Registered Tire Processor Incentive Program Requirements April 1, 2025 – March 31, 2028

REGISTERED TIRE PROCESSOR INCENTIVE PROGRAM REQUIREMENTS CERTIFICATE OF APPLICANT

The undersigned Applicant hereby certifies it agrees to be bound by the terms of the attached Alberta Recycling Management Authority Registered Tire Processor Incentive Program Requirements (the "Program"). The undersigned Applicant agrees that this agreement expires on March 31, 2028, and the undersigned Applicant will only be entitled to continue to be eligible under the Program if the Applicant provides a current certificate to the Alberta Recycling Management Authority (the "Authority").

The undersigned Applicant agrees that where the Authority wishes to make amendments to these terms prior to the agreement expiry date, the Authority will provide thirty (30) days' notice of such amendments to the agreement and provide the Applicant with an amended agreement for the remainder of the term.

Dated at _____, Alberta, this _____ day of _____, 20____.

_____
[Name of Applicant]

_____
[Signature of Authorized Signing Officer of Applicant]

_____
[Name of Signing Officer – please print]

Registered Tire Processor Incentive Program Requirements

TABLE OF CONTENTS

1. DEFINITIONS 4
2. PROGRAM PURPOSE 6
3. SCRAP TIRES FROM ALBERTA 7
4. SCHEDULES 7
5. REGISTRATION 7
6. INCENTIVES 10
7. TRANSPORTATION AND PROCESSING INCENTIVES 12
8. APPROVAL REVIEW AND PAYMENT 12
9. RESTRICTION ON PROGRAM PAYMENTS 14
10. COMPLIANCE 16
11. NO LIABILITY 17
12. INDEMNITY 18
13. INSURANCE 19
14. REMEDIES 20
15. RECORDS 21
16. REPORTING AND AUDIT REQUIREMENTS 21
17. TERMINATION 23

SCHEDULE “A” TIRES ELIGIBLE FOR INCENTIVES UNDER THE PROGRAM 24
SCHEDULE “B” TRANSPORTATION INCENTIVE 24
SCHEDULE “C” PROCESSING INCENTIVES - TIRE-DERIVED AGGREGATE (TDA) 28
SCHEDULE “D” PROCESSING INCENTIVES - MULCH 30
SCHEDULE “E” PROCESSING INCENTIVES - CRUMB 32
SCHEDULE “F” PROCESSING INCENTIVES - RIMS 32
SCHEDULE “G” REGISTERED PROCESSOR COMPLIANCE REQUIREMENTS 36
SCHEDULE “H” SECURITY TERMS AND CONDITIONS 40
SCHEDULE “I” ACCOUNTS PAYABLE SCHEDULE 43
SCHEDULE “J” PROGRAM SPONSORED PROJECTS 44

1. DEFINITIONS

1.1 *"**Alberta**"* means the province of Alberta excluding the city of Lloydminster;

1.2 "***Applicant***" means a company, individual or partnership who applies for registration under the Program as a Registered Processor;

1.3 ***"ASTM"*** means the standard for TDA according to ASTM International (formerly American Society for Testing and Materials';

1.4 "***Authority***" means Alberta Recycling Management Authority;

1.5 "***Bylaws***" means the Authority's bylaws made under section 12 of the Designated Material Regulation, as may be amended from time to time;

1.6 "***Closure Plan***" has the meaning set out in section 5.7;

1.7 "***Collection Site***" means a site operated or approved by a municipality for the collection of Scrap Tires;

1.8 "***Collector***" means a municipality registered with the Authority that has a Collection Site;

1.9 "***Crumb***" means a granular rubber material that meets the requirements of the Authority as set out in Schedule "E" and is approved by the Authority for the purpose or use proposed;

1.10 "***Delay***" has the meaning set out in section 9.4;

1.11 "***Designated Material Regulation***" means the *Designated Material Recycling and Management Regulation* (Alberta), as may be amended from time to time;

1.12 **"Downstream Processor"** means a company/facility, including but not limited to Manufacturers, that receives Scrap Tire Material from a Registered Processor for additional processing, but which is not eligible for incentives under the Program;

1.13 "***Eligible Activities***" means those activities that are eligible for Incentives, or qualify as activities to which the Program applies and as may be more particularly described in the schedules hereto;

1.14 "***Eligible Expenses***" means expenses that are eligible for partial or whole reimbursement in accordance with the terms of the Program;

1.15 "***Environmental Law(s)***" shall include, without limitation, all present and future federal, provincial, municipal, or other local laws, regulations, standards, rules, guidelines, orders, or requirements respecting the environment, environmental protection, pollution, enhancement and enforcement, natural resources, conservation, health, chemical use, land use and occupational safety and health;

1.16 "***Environmental Management System***" means a system used to identify and evaluate the impact of the organization's activities, products, and services on the natural environment and to put controls in place to minimize that impact. The system typically includes an environmental policy to provide guidance to the organization on controlling environmental matters as well as a procedures manual outlining how environmentally significant tasks are to be conducted and how to ensure compliance with applicable Environmental Laws;

1.17 ***"Final Recycled State"*** means the point in the downstream flow of material where the materials generated from the processing of Scrap Tires have been physically or chemically altered into a new product, material, commodity, or state.

1.18 "***Financial Report***" has the meaning set out in section 16.3(a);

1.19 "***Generator***" means a Supplier, Collector, landfill, vehicle dismantler, vehicle fleet, or private stockpile, registered with the Authority for the purposes of identifying sources of Scrap Tires in Alberta;

1.20 ***"GIFI"*** means the General Index of Financial Information as set out in section 16.3(a);

1.21 "***Incentive***" means any funding payable under the Program, as the context may require, including Processing Incentives and Transportation Incentives;

1.22 "***Interim Approval***" has the meaning set out in section 5.8;

1.23 "***Manufacturer***" means a user of Scrap Tire Material who produces products from Crumb;

1.24 "***Medium Truck Tires (MTT)***" means the classification subset of Scrap Tires more particularly described in Schedule "A";

1.25 "***Mulch***" means Scrap Tires that have been processed into mulch that meet the requirements of the Authority as set out in Schedule "D" and are approved by the Authority for the purpose or use proposed;

1.26 "***Non-Arm's Length***" shall have the same meaning as is commonly applied to it under the Income Tax Act of Canada;

(Note: a non-arm's length transaction involves two or more parties that have some element of ownership or control in common. When a Registered Processor submits for Program funding for material sold or supplied to a non-arm's length party, the Program requirement for independent "third-party" confirmation of the validity and accuracy of the transaction is not available. See section 6.5 for more information.);

1.27 "***Off-the-Road Tires or "OTR***" means the classification subset of Scrap Tires more particularly described in Schedule "A";

1.28 "***Passenger and Light Truck Tires (PLTT)***" means the classification subset of Scrap Tires more particularly described in Schedule "A";

1.29 ***"Processor Claim Due Date"*** has the meaning set out in Schedule "H";

1.30 "***Processing Incentive***" means an Incentive payable to Registered Processors under the terms of this Program and as set out in Schedules "C", "D", and "E";

1.31 "***Processing Site***" means a site recognized under the Program where a Processor has equipment and staff to shred or otherwise process Scrap Tires into Scrap Tire Material;

1.32 "***Processor***" means a recycler who breaks tires down into Scrap Tire Material;

1.33 "***Program***" means this Registered Tire Processor Incentive Program Requirements, including the schedules attached hereto;

1.34 "***Registered Processor***" means a Processor who has been registered by the Authority and who fully meets the terms and requirements of this Program;

1.35 '***Rims'*** means metal rims removed from Scrap Tires and shipped to a metal recycler;

1.36 "***Scrap Tire***" means a tire as defined in the Tire Regulation which attracts a surcharge pursuant to the Designated Material Regulation, the Tire Regulation and the Bylaws and which is no longer used for its original purpose, as further set out in Schedule "A", as may be amended from time to time;

1.37 "***Scrap Tire Material***" means the product(s) resulting from Scrap Tires processed under this Program including Crumb, Mulch, and Tire-Derived Aggregate where applicable;

1.38 "***Supplier***" means a supplier as defined in the Tire Recycling Bylaw, as may be amended from time to time;

1.39 "***Tire Regulation***" means the *Tire Designation Regulation* (Alberta) as may be amended from time to time;

1.40 "***Tire-Derived Aggregate or "TDA***" means Scrap Tires that have been processed into chips or shred that meet the requirements of the Authority as set out in Schedule "C" and are approved by the Authority for the purpose or use proposed; and

1.41 "***Transportation Incentive***" means an Incentive payable to a Registered Processor under the terms of this Program as set out in Schedule "B".

2. PROGRAM PURPOSE

2.1 The purpose of the Program is to encourage waste minimization and recycling of Scrap Tire Material in Alberta as specified under the Designated Material Regulation and the Tire Regulation.

2.2 For the purpose of the Program, the culling or grading of Scrap Tires for reuse and/or resale as used tires will not be allowed at the processing site of a Registered Processor. If Scrap Tires are collected, but not processed, and are removed for resale and/or reuse as used tires, the

Registered Processor will be ineligible for Transportation Incentives for those tires. Registered Processors are required to report the volume of whole Scrap Tires diverted to reuse and/or resale to the Authority, and a reduction in Transportation Incentives will apply.

2.3 The Program will not pay Incentives for any use or disposal of Scrap Tires or Scrap Tire Material, provided to facilities without a documented commitment to environmentally sound management and fair labour practices, or such other uses or materials that from time to time may be prohibited by the Authority, or any applicable legislation, bylaw, regulation, or enactment.

