

Ontario Tire Stewardship
405 The West Mall, Suite 500
Toronto, Ontario,
M9C 5K7

Effective December 1st, 2011

Re: Collectors wishing to receive tires from non-registered organizations that collect tires: Sub-Collector UPDATE

Dear Collector:

Ontario Tire Stewardship (OTS) is aware that there are organizations in Ontario that may wish to receive tires from other organizations that collect used tires as a result of an existing business or other relationship. Effective November 2010 OTS implemented the Sub-collector process whereby this type of transaction, previously prohibited prior to this date, was recognized as allowed under the program rules provided the registered Collector executed an amended Collector Agreement and followed the rules set-out for registering Sub-Collectors as specified by OTS.

By way of the attached notice document OTS is advising all registered Collectors of an amendment to the existing process for Sub-collectors and to the Collector Agreement in place between OTS and the Collector. This notice does not require the Collector to enter into relationships with organizations wishing to be Sub-collectors, it only creates the ability to do so should the Collector choose. **Any Collector wishing to pursue this option must contact OTS to request that a Collector Agreement Change Notice be issued to their registered Collector.**

In the event that a Collector wishes to accept tires from Sub-collectors the Collector must notify OTS in advance of receiving tires from the organization wishing to be a Sub-collector, and must execute the "Sub-Collector Letter Agreement" included in the Collector Agreement Change Notice. A signed copy of this Agreement must be retained by the Collector, the Sub-collector and submitted to OTS. Only once OTS has received this signed Agreement and approved the sub-collector will the Collector be able to receive tires from the Sub-collector and claim those that are eligible as collected. Any tires received by a Collector from an organization prior to OTS receiving and approving a copy of the signed Agreement may not be eligible for payment of the incentives or allowance included in the OTS plan.

Sub-Collectors will only be approved if they are located in a Transportation Rate Zone that is less than or equal to the Transportation Rate Zone of the Collector (rates can be viewed on the OTS website at www.ontariots.ca). The Collector will also be required to post a security deposit (cheque made payable to Ontario Tire Stewardship) in the amount of \$500.00 per Sub-Collector location which will be held by OTS in order to have the Sub-Collector location approved.

By engaging in a Sub-collector Agreement the Collector agrees to be responsible for ensuring that the Sub-collector complies at all times with the Terms and Conditions of the Letter Agreement included in the Collector Agreement Change Notice and executed between the Collector and the Sub-Collector. The Collector also agrees to keep a record of the number and type of tires received from each Sub-Collector location and will supply that information to OTS at least annually, or as requested by OTS.

In the event that a Collector has already registered Sub-collectors with OTS it is the responsibility of the Collector to ensure that they are complying with the requirements set-out in the amended Collector Agreement and in the revised rules for Collectors with Sub-collectors in the Collector Guidebook. Failure to comply with the amended Agreement of the rules may result in OTS denying claims submitted for tires received from Sub-Collectors and may result in OTS seeking to recover any and all incentives attracted by the tires once entered into the Used Tire system.

The Collector assumes all liabilities and consequences that may result if the Sub-collector does not conform to the Terms & Conditions in the Letter Agreement, including the loss of any incentives or allowances paid to the Collector on tires received from a Sub-collector.

For inquiries regarding this or other Collector-related questions please contact OTS at Collector@ontariots.ca or by phone at 1-888-OTS-2202.

Regards,



Andrew Horsman
Executive Director