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About Oxy RB and the Compensation Plan for Cat. 1 & 2, Rd. 1 & 2 Oxy HS Victims

We wish to express our heartfelt and sincere apology and deep remorse. As the representative director of Oxy RB, I apologize to the victims who have suffered from lung injuries as a result of our HS product, their families, and to Korean society generally for the immeasurable pain, suffering, and loss that our HS product has caused.

I also apologize that we have taken so long to acknowledge the pain and suffering of these victims and their families and being so late in providing compensation to the victims for all they have suffered.

We acknowledge that the victims' suffering and loss cannot truly be compensated for, and that their suffering was prolonged by the time it took us to apologise, which we truly regret. Since May, we have worked hard to establish a plan for providing satisfactory compensation to Oxy HS victims recognized by the government in Categories 1 and 2 in Rounds 1 and 2.

The compensation plan for these victims reflects collective and individual consultation with 80% of those who will be covered by the plan, in the course of which we have listened carefully to their individual and family experiences and sought to acknowledge the pain they have suffered. We have also closely consulted with other relevant stakeholders including the patient representative groups. We sincerely hope that the compensation plan we have established in light of that process provides some measure of redress and closure.

Compensation Plan

Oxy RB wishes to provide Oxy HS Category 1 and 2 Victims from Round 1 and Round 2 with a remedy that reiterates its apology in the form that best respects the sensitivities of individual victims and their families, provides fair compensation without delay, imposes the minimum burden on claimants, and provides access to independent advice and review.

What compensation can be claimed?

Based on the consultations with the victims in meetings, in groups and on individual occasions at the office of Oxy RB or through home visits, where we listened to the voices and sought to understand the pain and suffering of the victims, Oxy RB has put forward a compensation plan that respects the individual needs of Oxy HS Category 1 and 2 victims from Round 1 and Round 2 victims.

Oxy RB will offer a lump sum in respect of mental distress (including child potential and family consolation, to reflect the impact on families and the gravity of the situation), past expenses, lost income, certain legal expenses and interest. In cases of death or severe injury of children, the lump sum will be KRW 1 billion. Oxy RB will also offer an additional amount where there is more than one victim in a Family.

For victims living with the ongoing effects of the HS product, there will be proposed provision for their future medical and care needs. Oxy RB is seeking to work with the Korean Government to ensure that Victims' future medical and care needs are provided for and that this works in a straightforward manner for Victims.

Making a claim

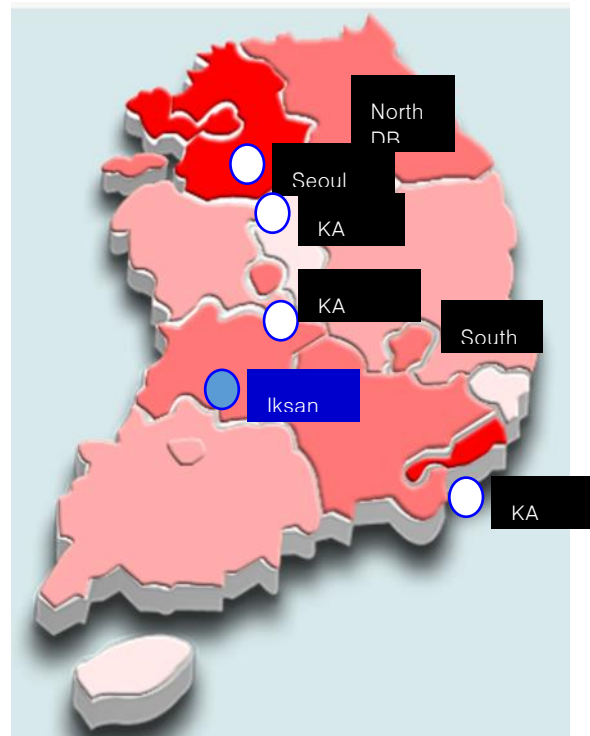
Every Oxy HS Category 1 and 2 victim from Round 1 and Round 2 (or their family, if they are applying to Claim on the victim's behalf) will be assigned a RB Korea Care Manager. The Care Manager will provide assistance and support to the victim and/or their family in connection with their Claim, and will be available to explain every step of the process to them.

Once the victim or their family has completed a questionnaire and provided certain supporting documents, Oxy RB will make a Compensation Proposal to them. The Compensation Proposal will only be a proposal, and their Care Manager will meet with them to receive their feedback on it.

The Victim or their family will be able to choose to proceed to sign a Compensation Agreement and receive the compensation proposed, or they can raise any concerns they have about the Compensation Proposal with their Care Manager. They can also ask for the Compensation Proposal to be reviewed by the Expert Panel, who will check that it has been correctly calculated in accordance with the Compensation Formula.