2.4 The Authority is not a regulatory authority and will not become involved in, own or control collection, processing or recycling facilities, or companies or businesses which are Processors, Generators or Manufacturers. The Authority will encourage waste minimization and recycling activity within the province of Alberta through the administration of incentive-based programs as specified in the Designated Material Regulation.

3. SCRAP TIRES FROM ALBERTA

3.1 Incentives paid under this Program are sourced from surcharges (as defined in the Designated Material Regulation) collected on the sale in Alberta of applicable new tires to fund the end-of-life management of these products when discarded in Alberta. Accordingly, only Scrap Tires originating in Alberta will be considered eligible as Scrap Tires or Scrap Tire Material for the purposes of the Program and Incentive payments made under the Program.

3.2 Registered Processors are responsible for verifying that Scrap Tires, including any Scrap Tires collected by third party companies, have originated in Alberta as required. Incentives or approvals may be withheld without adequate verification as may be required by the Authority.

4. SCHEDULES

4.1 The schedules attached form part of this Program, and all terms contained herein shall apply to each of the specific Incentives described in the schedules.

5. REGISTRATION

5.1 Applicants must be registered by the Authority under the Program in order to be eligible to receive Incentives under the Program.

5.2 An application for registration must be in the form provided by the Authority and must contain the information required by the Authority, including, without limitation:

a) evidence the Applicant will carry out its operations in Alberta, British Columbia, Saskatchewan, or Manitoba;

b) evidence of registration as an Alberta corporation or extra-provincial registration in Alberta;

c) evidence of a valid and subsisting account with the Alberta Workers' Compensation Board, the British Columbia Workers' Compensation Board, the Saskatchewan

Workers' Compensation Board, or the Manitoba Workers Compensation Board as applicable;

d) evidence of:

i. for work performed in Alberta, a Certificate of Recognition (COR) issued by the Government of Alberta under the *Occupational Health and Safety Act* (Alberta) and the regulations under that Act, or an equivalent document as approved by the Authority;

ii. for work performed in British Columbia, a Certificate of Recognition issued by WorkSafe BC under Part 3 of *Workers' Compensation Act* (British Columbia) and the regulations under that Act;

iii. in the event that under *The Saskatchewan Employment Act* and the regulations under that Act, as such legislation may be amended or substituted in the future (the "Saskatchewan Occupational Health and Safety Legislation"), the Government of Saskatchewan establishes a program or certificate which is similar to or is the equivalent of a Certificate of Recognition as described in section 5.2(d)(i), then and upon the Saskatchewan Occupational Health and Safety Legislation coming into effect (the "Saskatchewan Legislation Effective Date"), for work performed in Saskatchewan on and after the Saskatchewan Legislation Effective Date, a certificate of recognition or equivalent as described in section 5.2(d)(i); or

iv. in the event that under *The Workplace Safety and Health Act* (Manitoba) and the regulations under that Act, as such legislation may be amended or substituted in the future (the "Manitoba Workplace Safety Legislation"), the Government of Manitoba establishes a program or certificate which is similar to or is the equivalent of a Certificate of Recognition as described in section 5.2(d)(i), then and upon the Manitoba Workplace Safety Legislation coming into effect (the "Manitoba Legislation Effective Date"), for work performed in Manitoba on and after the Manitoba Legislation Effective Date, a certificate of recognition or equivalent as described in section 5.2(d)(i);

e) other licenses, approvals, certificates, or clearances as may be requested, including permits to transport, handle or process hazardous or dangerous waste or recyclables; and

f) evidence of adequate insurance coverage; and

g) evidence from Alberta Environment and Parks or equivalent organization in British Columbia, Saskatchewan, or Manitoba, as may be applicable, confirming there are no environmental protection, compliance or enforcement orders or actions or any environmental penalties, fines, or warnings issued under applicable Environmental Laws with respect to the Applicant.

5.3 A business plan is required to be submitted with the application for new registration.

5.4 In submitting an application for registration, the Applicant grants permission for the Authority to conduct any credit checks or other searches the Authority may require.

5.5 Incomplete applications for registration shall not be approved by the Authority.

5.6 Each Applicant whose application for registration has been accepted by the Authority shall be advised of the registration number assigned by the Authority.

5.7 As a condition of approval for registration, Applicants shall implement and maintain a documented closure plan that identifies, at a minimum, the financial requirements upon closure of the Applicant's Processing Site(s) or business and the financial mechanism the Applicant will maintain for ensuring the availability of such funds, such as a security or performance bond or other similar financial instrument (the "Closure Plan").

5.8 The Authority may, in its sole discretion, provisionally approve an application for registration (an "Interim Approval") for a minimum of six (6) months until such time as the Applicant can demonstrate to the satisfaction of the Authority, in the Authority's sole discretion, the Applicant's ability to process five hundred (500) tonnes of Scrap Tires during the Interim Approval period, and in accordance with the terms and conditions of the Program. Applicants who have obtained an Interim Approval must comply with all terms and conditions of the Program, including the requirements for Applicants approved for registration under this section 5. Notwithstanding anything herein to the contrary, final approval of an Applicant for registration is in the sole discretion of the Authority.

5.9 As a condition of approval for registration, upon the request of the Authority or its agent, Applicants shall provide a copy of the Closure Plan annually to the Authority.

5.10 As a condition of approval for registration of an Applicant who is applying to be a Registered Processor of Tire-Derived Aggregate, Mulch or Crumb, such Applicant must post security in an amount that in the estimation of the Authority shall be no less than the amount required to meet the requirements of Schedule "G".

5.11 Registration may be suspended or revoked at any time by the Authority for any of the following:

a) failure of a Registered Processor to meet or abide by, or otherwise fail to perform, for any reason whatsoever, any term, condition or provision of the Program, Bylaws, policies, rules, or procedures of the Authority or any contract or agreement between the Registered Processor and the Authority;

b) failure of a Registered Processor to comply with any law, legislation, regulation, judicial order, permit, license or agreement;

c) failure of a Registered Processor to comply with the Registered Processor Compliance Requirements as set out in Schedule "F" attached to this Program, or as otherwise prescribed by the Authority from time to time;

d) false or misleading information being provided by the Registered Processor to the Authority, its agents or employees;

e) the Registered Processor ceases to carry on business as such, or ceases to be

registered in Alberta;

f) bankruptcy or insolvency of the Registered Processor; or

g) the Registered Processor ceases to carry on its operations in Alberta, British Columbia, Saskatchewan, or Manitoba.

5.12 The Authority may terminate an Interim Approval without cause upon written notice to the Applicant. Upon termination of an Interim Approval, the Applicant:

a) is entitled to be compensated in accordance with the terms of the Program such that any amounts due under this Program up to the effective date of the termination will remain payable to the Applicant; and

b) must provide the Authority with a detailed accounting of the work completed under the Program up to the termination date.

5.13 In the event that the Applicant suffers any damages of any kind whatsoever resulting from the termination of an Interim Approval, the only claim of any kind that the Applicant may make against the Authority is for liquidated damages in the sum of One ($1.00) Dollar.

5.14 Registration by the Authority is in no way an approval of the Applicant by the Authority other than for the purpose of becoming eligible to apply for Incentives under this Program.

5.15 Registration under the Program as a Registered Processor cannot be transferred upon the sale, assignment, or transfer of the business of the Registered Processor. Any change to the ownership structure or control of the Registered Processor may result in a suspension or cancellation of registration unless prior written notice has been received by the Authority and a new application for registration has been submitted and accepted by the Authority.

5.16 Where an application for registration is made by a corporation, company, partnership, joint venture, organization, or person that is affiliated with or related to any previously approved Registered Processor, or Supplier, the Authority may, in its discretion, refuse the registration where in the opinion of the Authority a purpose of the registration is to obtain funding that would not otherwise be available to the related approved Registered Processor or Supplier.

5.17 Approval of an Applicant for registration is in the sole discretion of the Authority.

6. INCENTIVES

6.1 Incentives shall be paid by the Authority to Registered Processors in accordance with the Program.

6.2 Incentives are payable only in respect of Scrap Tires as set out on Schedule "A", attached hereto. Incentives shall not be payable by the Authority in respect of Ineligible Material.

6.3 Incentives shall only be paid to Registered Processors upon receipt by the Authority of completed Incentive claims as required by the Authority and upon acceptance by the Authority of the claim. Where Incentive claims are calculated utilizing weight-based measurements, the units are to be submitted in metric units. Where scale tickets or other documents used to

substantiate a claim utilize imperial pounds (lbs) as the unit of measure, these units are to be converted into kilograms (kg) using the conversion factor of 0.4536 kg/lbs (2.2046 lbs/kg) and kilograms (kg) converted into tonnes by dividing by 1,000. All Incentive claims are to be entered in metric tonnes to the thousandth decimal place (e.g., 0.123). Further direction on how to complete Incentive claims is available upon request.

6.4 Incentives may only be claimed by Registered Processors that are in compliance with the objects of the Authority, its Bylaws, guidelines, policies, procedures and protocols and the provisions of all laws, regulations, codes, and other requirements, including, without limitation, all applicable Environmental Laws, health, safety and fire codes, regulations, legislation, and requirements.

