

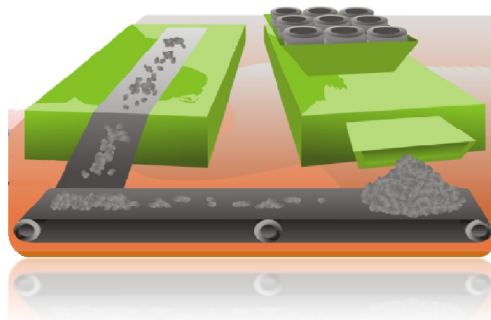


Heavy Vehicle Tyre Users Information Leaflet

***Solving the Waste Tyre
Problem***

The SATRP Integrated Industry Waste Tyre Management Plan

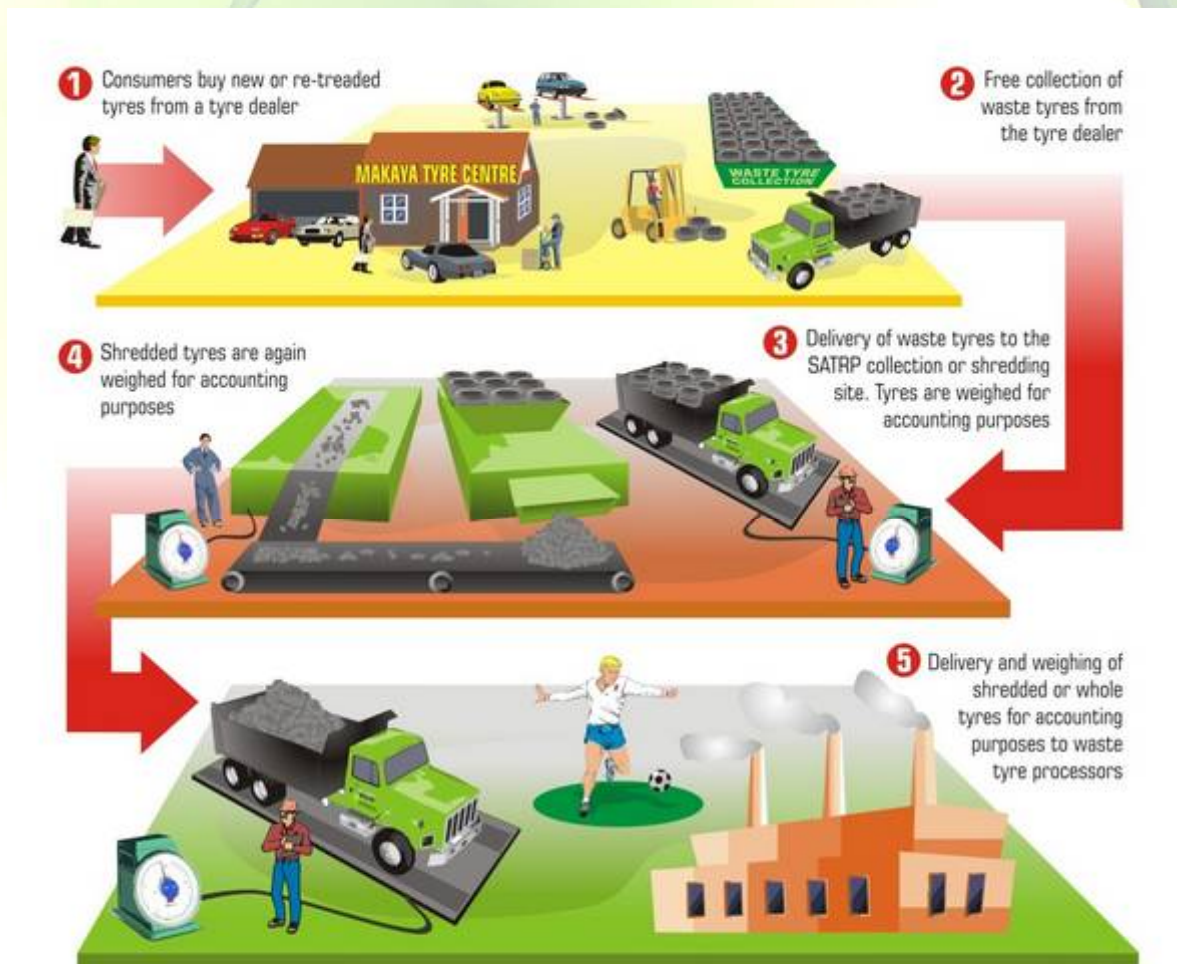
This Plan is based on similar plans operating in Europe and USA. Example Aliapur France: www.aliapur.fr



