they can plan accordingly. The TI-CMC and RMI are willing to work with the smelter to come up with a workable solution but cannot continue without communication among all parties.

There are two critical items:

- The smelter needs to run for a certain time before it can be audited. The audit addresses management systems and how they are implemented, and that only can be observed during operation. Workers have to be interviewed as part of the audit. The RMI considers three months of routine operation as an absolute minimum. The confidence of RMI that the company is operating to the required standards can obviously augmented by a document review for the incoming material covering the previous active period. They do not need a full calendar year of operations/receipts (in other words periods of inactivity are fine so long as the smelter can still demonstrate compliance). For example, assume that the smelter has operated until March 2015, then shut down and is reopened in June 2016. The earliest the smelter can be audited is September 2016. One would look at all data between July 2014 and March 2015 (nine months) and June 2016 and August 2016 (three month). Of course, any possible inventory changes during the idle period have to be considered and documented.
  
- In order to explain why the two-year period is passed without fulfilling the commitment to RMAP audit, TI-CMC would need to communicate to the "outside world" that the smelter is idle (including an "as of" date). TI-CMC would then communicate that the smelter has committed to enroll with RMAP upon resumption of production (i.e., becomes "active") and that this would be mentioned on the respective web pages of RMI and TI-CMC.

However, we recommend that the smelter join the Active List (Table 3) during the re-start of the smelter. According to the RMAP audit protocol for tungsten, a tungsten smelter-level company that intends to undergo RMI auditing can use the material from an "Active Smelter": Materials provided from "RMAP Active" and/or "TI-CMC members progressing towards RMAP validation" can be reasonably presumed to be DRC conflict free.

Once ready to resume operations and to become once again active requires action from the smelter. Contact the RMI to sign the AECI and AA, and complete the pre-audit check list. Contact RMI (<https://www.responsiblemineralsinitiative.org/>) to initiate the process.

**Tungsten Industry – Conflict Minerals Council**  
c/o Refractory Metals Association  
105 College Road East, Princeton, NJ 08540-6692, USA  
Tel: 609-452-7700 ♦ Fax: 609-987-8523  
[www.ti-cmc.org](http://www.ti-cmc.org) ♦ [psedor@mpif.org](mailto:psedor@mpif.org)