6.5 Notwithstanding any other provision of this Program, if a Registered Processor applies for an Incentive for an activity which involves the transportation of Scrap Tires or the supply of Scrap Tire Material to a Non-Arm's Length party the Authority may, in its discretion, impose additional terms and conditions on the approval of the Incentive including, but not limited to, terms and conditions related to reporting requirements, level of funding, term of approval, and the maximum amount of Scrap Tires or Scrap Tire Material for which the Incentive can be claimed. Prior to the approval of the Incentive, the Registered Processor must acknowledge and agree to be bound by any additional terms and conditions required by the Authority and, if requested by the Authority, enter into an agreement with the Authority setting out the additional terms and conditions of the Incentive approval.

6.6 Incentives shall not be claimed, and shall not be paid by the Authority, in respect of any materials that are directed to landfill.

6.7 To ensure the objectives of the Program are met, Incentives are only paid when all requirements of the Program have been satisfied.

6.8 Incentives payable under this Program shall be Processing Incentives and Transportation Incentives.

6.9 Incentives are made under this Program to Registered Processors who engage in activities that fully meet the terms and requirements of the Program. Incentives are provided to reduce the expenses of Registered Processors in carrying out recycling activities pursuant to the terms of the Program.

6.10 Any funds payable under the Program shall be used exclusively by Registered Processors for the purpose it was paid under the Program in accordance with the Program requirements.

6.11 Use of funds for any purpose other than that described in the Program creates a right in the Authority to immediately terminate Incentive payments or registration under this Program, and a right to immediate return from a Registered Processor of any amounts so paid and may void the possibility of any future or further payments of Incentives to Registered Processors in the sole discretion of the Authority.

6.12 All funds advanced in respect of work not yet complete or prior to meeting all the terms of the Program, are deemed to be held in trust by Registered Processors until the Authority has acknowledged in writing to the Registered Processor that the work has been completed in

accordance with the terms of the Program.

6.13 Notwithstanding section 6.12, no funds will be advanced in respect of work not yet complete or prior to meeting all the terms of the Program for Registered Processors conducting such work outside of Alberta.

6.14 The Authority's role under the Program is strictly limited to providing the Incentives and not for any work undertaken by any Registered Processor.

7. TRANSPORTATION AND PROCESSING INCENTIVES

7.1 Transportation Incentives are payable to Registered Processors at the rates and on the terms set out in Schedule "B" attached hereto.

a) Detailed transaction records for each tire collection included in the monthly Incentive claim must be submitted by the Processor to the Authority through the ARMA Connect portal. It is the responsibility of the Processor to prepare and submit the data in a format and manner compatible with the requirements of the Authority and the ARMA Connect system.

7.2 Processing Incentives are payable to Registered Processors at the rates and on the terms set out in Schedules "C", "D", and "E" attached hereto.

a) Detailed transaction records for each shipment of outgoing materials included in the monthly Incentive claim must be submitted by the Processor to the Authority through the ARMA Connect portal. It is the responsibility of the Processor to prepare and submit the data in a format and manner compatible with the requirements of the Authority and the ARMA Connect system.

7.3 The Authority may consider approving, on a temporary basis, Incentives for processing methods not set out in Schedules "C", "D", and "E" for the purposes of stockpile management.

7.4 Registered Processors must receive prior approval from the Authority for any proposed changes to the processing and/or reporting methods of the Registered Processor which were previously approved by the Authority (as set out in the information provided by the Registered Processor as part of their application package or in any subsequent changes that were previously approved by the Authority). The Registered Processor must advise the Authority of any proposed changes in writing. Where the processing and/or reporting methods of the Registered Processor are incompatible with the requirements of the Authority and/or the ARMA Connect system, the Registered Processor must adjust to comply with the requirements of the Authority and the ARMA Connect system.

8. APPROVAL REVIEW AND PAYMENT

8.1 Registered Processors must apply for payment of Incentives from the Authority in accordance with the terms of the Program. There is no obligation on the Authority to pay Incentives until such time as a complete and error free application for Incentives has been approved by the Authority, including all additional required reporting as identified in section 16.2.

8.2 Registered Processors must apply for payment of Incentives from the Authority and provide supporting documents using a methodology acceptable to the Authority. The methodology is subject to change by the Authority. There is no obligation on the Authority to pay Incentives on claims where the claim or supporting documentation have been submitted using a methodology other than that indicated as acceptable to the Authority for the month's claim. Where changes are made by the Authority to the methodology for submitting a claim and back-up documentation, Registered Processors will be responsible to ensure claims are submitted using the new methodology and, if needed, adjust their systems or operations to meet the requirements of the claim process.

8.3 Applications for Incentives for all of the Eligible Activities undertaken must be prepared and submitted for each calendar month.

8.4 Registered Processors are encouraged to submit their applications for Incentives as soon as possible after the end of each month and ideally no later than the Processor Claim Due Date specified for each month's claim in the Accounts Payable Schedule attached as Schedule "I" herein.

8.5 Registered Processors unable to submit their completed application for Incentives by the Processor Claim Due Date must notify the Authority in writing no later than the Processor Claim Due Date that their application for Incentives will be late. This notification must include an estimate of the claim amount and a reason for the late submission.

8.6 Where a Registered Processor is unable to submit their application for Incentives by the Processor Claim Due Date indicated in Schedule "I", the absolute deadline for applications for Incentives is thirty (30) days past the end of the month of the claim activity. After this deadline, the Program is not obligated to approve nor pay the Incentive claim.

8.7 The only exception to the guidelines in sections 8.3, 8.4 and 8.5 will be for Transportation Incentives for activities completed within the last three (3) business days of a month, where in the normal course of business activity the required documentation to support the claim was not in order by the time the Incentive claim for that month was submitted by the Registered Processor. For Transportation Incentive claims only, the activity of the last three (3) business days of the month may be included with the application for Incentives for the immediately following month and will become subject to the deadlines for that following month's claim.

8.8 Registered Processors acknowledge that no payment of Incentives will be made until such time as a complete and accurate claim for payment has been accepted by the Authority. All records, receipts and/or invoices as required by the Authority must be retained by the Registered Processor for a minimum of five (5) years and must be provided to the Authority upon request in the manner requested. The Authority may require, and the Registered Processor shall provide, verification of any information contained in the application for Incentives prior to the Authority approving payment.

8.9 Registered Processors must provide requested back up documentation or additional information on transactions within a claim under review within five (5) business days of the original request for the information from the Authority. Where a Registered Processor is unable to submit

documents or information within this timeframe, or where the document or information provided by the Registered Processor is insufficient to support evaluation of the transaction, claim review will be considered delayed and payment of incentive amounts may be delayed as a result.

8.10 The Authority's approval or acceptance of the application for Incentives shall address:

a) the total maximum Incentives payable;

b) the timing, or a schedule of Incentive payments;

c) the terms and conditions of Incentive payments;

d) additional terms and conditions on the use or payment of the Incentives;

e) any other specific conditions or accountability requirement that are necessary to carry out the activities of the Registered Processor, including audit procedures and reporting requirements; and

f) any other terms and conditions reasonably required by Authority, given the purpose and intent of the Program.

8.11 Any payment made by the Authority where there is a false certificate by a Registered Processor, or false or misleading information provided by the Registered Processor, shall be considered to have been paid in error and any such payment is held in trust by the Registered Processor for the sole and exclusive benefit of the Authority. Such payments or funds shall be returned forthwith to the Authority upon either the Authority or the Registered Processor's discovery of the error.

8.12 Incentives are only payable for transportation of Scrap Tires and processing of Scrap Tire Materials:

a) where Scrap Tires are generated in Alberta (for clarity, Scrap Tires brought into Alberta are ineligible);

b) where Scrap Tire Material is exported from Canada for recycling, it is exported only to facilities that have a documented commitment to environmentally sound management and fair labour practices and that have been approved by the Authority; or

c) where Scrap Tires or Scrap Tire Material are provided to a Registered Processor in Alberta, British Columbia, Saskatchewan, or Manitoba that is registered to carry on business in Alberta.

9. RESTRICTION ON PROGRAM PAYMENTS

9.1 All Incentive payments made under the Program are made in the sole discretion of the Authority and in accordance with this Program. The Authority may suspend, withhold, delay, or reduce any particular Incentive payment to a Registered Processor in any of the following circumstances:

a) the Registered Processor has not been able to demonstrate the Scrap Tire Material has been satisfactorily utilized or recycled or processed as required by the Program;

b) the Registered Processor's processes, premises, equipment, or procedures are unsafe or are potentially unsafe, in the discretion of the Authority;

c) the Registered Processor is in breach of, or otherwise fails to perform, for any reason whatsoever, any term, condition or provision of the Program, Bylaws, policies, rules or procedures of the Authority, or any contract or agreement between the Registered Processor and the Authority;

d) there is an unsatisfactory environmental audit, health and safety audit, or deficiencies arising from a Program compliance review or site inspection;

e) the Registered Processor is in breach of, or is not able to verify conformance to, applicable laws, orders, directives, codes or regulations and the Registered Processor Compliance Requirements as set out in Schedule "G"; or

f) the Registered Processor is not able to verify the Scrap Tires are eligible in accordance with the Program, or the Registered Processor is not able to verify the Scrap Tire Material or end products are otherwise derived from the required proportion of Scrap Tire Material.

9.2 The Authority's approval of a request for Incentives shall be limited to availability of funds for the Program generally.

9.3 No Incentive payment shall be approved by the Authority that is in excess of the maximum Incentives set out in the Schedules hereto for the particular category of Scrap Tire or Scrap Tire Material for the collection, transportation or processing activities described in the Schedules.

