

September 25, 2013

Dear First Seller

Note: If you are currently registered with SARRC as an oil or filter first seller, you do not have to re-register with SARRC. Only first sellers of antifreeze; antifreeze and Diesel Exhaust Fluid (DEF) containers that are not currently members of SARRC and are now covered by the new Regulations are invited to register with SARRC.

The Used Oil Collection Regulations in Saskatchewan have been amended to add antifreeze, antifreeze containers, Diesel Exhaust Fluid (DEF) containers and diesel fuel filters, the Saskatchewan government announced on September 16, 2013 (attached). The new *Regulations* are *The Used Petroleum and Antifreeze Products Collection Regulations* (attached) which take effect January 1, 2014. As with lubricating oil products, the new *Regulations* require Saskatchewan first sellers (first importers) to operate an antifreeze, antifreeze container, Diesel Exhaust Fluid (DEF) container and diesel fuel filter Product Management Program or contract SARRC to do so on their behalf. SARRC's program will operate similar to existing antifreeze and antifreeze container programs in Quebec, Manitoba and British Columbia. SARRC will submit an amended Product Management Program to the Saskatchewan Ministry of Environment for approval on your behalf. Non-visible Environmental Handling Charges (EHCs) are not stipulated in the existing or the new *Regulations* so retailers are free to show visible EHCs at point-of-purchase.

SARRC proposes to request ratification of amended SARRC By-laws at a General Meeting of Members to be held at 10 am on Tuesday, December 10, 2013 in Saskatoon, Saskatchewan, also recommending the membership adopt Environmental Handling Charges (EHCs) on these products. SARRC expects that antifreeze EHCs will fall between the Manitoba (\$.08 per litre) and British Columbia (\$.20 per litre) rates. As with other provinces, SARRC expects antifreeze and DEF containers to have the same EHC as oil containers at \$0.10 per litre of container size. Diesel fuel filters have been in the program since inception by interim approval of Saskatchewan Environment - this is simply "cleaning up the regulation". Following the General Meeting and 90 days-notice to change or implement EHCs as stipulated in the Membership Agreement, EHC implementation and program start is scheduled for April 1, 2014.

Please find attached two copies of the SARRC Membership Agreement to be signed and dated with both copies returned to SARRC along with a cheque payable to SARRC in the amount of two hundred ten dollars (\$210.00 - \$200.00 plus \$10.00 GST). The Membership Agreement and the \$200.00 one-time membership fee enable SARRC to operate a Product Management Program approved by the Saskatchewan Ministry of Environment) on your behalf so your organization can meet the requirements of *The Used Petroleum and Antifreeze Products Collection Regulations*. Please forward the two executed copies and the cheque to:

Saskatchewan Association for Resource Recovery
Corporation (SARRC)
#5 - 307 Gray Avenue
Saskatoon, SK S7N 4R7
Attention: Jolene Isaac

SARRC will then sign both copies of the Membership Agreement and return one copy to you. Further communication will follow in the next month that will provide General Meeting details (with the ability to participate in person, by Proxy or by Internet Means), amended by-laws, resolutions to establish EHCs and a template for the revised EHC Payment Schedule to allow you to establish your remittance process.

SARRC was incorporated in 1996 to develop, implement and maintain a Product Management Program for used oil, filters and containers that began operation September 1, 1997. SARRC's 175 Members include North American manufacturers, distributors, wholesalers and retailers importing oil products into Saskatchewan. You are invited to join SARRC that on behalf of its Members since inception has diverted from landfill at least 250 million litres of used oil, 28 million oil filters and 4,000 tonnes of used oil containers. SARRC looks forward to providing you with cost effective and efficient collection of antifreeze and antifreeze and DEF containers.

More information about SARRC is available on our website usedoilrecyclingsk.com or our mobile website mobile.usedoilrecyclingsk.com. Please forward the requested documentation and materials as outlined above and if you have any questions, please call the SARRC office at 306-652-7217.