1. THE SATRP WASTE TYRE MANAGEMENT PROCESS

Did You Know

- The environmental issues around waste tyres in South Africa will be solved by Waste Tyre Plans such as the SATRP Plan in compliance with the Waste Tyre Regulation, 2009.
- All tyre-importers and manufacturers (tyre producers) must have Waste Tyre Plans in place.
- The SATRP Waste Tyre Plan is sanctioned by Treasury and the Competition Commission, and represents the majority of tyre suppliers to the SA market.
- All tyre dealers can now register with the SATRP Company for collection of it's subscribers waste tyres starting during 2012.
- The SATRP Plan does not interfere with retreadable asings or good part worn tyres complying with the Road Regulations. The re-use of tyres is encouraged.
- In the value chain the consumer ultimately remains the only source of funds for waste tyre end of life removal programmes.
- **In terms of the SATRP Plan and your waste tyres, heavy vehicle tyre users “work” through a tyre dealer, or is classified as a tyre dealer if they buy tyres directly from a tyre producer.**



What laws and regulations apply?

The National Environmental Management: Waste Act, 2008 (Act No 59 of 2008) (the Waste Act) makes provision for the Minister of Environmental Affairs to introduce Regulations and to call on industries to prepare and submit Integrated Industry Waste Management Plans for approval.

In terms of the Waste Act, the Minister promulgated the Waste Tyre Regulations, 2009 (WTR) and in accordance with these Regulations all tyre producers are required to submit an Integrated Industry Waste Tyre Management Plan to the Minister for approval. Tyre Producers have the option to join an approved plan or to submit their own plan.

When are Waste Tyre Plans compulsory for all stakeholders?

Once the plans are gazetted by the Department of Environmental Affairs, in the government gazette.

Where do you find more information?

See website www.rubbersa.com

E mail to info@rubbersa.com

How many Waste Tyres are there per year?

The collection of close to 95,000 tons of passenger and commercial Waste Tyres in SA requires a disciplined and well-regulated collection process.

What is the definition of a TYRE DEALER?

The WTR defines a tyre dealer as any person or entity that distributes, or otherwise deals commercially in tyres.

- only pneumatic tyres are addressed.

Does the tyre dealer have to submit a plan?

No, only tyre producers supplying tyres to the South African market, have to submit a plan.

Why must tyre dealers register with the SATRP Company?

Tyre dealers in possession, or in control of any waste tyre that was originally manufactured, or imported, as new, part-worn, as a retreadable casing or fitted to a vehicle by any subscriber to the SATRP Industry Plan must register with the SATRP Company **for the collection of waste tyres from the dealers' premises.**

What is the definition of a TYRE PRODUCER?

The WTR defines a tyre producer as any person or institution engaged in the commercial manufacture or import of tyres and retreadable casings, and the import of vehicles fitted with tyres for distribution in South Africa.

What is a Subscriber?

- Any tyre producer that registers with the SATRP Industry Plan in terms of the WTR is a subscriber.
- Any tyre that is unsuitable for retreading, or that has visible damage and/or cuts and is under its legal tread limit and unsafe for its original intended purpose, is a waste tyre.

Why does there have to be Waste Tyre Collection Plans?

- In terms of the Waste Tyre Regulations, 2009 (WTR) all tyre producers are required to submit an Integrated Industry Waste Tyre Management Plan to the Minister for approval.
- Tyre Producers have the option to join an approved plan or to submit their own plan.

Why must the dealer mutilate waste tyres?

- Mutilation of waste tyres will stop the sale of unroadworthy tyres to unsuspecting consumers and will reduce road accidents and deaths caused by unsafe tyres.
- The consumer requires protection.