9.4 The Authority may from time to time set a maximum amount payable under this Program and is not required to approve a proposal or project or make any payment that exceeds the maximum set by the Authority. The Authority may, in its sole discretion, delay, suspend, withhold or cease (collectively referred to as "Delay") any or all Incentive payments as a result of funding restrictions or for any other reason whatsoever. Should a Delay occur, the Authority will use reasonable efforts to provide reasonable notice to the Registered Processor of the Delay in the making of Incentive payments.

9.5 Registered Processors will notify the Authority in writing immediately upon becoming aware of a month over month change in excess of twenty-five percent (25%) of the Registered Processor's average monthly Incentive claim.

9.6 The Registered Processor hereby acknowledges and agrees that any payment requests, funds, Incentives, payments, or advances paid under this Program are paid subject to verification of any information requested by the Authority, and subject to all required information being correct and sufficient for the purposes of the Authority.

9.7 Where an application for Incentives is made by a corporation, company, partnership, joint venture, organization, or person affiliated with or related to any previously approved Registered Processor, the Authority may, in its discretion, refuse approval of such application where, in the opinion of the Authority, a purpose of the application is to obtain Incentives or Program support that would not otherwise be available to the related approved Registered Processor.

9.8 The Authority is not obliged to pay Incentives where the Registered Processor has exceeded the amount or volume of Scrap Tire or Scrap Tire Material allowed on or around the Registered Processor's premises as set forth by the Authority.

10. COMPLIANCE

10.1 By applying for Incentives under the Program, Registered Processors agree to be bound by all applicable Authority Bylaws, programs, policies, and procedures.

10.2 Registered Processors acknowledge the Authority's authority to create Bylaws, policies and procedures that may affect Registered Processors and the Program. Registered Processors agree to be bound by all applicable Bylaws, programs, policies, and procedures hereafter adopted by the Authority.

10.3 Unless specifically waived by the Authority, Registered Processors shall comply with the *Workers' Compensation Act* (Alberta), or the equivalent legislation in British Columbia, Saskatchewan, or Manitoba, as applicable to the jurisdiction where the Registered Processor is carrying on its operations, and shall provide annually to the Authority a certification from the corresponding Workers' Compensation Board in that jurisdiction certifying that:

a) the Registered Processor is registered and in good standing with the applicable Workers' Compensation Board; or

b) the Registered Processor is not required by the applicable Workers' Compensation Act or legislation and the regulations under such legislation to have coverage thereunder for the work; and

c) the Authority will not have current or future liability to the applicable Workers' Compensation Board for that work of the Registered Processor as a consequence of these terms and conditions.

10.4 Each Registered Processor agrees and acknowledges for itself that:

a) it is an "employer" as defined in the *Occupational Health and Safety Act* (Alberta), Part III of *The Saskatchewan Employment Act*, *The Workplace Safety and Health Act* (Manitoba), or Part 3 of *Workers' Compensation Act* (British Columbia), as applicable to the jurisdiction or jurisdictions where it is carrying on business;

b) it has overall responsibility for the health and safety of all of its workers;

c) that it will, as a condition of these terms and conditions, comply with the *Occupational Health and Safety Act* (Alberta), Part III of *The Saskatchewan Employment Act*, *The Workplace Safety and Health Act* (Manitoba) or Part 3 of *Workers' Compensation Act* (British Columbia), as applicable, and regulations enacted thereunder; and

d) the Authority is not an "employer" or "owner" as defined in the *Occupational Health and Safety Act* of Alberta*, Part III of The Saskatchewan Employment Act*, the *Workplace Safety and Health Act* of Manitoba, or Part 3 of *Workers' Compensation Act* of British Columbia, as applicable to the jurisdiction or jurisdictions where it is carrying on business, in respect of any activity that may be undertaken in direct or indirect connection with this Program, and the Authority is not responsible for health and

safety on a Registered Processor's site.

10.5 Each Registered Processor acknowledges they are familiar with their obligations under relevant privacy legislation, including the *Protection of Personal Information Act* (PIPA) of Alberta or the equivalent provincial legislation in British Columbia, Saskatchewan or Manitoba as applicable to the jurisdiction where the Applicant is carrying on its operations, and the federal *Personal Information Protection and Electronic Documents Act* (PIPEDA), and will remain in compliance with such legislation.

10.6 Each Registered Processor agrees to remain in compliance with all relevant laws, regulations, municipal bylaws, codes and other requirements, including, without limitation, all applicable Environmental Laws, health, safety and fire codes, privacy, regulations, legislation and requirements, the *Environmental Protection and Enhancement Act* (Alberta), *Waste Control Regulation* (Alberta), the *Activities Designation Regulation* (Alberta), the *Transportation of Dangerous Goods Regulations* (Canada), and the *Interprovincial Movement of Hazardous Wastes Regulation* (Canada). Registered Processors understand that the Authority may suspend or cancel funding or registration under this Program if the Registered Processor is not fully compliant.

10.7 A Registered Processor shall promptly advise the Authority in writing and, in any event, within a recommended eight (8) hours and no later than twenty-four (24) hours of:

a) any breach of any part of the Program;

b) any reasonable belief on the part of the Registered Processor that it is not in compliance with any aspect of the Program or any Environmental Laws;

c) any change to the processing methods used to process Scrap Tires or Scrap Tire Material; or

d) any municipal, provincial, or federal government department, agency or authority commencing an investigation, or issuing an order, notice, amendment, charge, violation, ticket, or other document with respect to non-compliance with any applicable Environmental Law or requirement.

11. NO LIABILITY

11.1 The Authority shall not be liable for any loss, damage, claim, liability, charge, cost, or expense whatsoever that may arise, directly or indirectly, as a result of:

a) any payment or non-payment by the Authority;

b) registration or non-registration of an Applicant;

c) non-acceptance of a claim for an Incentive by the Authority; and/or

d) any causes attributable to Registered Processors, Manufacturers or Generators in relation to any Scrap Tires or Scrap Tire Material including, without limitation, the collection, storage, transportation, processing, sale, or supply, or use thereof.

11.2 The Authority does not direct, prohibit, discourage, or encourage any particular method or manner of generation, storage, transportation, processing or use of Scrap Tires or Scrap Tire

Material by Registered Processors. The Authority's role under this Program is restricted to determining whether Incentives are payable under this Program. The Authority does not own or control any Registered Processor, Manufacturer, or Generator.

11.3 While the Authority does not generally prohibit the export of Scrap Tire Material from Alberta, the Authority neither encourages nor discourages such export. Where such export is contemplated, any references to laws, legislation, or regulations in this Program shall be construed to refer to the laws, legislation, or regulation of any applicable jurisdiction.

11.4 The Authority shall not be liable for any Registered Processor's collection, use or disclosure of personal or sensitive information or data of any party whatsoever, or the contravention of any privacy legislation.

11.5 All matters of administration of, and accountability for any work conducted pursuant to this Program shall be the sole responsibility of the Registered Processor.

12. INDEMNITY

12.1 In consideration of receiving Incentives under this Program, each Registered Processor is and shall be liable for, and does hereby release, indemnify and hold harmless the Authority, the Authority's employees, officers, directors, members, agents, contractors and subcontractors of, from and against any and all liabilities, losses, costs, damages, solicitor's fees and disbursements (on a solicitor-and-his-own-client basis with right of full indemnity), claims, demands, actions, obligations, proceedings, and expenses or costs whatsoever that may arise, directly or indirectly:

a) that are attributable to the negligence, misconduct or any act or omission of the Registered Processor, its employees, agents, contractors, or sub-contractors, in connection with the execution or delivery of the work under the Program or any matter relating to Scrap Tires or Scrap Tire Material or end products;

b) in respect of the use or misuse of any Scrap Tires, Scrap Tire Material or end products, whether or not such Scrap Tires, Scrap Tire Material or end products are eligible for Incentives under this Program;

c) attributable to the failure of the Registered Processor or the Registered Processor's employees, agents, contractors, or sub-contractors, to comply with any laws, rules, regulations, ordinances, standards, bylaws, orders, certificates, permits, approvals, guidelines, policies, consents, or directions in any way connected with Scrap Tires, Scrap Tire Material, end products, or the Program;

d) attributable to any injury, harm, damage, impairment, or death arising out of the use or misuse of Scrap Tires, Scrap Tire Material or end products, to any person whatsoever, including without limitation, any of the Registered Processor's employees, agents, contractors, sub-contractors, or any licensees or invitees, or any person for whom they are responsible at law;

e) attributable to any environmental damages, contamination, order, direction, claim, reclamation, or cleanup effort in relation to the Registered Processor's land, premises, business or activities;

f) arising out of the death or bodily injury of any agent, employee, customer, business invitee or business visitor of the Registered Processor;

g) arising out of the damage, loss, or destruction of any real or personal property owned or leased by the Registered Processor;

h) arising out of the violation by the Registered Processor of any laws, legislation or regulations;

i) arising out of any error, act, or omission, or conduct or misconduct (whether negligent or otherwise) which is in breach of this Program by the Registered Processor;

j) arising out of any legal or administrative action, proceeding, investigation, demand, claim, or notice of any third party, including without limitation any governmental authority, against any Registered Processor pursuant to or under Environmental Laws;

k) arising out of any release or alleged or potential release of any hazardous substance, or contaminant into the environment; and/or

l) arising out of any infringement of any patent, trademark, trade secret or copyright registered or recognized in North America.

12.2 The release and indemnification set out in this section 12 shall survive termination or expiry of these terms and conditions or registration under the Program.