RB Korea

- 2001, RB entered in Korea by acquiring Oxy
- CEO – Ata Safdar
- 300 employees
- 272.7 Bio KRW Sales in 2015
- 6 branches in Korea
 - Seoul Office, KA
 - Suwon/Daejeon/Busan, North/South DB
- Iksan plant : 10 brands
- RB Korea location –24fl Two IFC 10, Gukjegeumyung-ro, Youngdeungpo-gu, Seoul, 150-945 Korea
- www.oxy.co.kr



Chronology of the HS Issue

- **November 1996** - Oxy released its humidifier sanitizer “Humidifier Guard”
- **2000** – Oxy changes active ingredient to PHMG
- **2000-2011** – A number of manufacturers supplied the Korean market with HS products.
- **March 31 2001** – RB acquired Oxy.
- **August 31 2011** – The KCDC released its first public announcement on the results of its epidemiology study. It announced that Humidifier Sanitizer (“HS”) products may be the cause of reported lung injuries and recommended against the use or sale of the products. Oxy immediately started to withdraw Sac Sac product.
- **November 4, 2011** – The KCDC announced the interim results of their animal inhalation tests concluding the causal link and strongly recommended against their use.
- **November 11, 2011** – The Korean government ordered a recall of all HS products.
- **January 17, 2012** – First civil case filed against Oxy RB.
- **February 2012** – The KCDC announced that HS products including PHMG-P and PGH had caused lung fibrosis.
- **May 2012** – The Korean Fair Trade Commission (“KFTC”) ruled that Oxy RB violated the Fair Labelling and Advertising Act with the claim “used safe ingredients for the body so you can use the product with peace of mind.” Oxy RB’s appeal was dismissed on December 24 2014.
- **November 2012** – The KCDC Investigation Committee formed to review all reported cases. People were allocated into four categories:
 - Category 1 almost certain
 - Category 2 high possibility
 - Category 3 low possibility
 - Category 4 almost no possibility
 - Category 5 no evidence
- **August 2013** – The Korean Ministry of the Environment (“MOE”) announced relief plans for HS victims.
- **November 2013** – Oxy RB’s General Manager appeared at a National Assembly hearing, expressed his sincere regret at the pain and suffering of the victims and at failing to reach out sooner. Oxy RB announced a Humanitarian Fund for HS victims.
- **March 2014** – The KCDC Investigation Committee completed its Round 1 review of reported cases;
 - 361 – reported cases
 - 168 - classified as category I or II victims.
- **March 2014** – Oxy RB formalised the Humanitarian Fund of KRW five billion for HS-related patients in cooperation with the Korean Environmental Preservation Association (“KEPA”)
- **August 2014 - March 2016** – RB Oxy took part in court mediated settlements in respect of many of the category 1 and 2 cases brought to court.

- **April 2015** – The MOE Investigation Committee completed its Round 2 review of reported cases;
 - 169 - reported cases
 - 49 - classified as category 1 or 2 victims.
 - 4 reclassified to category 1 or 2 from round 1
- **December 2015** –The MOE Investigation Committee Round 3 application deadline:
 - 752 additional reported cases
- **April 21, 2016** – Oxy RB apologised for the disappointment and anxiety caused to the victims and their families due to the lack of an appropriate response and communication related to the HS issue.
- **April 22, 2016** – MOE announced that it planned to (i) resume accepting new applicants for damage, (ii)
- Complete the Round 3 survey by the end of 2017, and for many applicants, by the end of 2016, (iii) continue its study of the health effects of HS other than lung damage.
- **May 2, 2016** – The general manager in Korea apologised on behalf of Oxy RB to the victims who have suffered from lung injury (in KCDC Categories 1&2, Rounds 1&2) as a result of Oxy RB's HS product, and to their families, and accepted responsibility for the role the Oxy RB HS product played in the tragedy and the delay in providing an adequate remedy.
- **May 5, 2016** – The RB Group CEO apologized for the HS issue at the Group's annual general meeting.
- **May 6, 2016** – The RB Group CEO met with the father of a victim and apologised in person for the role the Oxy RB HS product played in the tragedy.
- **May 6, 2016** – The RB Group CEO met with Korean Embassy officials in London to extend his apology to all victims and their families in Korea.
- **May 20, 2016** – Oxy RB reiterated its apology at a victims' meeting and commenced consultations with victims and their families on the form of the Compensation Plan in Daejeon.
- **June 18, 2016** – Oxy RB holds the second victim's consultation meeting on the Compensation Plan in Seoul
- **June 26, 2016** – Oxy RB holds the third and final victim's consultation meeting in Seoul