2.

FREQUENTLY ASKED QUESTIONS

Up to what size waste tyres must be mutilated?

Tyres with a load index of up to 121 must be mutilated. This mainly covers passenger and LCV type tyres and excludes most truck tyres. The load index of the tyre is printed on the sidewall and is easily readable.

What mutilation methods are acceptable? (for tyres up to Load index of 121)

- Cutting the bead of a waste tyre in two places;
- Punching a hole with a minimum diameter of 50mm in the sidewall; or
- Making a cut of at least 100mm in the sidewall;



What does “cause such waste tyres to be mutilated” mean?

A contractor may be employed to mutilate tyres on the dealer’s premises. Waste tyres must be mutilated before they are collected by an authorised SATRO Company waste tyre collector.

What are the different tyre categories?

The WTR relates to all the various categories of pneumatic tyres. The SATRP Industry Plan has identified eight major tyre categories as per the EU Standards: Category 1, passenger car tyres, and category 2, commercial vehicle tyres.

Will all categories of tyres be collected from the beginning?

No. The SATRP Industry Plan proposes to collect passenger and commercial tyres in the first year and the other categories will be phased in over the next four years.

How will the Waste Tyre Management Fee be charged?

- The WTR specifies that the Producer’s Plan must indicate the method of funding the process.
- The SATRP Waste Tyre Management Fee is proposed to be invoiced by the tyre producer as a separate line item to tyre dealers. The Tyre Dealer is encouraged to indicate the Waste Tyre Management Fee as a separate line item when tyres are sold to consumers so that it remains completely transparent.

- The Waste Tyre Management Fee will be widely publicised by the SATRP Company in order to make the public aware of the exact costs involved.

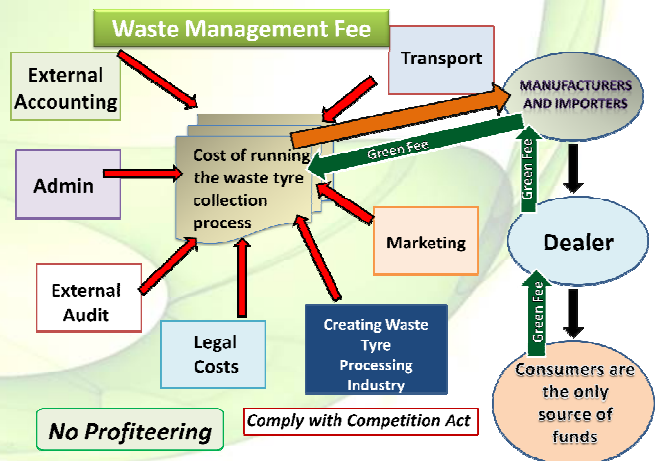
Timing - When can the Waste Tyre Management Fee be expected to be invoiced and will the waste tyres be collected from the same date?

Invoicing of the Waste Tyre Management Fee will commence during April 2012 and collection of passenger and commercial tyres in June 2012.

What will the SATRP Company do with all the waste tyres collected?

Waste tyres will be transported to transfer facilities to be sorted or shredded. Rubber will be delivered to waste tyre processors that will use it in their production of value added products.

- Products that can be made out of recycled tyres
 - Ground Rubber can be used in playground and other sporting surfacing and rubber-modified asphalt.
 - Civil Engineering: -Waste tyre shreds can be used in road, landfill construction, septic tanks, leach fields, and other construction applications.
 - Can be used as vibration and sound control, light weight fill prevents erosion and landslides.
 - Energy Recovery / Tyre Derived Fuel:- Waste tyres are a cleaner and more economical alternative for fuel, than low grade coal, in cement kiln, pulp and paper mills. A waste tyre often has higher calorific value than coal.



3.

WASTE TYRE PROCESSORS

APPOINTMENT OF WASTE TYRE PROCESSORS

On promulgation of the SATRP Company Integrated Industry Waste Tyre Plan the SATRP Company will call for tenders to be submitted for the processing of waste tyres. The processor is responsible for the provision of the plant, labour and the supervision thereof necessary for the unloading and storage, processing and accounting, equipment and facilities necessary for the storage and utilisation of the waste tyres supplied by the SATRP Company. All licenses necessary to operate a waste management facility are the responsibility of the waste tyre processor.