12.3 The Authority shall not be liable or responsible for, and the Registered Processor shall release the Authority from any liability in respect of, any bodily or personal injury or property damage of any nature whatsoever that may be suffered or sustained by a Registered Processor, its employees, agents, contractors or sub-contractors, any licensees or invitees, or any person for whom the Registered Processor is responsible for at law:

a) in the performance of any work performed under the Program or these terms and conditions;

b) by the use or misuse of any Scrap Tire Material or end products, whether or not such end products are eligible for Incentives under this Program; and/or

c) in respect of any matter or circumstance for which the Authority is indemnified, under this section 12.

13. INSURANCE

13.1 The Authority may require a Registered Processor to provide proof of adequate liability, "all risk", and appropriate environmental insurance, which insurance shall be maintained by the Registered Processor at its own cost and expense.

13.2 For the purposes of this Program and section 13.1, above, Registered Processors shall maintain, at their own expense, comprehensive general liability insurance covering the Registered Processor, its officers, servants, agents, subcontractors and employees for any claim for damage or injury to persons or for loss of life including products liability, liability assumed under this Program, any agreement or document contemplated hereby, or liability arising in the course of the Registered Processor's business, with limits as required by applicable legislation, bylaw,

regulation or enactment, and in any event, not less than Five Million ($5,000,000.00) Dollars inclusive of any one loss.

13.3 Each Registered Processors shall maintain, at its own expense, pollution legal liability insurance with limits of not less than Two Million ($2,000,000.00) Dollars, unless: (i) the Registered Processor provides an independent third-party assessment indicating that such insurance is not required; and (ii) the Authority determines, in its sole discretion, that such insurance is not required. Such insurance shall contain environmental liability coverage or an environmental damage endorsement.

a) Financial security held with Alberta Environment and Parks pursuant to section 27 of the *Waste Control Regulation* (Alberta) does not replace the requirement for pollution legal liability insurance.

13.4 Registered Processors shall maintain, at their own expense, automobile liability insurance on all vehicles owned, operated, contracted by, or licensed in the name of the Registered Processor and used in carrying out the obligations under this Agreement with limits of not less than Two Million ($2,000,000.00) Dollars.

13.5 Registered Processors shall maintain at their own expense, as applicable to their operations, professional liability insurance with limits of not less than Two Million ($2,000,000.00) Dollars per claim and in the aggregate. This insurance is required to remain in place for a period of 36 months following the termination or expiry of this Agreement.

13.6 Registered Processors shall maintain at their own expense, as applicable to their operations, Directors' and officers' insurance in an amount not less than Two Million ($2,000,000) Dollars per claim insuring its liability for any wrongful acts by its directors and officers made in the performance of their duties.

14. REMEDIES

14.1 The Authority reserves all rights and remedies provided to it under law that may be in addition to any terms contained herein.

14.2 In the event that a Registered Processor is in breach of, or otherwise fails to perform, for any reason whatsoever, any term, condition or provision of the Program, Bylaws, policies, procedures, or rules of the Authority or any contract or agreement between the Registered Processor and the Authority, the Authority may, in its sole discretion, do one or more of the following in addition to any other rights it may have at law or otherwise:

a) terminate any and all agreements with the Registered Processor;

b) suspend, withhold, delay, or reduce any Incentive payment to the Registered Processor;

c) demand, and be entitled to receive, from the Registered Processor any and all paid, disbursed, and undisbursed Incentives advanced by the Authority;

d) suspend or revoke approval or registration at any time; and/or

e) commence any action or take any steps that the Authority may consider just or

appropriate in the circumstances.

14.3 In the event of the appointment of a receiver over the assets and affairs of a Registered Processor, the Authority may allow, in its sole discretion, the receiver to carry out the terms of an approval for an Incentive under the Program prior to receivership, provided always the receiver be obligated to the same extent and in the same manner as the Registered Processor. Further, the Authority may, in its sole discretion, allow the Authority's funds to be utilized by the receiver of a Registered Processor in a manner that is in accordance with the Bylaws, rules and policies of the Authority, as well as any applicable agreement, all as if the receiver were the original Applicant for the funds.

14.4 The Program in its entirety shall be governed by the laws of the Province of Alberta. Registered Processors agree to attorn to the exclusive jurisdiction of the courts of the Province of Alberta.

15. RECORDS

15.1 The Authority maintains the right to require further or more complete information from any Registered Processor claiming an Incentive under the Program or from an Applicant applying for registration under the Program.

15.2 Registered Processors shall maintain all records relating to the Program for five (5) years. All such records shall be made available to the Authority upon the request of the Authority.

15.3 Without limiting the generality of the forgoing, Registered Processors shall provide reports of volumes of Scrap Tire Material recycled, processed, disposed of, and collected, at least annually to the Authority, in a form acceptable to the Authority.

16. REPORTING AND AUDIT REQUIREMENTS

16.1 Registered Processor shall provide all information the Authority requests relating to the Program, Incentives, Scrap Tires, Scrap Tire Material, additional required reporting as defined in 16.2, or any other related matter or request for an Incentive, both before and after approval and this provision shall be a requirement of the approval or payment of Incentives.

16.2 Incentive reporting shall be submitted monthly. If no eligible Incentives are payable, the Registered Processor must notify the Authority that no Incentives are being claimed for the reporting period. As part of monthly incentive reporting in ARMA Connect, the Registered Processor must submit information including, but not limited to:

a) Incoming materials by tire type including out of province material, GMT, and other non-program eligible tires;

b) Outgoing materials from program eligible tires including TDA, Mulch, Crumb, Fibre, and metals (rims, bead/wire);

c) Outgoing materials to safe/approved disposal from program eligible tires; and

d) Closing inventory (completed by the Authority).

16.3 Without limiting the generality of the foregoing, the Authority or its agent may request and shall receive from any Registered Processor:

a) a report including a statement of income and expenses and a statement of financial position for the time period requested by the Authority (the "Financial Report"), together with an "attest statement" signed by the Chief Financial Officer of the Registered Processor or, if the Registered Processor does not have a Chief Financial Officer, the key financial decision maker of the Registered Processor, attesting that all information in the Financial Report is complete and accurate. A template for the Financial Report will be provided by the Authority to the Registered Processor for the purposes of the Financial Report and attest statement. The Registered Processor will also provide a copy of the Registered Processor's GIFI filed with the Canada Revenue Agency for the time period of the Financial Report requested by the Authority and the Authority will verify that the Financial Report received is in agreement with the reported GIFI;

b) an audit report provided by an independent, qualified accountant;

c) complete and prompt responses to any financial or compliance audit inquiries or requests by the Authority or its agent;

d) financial reports detailing costs for each category of Scrap Tire Material processed;

e) the submission of technical reports in respect of processing of Scrap Tire Material;

f) the submission of technical reports for total volumes of Scrap Tire Material collected and processed annually;

g) an annual scale certification and/or calibration report provided by an independent, qualified inspector;

h) an annual fire inspection report that shows the Registered Processor is in compliance with all relevant laws, regulations, municipal bylaws, codes and other requirements;

i) the submission of reports, in a methodology acceptable to the Authority, on a monthly basis, for volumes of Scrap Tire Material not attracting an Incentive under the Program that are sold or otherwise transferred to another party, including but not limited to fibre and steel;

j) the submission of a current business plan for the Processor's operations as they relate to the Program;

k) receipts, invoices, accounts, or other documents relating to any part of Scrap Tire and Scrap Tire Material processing, including tire collection records, scale tickets, proof of delivery of product, and other such required or requested documentation;

l) a certificate of an unincorporated Registered Processor, or an officer or principal of an incorporated Registered Processor, certifying all accounts with Suppliers are current and paid; and

m) any other reasonable information relating to applications for Incentives or any matter that relates to this Program or procedure of the Authority.

16.4 The Authority or its agent reserves the right at all times to conduct audits, site inspections or

reviews of the books and records of all Applicants and Registered Processors as it may relate to the Program, Incentives, Scrap Tires, Scrap Tire Material, or any other related matter.

17. TERMINATION

17.1 The Authority may, in the Authority's sole discretion and upon written notice to the Registered Processor, suspend, withhold, delay, or reduce any Incentive payment, and suspend or revoke registration under the Program in accordance with the terms of the Program. The Authority may lift such suspension, withholding, delay or reduction of Incentive payments or suspension or revocation of a Registered Processor's registration at any time in the Authority's sole discretion.

17.2 The Authority may cease funding to a Registered Processor without cause by giving six (6) months' notice to the Registered Processor, and, upon termination, the Registered Processor is entitled to be compensated in accordance with the terms of this Program such that any amounts due under this Program up to the effective date of the termination will remain payable to the Registered Processor.

17.3 A Registered Processor's participation in the Program may be terminated by mutual consent of the parties evidenced in writing.

17.4 Upon termination of its participation in the Program, a Registered Processor must provide the Authority with a detailed accounting of the work completed under the Program up to the termination date.

17.5 In the event that the Registered Processor suffers any damages of any kind whatsoever resulting from termination under this Program, the only claim of any kind that the Registered Processor may make against the Authority is for liquidated damages in the sum of One ($1.00) Dollar.

17.6 In the event that the Program is terminated for any reason whatsoever, the unexpended funds allocated to the Program remain the exclusive property of the Authority and if held by the Registered Processor, must be returned forthwith to the Authority.