4.

WASTE TYRE TRANSPORTERS

Contractors are being approached to tender for the provision of all equipment, transport, transfer sites, labour and the supervision thereof necessary for the loading, transportation, storage, sorting, delivery, accounting thereof from registered tyre dealers and other approved sites to waste tyre processors and in some instances landfill sites. Separate contracts will be awarded for each province of South Africa, tenderers may however tender for more than one province.

5. APPOINTMENT OF EXTERNAL ACCOUNTANTS AND AUDITORS

External accountants are appointed to: -

- receive and check tyre producer monthly tyre unit sales reports,
- invoice waste tyre management fee,
- collect waste tyre management fee,
- pay consolidated fee to SATRP Company.

External auditors are appointed to audit the entire waste tyre management process, in terms of: -

- the transporters – what is collected, stored and delivered,
- the shredders – what is shredded, and stored,
- the waste tyre processors – what is processed, how it is processed and what is in stock,
- the tyre producers – the quantities of tyres reported and payments of fees made,
- the external accountants – what they have invoiced and total amounts transferred to the SATRP Company.

6.

FUNDING THE PROCESS

How will the Waste Tyre Management Fee be calculated?

To fund the collection and disposal of waste tyres a fee will be raised by the tyre producers when new tyres are sold. The Waste Tyre Management Fee, will be raised as a separate line item on the invoice from the producer to the dealer or heavy vehicle tyre user, and will be additional to the purchase price of the tyre. VAT is payable on the fee

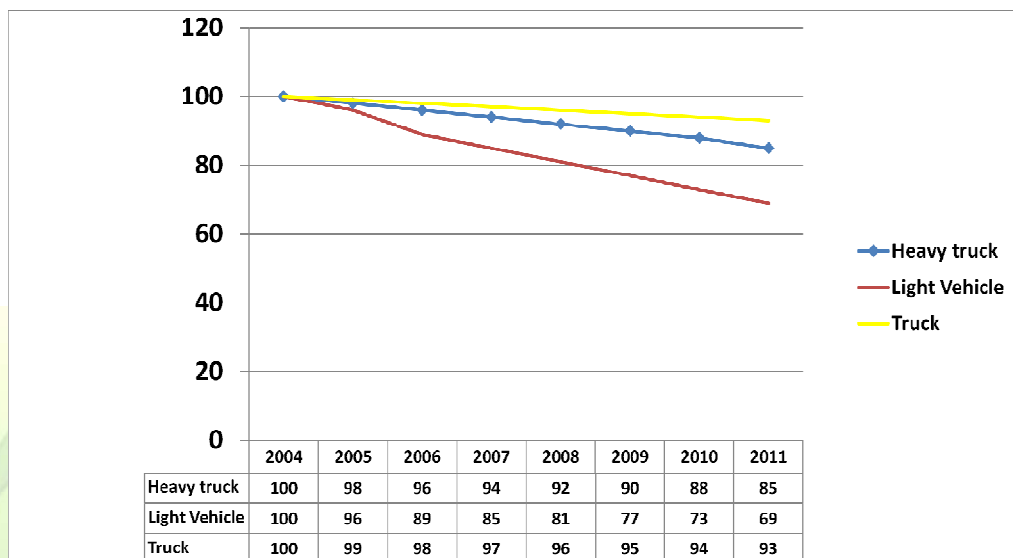
The Waste Tyre Management Fee for Category 1 & 2, (passenger and commercial vehicle tyres), will be confirmed once the various transporter and waste tyre processor contracts have been awarded. It will be based on the total cost of the management process and the rim size of the tyre as follows:-

- 8" – 14" (inches)
- 14.5 – 19" (inches)
- 19.5 – 25" (inches)

The rate of the Waste Tyre Management Fee will be based on the total operating costs of the SATRP Company – a non profit organization, and the total mass of its subscribers tyres going into the R.S.A. market. The largest portion of the fee will be attributable to transport, storage and disposal. The fee is calculated on the average mass of tyres.