SCHEDULE "A"

TIRES ELIGIBLE FOR INCENTIVES UNDER THE PROGRAM

Subject to the terms and conditions of the Program, the following tires are specifically eligible for payment of Incentives:

CATEGORY OF ELIGIBLE TIRES	ADDITIONAL DETAIL FOR TIRE CATEGORY
1. Passenger and Light Truck Tires	This category includes but is not limited to: • PLTT designed for use on passenger cars, light trucks and multipurpose passenger vehicles including sport and crossover utility vehicles (SUVs & CUVs), RV tires under 19.5 inches (50cm); • Trailer tires with a rim diameter under 19.5 inches (50cm) including but not limited to boat, utility, cargo, livestock, flatbed, recreation/travel; • Motorcycle (both on and off road), motorized scooter (does not include motorized mobility aids), sidecar, other personal transportation vehicles; • Bicycle tires; or • Recapped and retreaded tires.
2. Medium Truck Tires	**Medium Truck Tires** This category includes, but is not limited to, tires designed for use on: • highway tractor trucks, commercial trucks, buses; • larger RVs & trailers. Tires in this category generally fall under the Canadian Motor Vehicle Standard CMVSS No. 120 (TSD 120) and section 3 of the Tire and Rim.
3. Off the Road Tires	This category includes the OTR Tires with rim diameter up to and including 39 inches (99cm), including but not limited to: • Construction, Mining, Earthmover, Haulage, Dozer, Grader, Mobile Crane, Compactor, Front End Loader, and Forestry Skidder; • Agricultural Tires; • All-Terrain Vehicle (ATV); or • Forklift, Skid Steer, Mini-Loader.

The list of products above is provided for reference purposes and may be amended from time to time. Refer to the Alberta Recycling website for the current list of eligible products.

SCHEDULE "B"

TRANSPORTATION INCENTIVES

1. Program Identification

Incentive Program: Pickup and delivery of Scrap Tires to a Registered Processor's facility ("Transportation")

2. Eligible Applicant

To be eligible under this Program, the Applicant must be a Registered Processor who transports Scrap Tires from a location which is not a Registered Processor's site or facility to a Processing Site of a Registered Processor.

3. Eligible Activities

Eligible Processors must be processing tires on an ongoing basis and receiving Processing Incentive payments.

The end use must not be in contravention of the purposes of the Authority, its programs, objects, Bylaws, procedures, policies, or protocols.

4. Eligible Expenses

Incentive Payments are based on zones as set out in the transportation map appended to this Schedule "B". The Incentives paid to the Registered Processor for carrying out the Eligible Activities are intended to be a partial reimbursement for the expenses incurred. Therefore, Registered Processors shall make expense information available to the Authority, as requested.

5. Level of Funding

a) The level of funding and categories of Transportation Incentives may be adjusted from time to time by the Authority upon thirty (30) days' notice to Registered Processors having regard to expenses of Registered Processors generally and contingent on the Authority's budget.

b) The level of Transportation Incentives is based on the zone where the Transportation originates, as identified on the map appended to this Schedule "B". The level of Transportation Incentives for pick up and Transportation to a Registered Processor in each of the zones is:

Zone	Description	Rate per tonne (April 1, 2025-March 31, 2026)	Rate per tonne (April 1, 2026-March 31, 2028)
Zone 1A	Within the corporate boundaries of the City of Calgary and the City of Edmonton	$97.00	**$99.00**
Zone 1	Within a 100 km radius around the Calgary - Edmonton corridor	$97.00	**$99.00**
Zone 2	For all areas of the province outside Zone 1 and Zone 3	$169.00	**$172.00**
Zone 3	Within the northern zone, delineated by the northern boundary of Township line 70	$258.00	**$263.00**
Drop Off	Dropped off at the Processor site where there is no third-party agreement in place for the delivery of the tires.	$0.00	**$0.00**
Bike Tire Pickup*	Collected from Bicycle Tire Cages provided by the Authority are eligible to receive an additional	$200 (per pickup)	**$222 (per pickup)**

**Rate is per pick-up (not per tonne).*

6. Other Terms

a) Upon request by the Authority, Registered Processors must provide legible documentation relating to the collection of Scrap Tires, including copies of tire collection records in the form supplied and/or approved by the Authority from time to time, copies of the electronic, or signed scale tickets, where applicable, as may be required by the Authority.

b) The Registered Processor shall provide, without expense to the Authority, all information and records relative to volumes, expenses, and any matter relevant to a request for Incentive payments under this Program, as may be required by the Authority from time to time.

c) Incentive payments may be claimed by a Registered Processor after delivery of Scrap Tires to the Registered Processor's facility.

d) Tire collection complaints will be tracked by the Authority and assigned to the Registered Processor to arrange tire collection within twenty-one (21) days of the complaint. Any complaints that remain outstanding past twenty-one (21) days will result in a holdback of a minimum of One Thousand ($1,000.00) Dollars to be withheld from the Registered Processor's Transportation Incentive Payment. If the complaint remains outstanding for fifty (50) days past the complaint date, the holdback will be forfeited by the Registered Processor. This applies for:

i. Alberta Suppliers generating Scrap Tires not serviced with cages and/or bins, holding a minimum of one hundred (100) Scrap Tires.

ii. Alberta Suppliers generating Scrap Tires serviced by cages and/or bins where the cage and/or bin is at capacity with Scrap Tires awaiting collection.

TRANSPORTATION INCENTIVE ZONES
(ILLUSTRATIVE MAP)

The Tire Transportation Incentive Zone map is for illustration purposes only.

SCHEDULE "C"

PROCESSING INCENTIVES - TIRE-DERIVED AGGREGATE (TDA)

1. Program Identification

Incentive Program: TDA

2. Eligible Applicant

To be eligible under this Program, the Applicant must:

a) be a Registered Processor who supplies Scrap Tire Material in the form of TDA to a party approved by the Authority where a signed TDA project agreement is in place;

b) be able to demonstrate to the Authority their ability to meet the specifications set out in section 5, below; and

c) be producing TDA on an ongoing basis.

3. Eligible Activities

The end use must not be in contravention of the purposes of the Authority, its programs, objects, Bylaws, procedures, policies, or protocols.

4. Eligible Expenses

Incentive payments are based on the volume of TDA in accordance with the level of funding in section 5, below. Incentive payments are intended to provide partial reimbursement of the expenses incurred by the Registered Processor in carrying out the Eligible Activities. Therefore, Registered Processors shall make expense information available to the Authority, as requested.

5. Level of Funding

The level of funding and categories of Processing Incentives for TDA may be adjusted from time to time by the Authority upon thirty (30) days' notice to Registered Processors having regard to expenses of Registered Processors generally and contingent on the Authority's budget.

The levels of funding for the various categories of TDA processed from Scrap Tires and supplied to a party for uses approved by the Authority are set out in the following table:

		Per Tonne Rate	
TDA Type	**Specifications**	**(April 1, 2025-March 31, 2026)**	**(April 1, 2026-March 31, 2028)**
Nominal 6"* PLT TDA MTT TDA OTR TDA	(a) free from contamination of foreign matter including rocks, loose steel, fibre, wood chips, organic material, remains of tires subjected to fire, or other debris; and (b) contain less than 1% (by weight) of free wire; and (c) contain no exposed wire greater than 1" (2.54 cm) on 75% of the pieces (by weight); or (d) contain no exposed wire greater than 1" (2.54 cm) on 95% of the pieces (by weight) for assigned TDA projects where a synthetic liner is in use.**	$160.00	**$170.00**
ASTM*** PLT TDA MTT TDA OTR TDA	(a) free of all contaminants, including petroleum products and organic materials; (b) free of any tire remains that have been subject to a fire; (c) Contain less than 1% free metal fragments (by weight); and (d) For partially encased metal fragments, the metal should protrude no more than 1" (2.54 cm) on 75% of the pieces (by weight) and 2" (5.08 cm) on 90% of the pieces (by weight).	$190.00	**$190.00**

**Nominal 6" (15.24 cm) means at least one dimension must be 6" (15.24 cm) or less with no dimension greater than 8" (20 cm) on 90% of the pieces (by weight)*
***The Authority will advise the Registered Processor when the enhanced specification in (d) above must be met.*
****The Authority will confirm the ASTM type upon entering into a funding agreement with the Registered Processor.*

6. Other Terms

a) Upon request, Registered Processors must provide legible documentation relating to the receipt of TDA by the party to whom it was delivered for an approved use, as well as documentation relating to TDA delivery, including, but not limited to, copies of proof of sale or delivery of the product, copies of signed scale tickets, and a confirmation of acceptance signed by the receiving party.

b) The Registered Processor shall provide without expense to the Authority, all information and records relative to volumes, expenses, and any matter relevant to a request for Incentive payments under this Program as may be required by the Authority from time to time.

c) Incentive payments shall not exceed expenses of a Registered Processor in any event.

SCHEDULE "D"

PROCESSING INCENTIVES - MULCH

1. Program Identification

Incentive Program: Mulch

2. Eligible Applicant

To be eligible under this Program:

a) the Applicant must be a Registered Processor who supplies Scrap Tire Material in the form of Mulch for a use acceptable to the Authority; and
b) the Registered Processor must be able to demonstrate to the Authority their ability to meet the specifications set out in section 5, below.

3. Eligible Activities

The end use must not be in contravention of the purposes of the Authority, its programs, objects, Bylaws, procedures, policies, or protocols.