- A different fee will be charged for each of these rim sizes.
- The SATRP Company encourages all tyre dealers to show the waste tyre management fee as a separate line item when invoicing customers for a new tyre, in order to provide for the collection and disposal of that tyre when it becomes a waste tyre.
 - ✓ By passing on the fee as a separate line item, at the same rate as charged by the tyre producer, the tyre consumer will bear the minimum cost.

Trend of fee in France since the introduction of the Regulation in 2004

**BENEFITS FOR SOUTH AFRICA**

Sustainable, controlled collection will benefit all South Africans and the environment by creating a recycling industry with exporting possibilities of recycled products, reducing pollution (smoke in air and illegal dumping), improving road safety by reducing the risk of road accidents and health hazards.

6. LIST OF SUBSCRIBERS TO THE SATRP COMPANY INDUSTRY PLAN

A1 Wheel & Tyre (Pty) Ltd
 Adendorff Machinery Mart cc
 Akoon Enterprises cc
 Alliance Tire Africa (Pty) Ltd
 Amalgamated Automobile Distributors (Pty) Ltd
 Apollo Tyres South Africa (Pty) Ltd
 Barloworld South Africa (Pty) Ltd
 Best Bulk Ultra Tyres (Pty) Ltd
 BMW (SA) Pty Ltd
 Bridgestone South Africa (Pty) Ltd
 Chrysler South Africa (Pty) Ltd
 Close-Up Deals 139 cc
 CMS Retreaders cc
 Continental Tyre SA (Pty) Ltd
 Commercial Lock Distributors (Pty) Ltd
 Dodds Trading & Services cc
 Dynamic Tyre Solutions
 Expectra 259 (Pty) Ltd
 Extreme Lifestyle Centre (Pty) Ltd
 Fiat Group Automobiles SA (Pty) Ltd
 Ford Motor Company of Southern Africa
 Forklift Industrial Tyres (Pty) Ltd
 Fullimput 128 cc
 Geldenhuis Broers Bedryf

General Motors South Africa (Pty) Ltd
 Goodyear South Africa (Pty) Ltd
 Harry's Tyres (Pty) Ltd
 Honda South Africa (Pty) Ltd
 Hyundai Automotive South Africa (Pty) Ltd
 Imperial Daihatsu (Pty) Ltd
 Italmoto SA (Pty) Ltd
 Iveco South Africa (Pty) Ltd
 J Extension Sales (Pty) Ltd
 Jaguar Land Rover South Africa (Pty) Ltd
 Kurt Leyser Agencies cc
 LFK Imports & Export cc
 Linglong Tyres (SA) (Pty) Ltd
 Mahindra & Mahindra South Africa (Pty) Ltd
 MAN Truck & Bus SA (Pty) Ltd
 Max T Solutions (Pty) Ltd
 Mazzepa Export Corp
 Mercedes-Benz South Africa (Pty) Ltd
 Metaforge cc
 Michelin Tyre Company South Africa (Pty) Ltd
 Nissan South Africa (Pty) Ltd
 Pearl Automotive (Pty) Ltd

Perfect Innovations 146 cc
 Piazza Motor Sport
 Pirelli Tyre (Pty) Ltd
 Protea Versoolwerke Ermelo Edms Bpk
 Reivilo Industrial cc
 Renault South Africa (Pty) Ltd
 Southern African Tyre Distributors cc
 Sovereign Retreaders (Pty) Ltd
 Subaru Southern Africa
 Suzuki Auto South Africa (Pty) Ltd
 Tandem Tyres (Pty) Ltd
 Thomas Tyres / Vaal Tyre Centre
 TiAuto (Pty) Ltd
 Toyota South Africa Motors (Pty) Ltd
 Trapeace International (Pty) Ltd
 Trentyre (Pty) Ltd
 Tubestone (Pty) Ltd
 Tyre Source (Pty) Ltd
 Tyrecor (Pty) Ltd
 Valley Irrigation of SA (Pty) Ltd
 Volkswagen of South Africa (Pty) Ltd
 Whalinger SA (Pty) Ltd
 Volvo Car South Africa (Pty) Ltd
 YTS Tyre Sales (Pty) Ltd

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