4. Eligible Expenses

Incentive payments are based on the volume of Mulch as per level of funding in section 5, below. Incentive payments are intended to provide partial reimbursement of the expenses incurred by the Registered Processor in carrying out the Eligible Activities. Therefore, Registered Processors shall make expense information available to the Authority, as requested.

5. Level of Funding

The level of funding and categories of Processing Incentives for Mulch may be adjusted from time to time by the Authority upon thirty (30) days' notice to Registered Processors having regard to expenses of Registered Processors generally and contingent on the Authority's budget.

The level of funding for Mulch sold to a party for uses approved by the Authority is:

Processed Material	Incentive Rate (per tonne)		Material Size & Specifications for Mulch
	(April 1, 2025-March 31, 2026)	(April 1, 2026-March 31, 2028)	
PLTT Mulch	$232.00	**$239.00**	Size: up to 2" (5.08cm) Specifications: Must be 99.9% free of exposed and loose wire
MTT Mulch	$232.00	**$239.00**	
OTR Mulch	$300.00	**$300.00**	

6. Other Terms

a) Upon request, all Registered Processors must provide legible documentation relating to the receipt of Mulch by the party to whom it was delivered for an approved use, as well as documentation relating to Mulch delivery including but not limited to, copies of proof of sale or delivery of the product, and a confirmation of acceptance signed by the receiving party. An

original, signed electronic scale ticket for the load indicating the time, date, weight, and type of product is also required.

b) The Registered Processor shall provide without expense to the Authority, all information and records relative to volumes, expenses, and any matter relevant to a request for Incentive payments under this Program as may be required by the Authority from time to time.

c) Incentive payments shall not exceed expenses of a Registered Processor in any event.

SCHEDULE "E"

PROCESSING INCENTIVES - CRUMB

1. Program Identification

Incentive Program: Crumb

2. Eligible Applicant

To be eligible under this Program, the Applicant must:

a) be a Registered Processor who supplies Scrap Tire Material in the form of Crumb for a use acceptable to the Authority; and

b) be able to demonstrate to the Authority their ability to meet the specifications set out in section 5, below.

3. Eligible Activities

The end use must not be in contravention of the purposes of the Authority, its programs, objects, Bylaws, procedures, policies, or protocols.

4. Eligible Expenses

Incentive payments are based on the volume of Crumb as per level of funding in section 5, below. Incentive payments are intended to provide partial reimbursement of the expenses incurred by the Registered Processor in carrying out the Eligible Activities. Therefore, Registered Processors shall make expense information available to the Authority, as requested.

5. Level of Funding

The level of funding and categories of Processing Incentives for Crumb may be adjusted from time to time by the Authority upon thirty (30) days' notice to Registered Processors having regard to expenses of Registered Processors generally and contingent on the Authority's budget.

The level of funding for Crumb sold to a party for uses approved by the Authority is:

Processed Material	Incentive Rate (per tonne)		Material Size & Specifications for Crumb
	(April 1, 2025-March 31, 2026)	(April 1, 2026-March 31, 2028)	
PLTT Crumb	$350.00	**$360.00**	Size: up to 3/8" (0.95cm) Specifications: Must be 99.9% free of wire
MTT Crumb	$408.00	**$420.00**	
OTR Crumb	$420.00	**$420.00**	

6. Other Terms

a) Upon request, Registered Processors must provide legible documentation relating to the receipt of crumb by the party to whom it was delivered for an approved use, as well as documentation relating to Crumb delivery, including, but not limited to, copies of proof of sale or delivery of the product, and a confirmation of acceptance signed by the receiving party. An original, signed electronic scale ticket for the load indicating the time, date, weight, and type of product is also required.

b) The Registered Processor shall provide without expense to the Authority, all information and records relative to volumes, expenses, and any matter relevant to a request for Incentive payments under this Program as may be required by the Authority from time to time.

Incentive payments shall not exceed expenses of a Registered Processor in any event.

SCHEDULE "F"

PROCESSING INCENTIVES – RIMS

1. Program Identification

Incentive Program: Rims

2. Eligible Applicant

To be eligible under this Program, the Applicant must:

c) be a Registered Processor who supplies metal Rims from Scrap Tire Material to a metal recycling facility (Downstream Processor).

3. Eligible Activities

The end use must not be in contravention of the purposes of the Authority, its programs, objects, Bylaws, procedures, policies, or protocols.

4. Eligible Expenses

Incentive payments are based on the volume of Rims as per level of funding in section 5, below. Incentive payments are intended to provide partial reimbursement of the expenses incurred by the Registered Processor in carrying out the Eligible Activities. Therefore, Registered Processors shall make expense information available to the Authority, as requested.

5. Level of Funding

The level of funding and categories of Processing Incentives for Rims may be adjusted from time to time by the Authority upon thirty (30) days' notice to Registered Processors having regard to expenses of Registered Processors generally and contingent on the Authority's budget.

The level of funding for Rims is:

Processed Material	Incentive Rate (per tonne)
Metal Rims	$100.00

6. Other Terms

c) Upon request, Registered Processors must provide legible documentation relating to the receipt of metal rims by the party to whom it was delivered for an approved use, as well as documentation relating to metal rims delivery, including, but not limited to, copies of proof of sale or delivery of the product, and a confirmation of acceptance signed by the receiving party. An original, signed electronic scale ticket for the load indicating the time, date, weight, and type of product is also required.

d) The Registered Processor shall provide without expense to the Authority, all information and records relative to volumes, expenses, and any matter relevant to a request for Incentive payments under this Program as may be required by the Authority from time to time.

Incentive payments shall not exceed expenses of a Registered Processor in any event.

SCHEDULE "G"

REGISTERED PROCESSOR COMPLIANCE REQUIREMENTS

These compliance requirements outline the Authority's requirements for Registered Processors processing collected Scrap Tires. All Registered Processors must meet these compliance requirements in order to be registered as a Registered Processor under the Program.

REQUIREMENTS FOR COMPLIANCE OF REGISTERED PROCESSORS

All Registered Processors must ensure that all activities (transportation, storage, processing, etc.), including activities relating to Ineligible Materials, that are conducted at the Registered Processor's facility are conducted in an environmentally sound manner and in a manner that safeguards the health and safety of employees working at the facility.

All Registered Processors must continually seek to reduce costs, improve services provided, ensure regulatory compliance, exceed industry standards, and achieve the highest environmental outcomes in respect of Scrap Tire Materials.

All Registered Processors must accept all types of Scrap Tires considered eligible under the Program with the exception of any Scrap Tires that may pose a risk of damage to processing equipment, or that may be a danger to the health and safety of employees.

If a Registered Processor relocates their processing facility, they must notify the Authority in writing prior to the relocation. Registered Processors may be required to have an environmental, health and safety audit conducted at their expense by a qualified third-party to verify the new location complies with all relevant environmental and occupational health, and safety legislation.

Upon request of the Authority, Processors must provide a copy of the terms and conditions associated with any third-party contract for the end-of-life management of Scrap Tires to demonstrate to the satisfaction of the Authority, at its sole discretion, that the contractual arrangements are in compliance with the Program Requirements.

All Registered Processors shall demonstrate the expertise, knowledge, and technical capability to ensure that Scrap Tires accepted for processing are processed to an approved Scrap Tire Material and must accept full responsibility for Scrap Tires once they come into their possession and until they leave their possession as an approved Scrap Tire Material.

All Registered Processors must provide objective evidence that the following requirements have been satisfied:

1. ENVIRONMENTAL MANAGEMENT

All Registered Processors shall:

1.1 Develop, implement, maintain, update as needed, and provide to the Authority upon request, a documented Environmental Management System (EMS) to ensure adequate control over the Registered Processor's impact on the environment. The EMS must include a commitment to

take corrective action to address any issues of non-conformance;

1.2 Identify and comply with all applicable Environmental Laws, orders, or directives (international, federal, provincial/state, and municipal) and disclose any related legal infractions within the five (5) year period prior to the date of application;

1.3 Possess and adhere to all applicable provincial/state waste and air emissions permits or certifications, and have processes in place to ensure continued compliance to the requirements of such authorization(s);

1.4 Implement and maintain a documented procedure for responding to and reporting pollutant spills and emergency situations, including a plan to mitigate any environmental damage caused; and

1.5 Report monthly on the total tonnage of all Program materials diverted to landfill / approved disposal.

2. OCCUPATIONAL HEALTH AND SAFETY

All Registered Processors shall:

2.1 Identify and comply with all applicable health and safety regulations (federal, provincial/state, municipal, and industry standards) and disclose any legal infractions within the five (5) year period prior to the date of application;

2.2 Maintain a current Certificate of Recognition ("COR"), and in the event that a COR certification expires, the Processor must provide the Authority with written notification from their auditor confirming that the recertification process is underway;

2.3 Possess current workers' compensation coverage; and

2.4 Without limiting the requirements above, ensure occupational health and safety of employees working at the facility by:

a) providing continual health and safety training of personnel;

b) making available and enforcing the use of personal protective equipment;

c) labeling of all hazardous materials;

d) safeguarding of dangerous mechanical processes; and

e) protecting personal information and data.

3. OPERATIONS

All Registered Processors shall:

3.1 Maintain a monitoring program to track key processes, compliance with applicable legislation, and any emissions or effluents being generated;

3.2 Maintain all records for a period of five (5) years, including manifests, bills of lading, scale tickets and chain of custody in respect of all materials destined for downstream markets;

3.3 Maximize Scrap Tire recycling and ensure Scrap Tire Material is not directed to landfill;

3.4 Collect all eligible Scrap Tires from Alberta Generators providing that:

a) there is a minimum of one hundred (100) eligible tires for pick-up (with the exception of Alberta Generators serviced with cages and/or bins); and

b) the tire storage area is accessible and clear of obstructions and/or debris.

3.5 Accept and process all collected eligible Scrap Tires regardless of value;

3.6 Ensure that prison labour is not used in the recycling of Scrap Tires;

3.7 Ensure that storage of any Scrap Tire material is done in a secure and environmentally safe fashion and in compliance with all applicable legislation;

3.8 Ensure that scale tickets are automatically printed from the scale reading and that scale tickets include time, date, weight, and are legible and not manually altered;

3.9 Scale tickets are required to substantiate the weight claimed, and acceptable formats include original scale tickets, electronic copies of scale tickets, and reports that are automatically generated by the certified scale;

3.10 Submit an annual scale calibration provided by an independent, qualified inspector;

3.11 Identify probable emergency situations and exceptional circumstances; prepare, periodically test, and update, as appropriate and necessary, an emergency plan(s) for responding to the identified emergency situations and exceptional circumstances to protect workers, the public, and the environment;

3.12 Provide prompt written notice to the Authority and, in any event, within a recommended eight (8) hours and no later than twenty-four (24) hours of any incident that is reportable to any government, regulatory or other authority or under any contract (e.g., Alberta Environment and Protected Areas, Fire Department, EMS/ambulance, RCMP/municipal police). The occurrence of emergency events, including exceptional releases, accidents, spills, fires, and explosion shall be reported to the required authorities;

3.13 Provide the Authority or its agent with access to their facility to conduct scheduled or unannounced visits and inspections (including the taking of photographs) of the recycling process, inventory, or general site for the Authority's internal purposes; and

3.14 Inform the Authority of personnel changes to management and other personnel regularly in contact with the Authority and inform the Authority of any changes to accounts payable information within five (5) business days of such changes being made.

3.15 Inform the Authority of any operational changes that will impact scrap tire generators and/or

collection service levels;

3.16 Provide for review to the Authority, five (5) business days prior to distribution, any formal communications from the Processor to Collectors, Suppliers, and other Program stakeholders where reference is made to the Authority, Program changes, funding, results, or other data.

4. DOWNSTREAM PROCESSORS

All Registered Processors shall:

4.1 Identify all Downstream Processors that are used to process Scrap Tire Material under the Program through to a Final Recycled State.

5. TRANSPORTATION

All Registered Processors shall:

5.1 Ensure that they are fully licensed and insured and maintain records of such transportation insurance and permits as are reasonably required and make them available at the request of the Authority.

5.2 Ensure that all Transporters used to transport Scrap Tire Material from Registered Processors to Downstream Processors for further processing are fully licensed and insured.

SCHEDULE "H"

SECURITY TERMS AND CONDITIONS

1. SECURITY REQUIRED

1.1. Where an Applicant applies for registration as a Registered Processor, as a condition to registration, the Authority may require the Applicant to provide Security before any Eligible Activities for the processing of Scrap Tires into Tire-Derived Aggregate, Mulch, or Crumb commences.

2. AMOUNT OF SECURITY

2.1. For the purpose of this Schedule "H", security for post closure associated expenses shall be in an amount which is determined by the management of the Authority annually and which is calculated based on the following:

a) $10,000.00 to be assigned to potential future post closure associated expenses incurred by the Authority associated with the closure of the Registered Processor's site; plus

b) A minimum of $50,000 for each processing site operated by a Registered Processor under the Program (amount to be calculated and confirmed annually by the Authority).

2.2. Each Registered Processor's security requirement shall be reviewed annually and shall be based on the average verified whole tire monthly inventory of the previous fiscal year by the Authority, at which time it may be adjusted in accordance with this Schedule "H".

2.3. Within thirty (30) days of any changes to the Registered Processor's Closure Plan, the Registered Processor may be required to, and shall, submit security in an adjusted amount prescribed by the Authority and which is based on the changed Closure Plan unless waived by the Authority in writing.

3. ADJUSTMENT OF SECURITY

3.1. The Authority shall notify a Registered Processor of any proposed adjustment to the amount of the security. The Registered Processor shall submit the security in the required adjusted amount within thirty (30) days of notification by the Authority.

4. FORM OF SECURITY

4.1. Security must be in one or more of the following forms as required by the Authority, or such other form as may be acceptable to the Authority:

a) cash on deposit with the Authority;

b) government guaranteed bond, debentures, term deposits, certificates of deposit, trust certificates or investment certificates assigned to the Authority;

c) irrevocable letters of credit in a form acceptable to the Authority, irrevocable letters of

guarantee in a form acceptable to the Authority, performance bonds or surety bonds in a form acceptable to the Authority; and/or

d) any other form that is acceptable to the Authority.

4.2. Environmental Insurance is not considered an acceptable form of security for the purpose of this Program requirement.

5. RETURN OF SECURITY

5.1. The Authority may determine that all or part of the security provided by the Registered Processor be returned to the Registered Processor if:

a) a Registered Processor ceases to be in business as a Registered Processor, and the site(s) and all Scrap Tire Material has been wholly reclaimed, remediated, restored, or removed, as the case may be; or

b) reclamation, remediation, or restoration of the site(s) has been partially completed, in which case the Authority may, on application by the Registered Processor, return a part of the security as determined by the Authority; or

c) the Authority decreases the amount of security required under these terms, in which case the Authority shall return the portion of the security no longer required; or

d) an application for registration or Incentives is submitted by a Registered Processor but no approval is issued by the Authority; and

e) all other Program requirements of the Authority have been met by the Registered Processor.

6. FORFEITURE OF SECURITY

6.1. The Authority may determine that all or part of the security provided by the Registered Processor be forfeited if:

a) the Registered Processor fails to commence and complete reclamation, remediation, or restoration of a site(s) where a Registered Processor abandons the site(s) or abandons Scrap Tire Material or operations on the site(s);

b) the Registered Processor fails to meet any requirement relating to inventory levels, maintaining the site(s), or environmental requirements as a condition of the Authority approval;

c) the Registered Processor fails to comply with any applicable law, regulation, code, approval or the Program;

d) the Registered Processor fails to renew existing security before its expiry date;

e) the Registered Processor fails to adjust the amount of security as required by the Authority under this Program;

f) the Registered Processor fails to comply with an order issued by a government authority;

g) a receiver, receiver-manager or trustee has been appointed in respect of the operations of the Registered Processor;

h) there are any amounts owing by the Registered Processor to the Authority under the Program, and the Registered Processor has failed or otherwise has neglected to pay;

i) the Authority has suffered any losses, costs, expenses, or damages as a result of the Registered Processor's registration with the Authority, its participation in the Program, or the acts or omissions of the Registered Processor generally;

j) the Authority requires the Registered Processor to indemnify it under this Program;

k) the Registered Processor fails to maintain insurance required under this Program; or

l) the Authority determines the Registered Processor is unable to liquidate its inventory of Scrap Tire Material.

6.2. Where the Authority requires security to be forfeited, the Authority shall give written notice of the decision to the Registered Processor.

6.3. Prior to allowing continuing participation under this Program by a Registered Processor after security has been forfeited, the Registered Processor will be required to provide the Authority new security in an amount required under this Program.

7. FAILURE TO COMPLY

7.1. Failure to comply with the posting of security requirement will result in no further payments being made to the Registered Processor under the Program.

SCHEDULE "I"

ACCOUNTS PAYABLE SCHEDULE

ARMA Connect must be used for all applications for Incentives. This schedule identifies the processor claim Incentive Payment dates, and the corresponding deadline for submission by Registered Processors of their applications for Incentives (the "Processor Claim Due Date").

Payment for claim submissions received later than these deadlines, incomplete, and/or with errors, or where requests for backup documentation are not responded to within five (5) business days, will be delayed.

- The **Processor Claim Due Date** is the sixth (6th) business day of the following month (e.g., the April claim is due on the sixth business day of May).

- The **Incentive Payment Date** is the 15th of the month (e.g., the April claim Incentive Payment Date is the 15th of June).

Registered Processors are not required to wait until the Processor Claim Due Date to submit Incentive claims. The Authority recommends that Registered Processors submit their Incentive claims to the Authority for review and approval as early as they are able to submit a complete and accurate claim.

If processors are not submitting a claim for a particular month, they must notify the Authority by the corresponding Processor Claim Due Date.

Payments are subject to the Authority's right to withhold, delay or reduce any particular Incentive payment.

If an Incentive Payment Date falls on a weekend or statutory holiday in the Province of Alberta, the Incentive Payment Date will be the previous business day.

The Authority requires that all claim submissions for the fiscal year (ending March 31st) must be submitted by the following Processor Claim Due Date in order to receive Incentive payments.

Schedule "J"

PROGRAM SPONSORED PROJECTS

The Authority, from time to time, may require the participation of the Registered Processor in various Program sponsored projects. These projects may be developed in support of the Authority's strategic business plan or in order to meet the key goals and annual performance measures of the Program.

The following list identifies the projects identified for Registered Processor participation. Registered Processors will be informed by the Authority of the specific requirements and timelines associated with the project(s). The Authority may engage a third party to conduct the project on its behalf. Projects may include, but are not limited to:

1. Sustainability Review of Registered Tire Processors

2. Environmental, Health and Safety Audits

The list of Program sponsored projects may change at the discretion of the Authority. Registered Processors will be advised of any changes to their required participation.