



# OES Wind Up Plan

ONTARIO ELECTRONIC STEWARDSHIP DECEMBER 2018\*

\* Financial Forecast Updated March 2019

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## OES WIND UP PLAN ACRONYM LIST

B2B:	Business to Business
BOL:	Bill of Lading
COI:	Conflict of Interest
CRA:	Canada Revenue Agency
CRT:	Cathode Ray Tube
CVP:	Claims Verification Process
EDM:	Environment Design Management Limited
EEE:	Electrical and Electronic Equipment
EHF:	Environmental Handling Fee
EOLE:	End-of-Life Electronics
EPRA:	Electronic Product Recycling Association
ERS:	Electronics Recycling Standard
HST:	Harmonized Sales Tax
IC&I:	Industrial, Commercial & Institutional
IFO:	Industry Funding Organization
IT:	Information Technology
ITC:	Input Tax Credit
MECP:	Ministry of Environment, Conservation and Parks
MTS:	Material Tracking System
OES:	Ontario Electronic Stewardship
PIP:	Processor Incentive Program
PO:	Purchase Order
PRO:	Producer Responsibility Organization
RFP:	Request for Proposal
RPRA:	Resource Productivity and Recovery Authority
RQO:	Recycler Qualification Office
RRCEA:	Resource Recovery and Circular Economy Act, 2016
SQL:	Standardized Query Language
TTC:	Toronto Transit Commission
WDTA:	Waste Diversion Transition Act, 2016
WEEE:	Waste Electrical and Electronic Equipment

# ONTARIO ELECTRONIC STEWARDSHIP WIND UP PLAN

## PROGRAM OVERVIEW AND WIND UP PROCESS

Ontario Electronic Stewardship (OES) is an Industry Funding Organization (IFO) designated to operate the waste diversion program for waste electrical and electronic equipment (WEEE) under the *Waste Diversion Transition Act, 2016* (WDTA). Since its inception in 2009, the WEEE program has diverted over 67 million electronic devices or over 500,000 tonnes of waste electronics from Ontario landfills. The WEEE program promotes the re-use and refurbishment of waste electronics and ensures that the valuable resources found in waste electronics, that cannot be re-used, are processed and recycled in an environmentally responsible manner.

In 2016 the Ontario legislature passed the *Resource Recovery and Circular Economy Act, 2016* (RRCEA) which creates a new legislative framework for managing waste in Ontario. Current waste diversion programs and related IFOs, such as Ontario Electronic Stewardship, will be wound up subject to provisions under the WDTA. Under the RRCEA, producers will be responsible for the implementation of new waste diversion programs that must meet recycling targets and objectives established under that Act.

Under the WDTA wind up process IFOs are required to develop wind up plans in accordance with specified statutory requirements once directed to do so by the Minister. Subsection 14 (13) of the WDTA requires IFOs to consult with stewards, municipalities and other stakeholders affected by termination of the program in developing wind up plans. IFOs submit wind up plans to the Resource Recovery and Productivity Authority (RPRA) which reviews and approves the plan if it is consistent with the Minister's direction and statutory requirements.

In February 2018, OES received direction from the former Minister of Environment and Climate Change to wind up the WEEE program by June 30, 2020. (Note: In July 2018 the Honourable Rod Phillips, Minister of Environment, Conservation and Parks, assumed responsibility for administering the RRCEA and WDTA statutes.)

OES's Ministerial wind up direction requires OES to submit its wind-up plan to RPRA by December 31, 2018.

### **Current Program Waste Materials**

Current WEEE program materials are identified in regulations under the WDTA and set out in Schedules under the program plan approved by RPRA.

WEEE can be identified in four broad categories, display devices, including: TVs and monitors; desktop and laptop computers; printers and peripherals, including telephones, cell phones, faxes etc.; and floor standing printers and copiers. See Section 1.1 for a full list of designated program waste.

## Current OES Program Funding

Under the WDTA, businesses that bring electrical and electronic equipment (EEE) into Ontario or manufacture EEE for sale in Ontario are defined as stewards and are obligated to register with OES, report on the volume of material supplied into the Ontario market and pay related steward fees to OES. Steward fee revenues fund operations related to the management of the WEEE program. OES steward fees are set subject to program rules, supported by RPPRA, and are established on a cost recovery basis for each waste electronic category.

Steward fees, commonly known as Environmental Handling Fees, or EHF, are generally collected from the purchaser of the EEE at point of sale. Current December 2018 EHF rates for various EEE materials are provided in Table 1 below:

<b>Table 1: Ontario EHF Fees</b>	
<b>Electronic Product</b>	<b>EHF Per Unit</b>
Display Devices (TV/Monitors) 46" or larger	\$28.00
Display Devices (TV/Monitors) 30" to 45"	\$12.00
Display Devices (TV/Monitors) 29" or smaller	\$7.00
Non-cellular Telephones and Answering Machines	\$1.50
Home Audio/Video Playback and Recording Systems/Components	\$2.50
Desktop Computers	\$1.40
Portable Computers	\$1.00
Desktop Printers/Multifunction Devices	\$2.50
Personal/Portable Audio/Video Playback and Recording Systems	\$0.75
Home Theatre in a Box (HTB) Systems	\$2.50
Vehicle Audio/Video Systems (Aftermarket)	\$2.50
Floor-Standing Multifunction Devices	\$25.00
Computer Peripherals	\$0.75
Cellular Devices	\$0.07

\* EHF's are subject to applicable sales tax

Under the program Ontario companies, known as remitters who may do the reporting and remitting on behalf of stewards, register with OES and pay related fees for product supplied into the Ontario market.

In 2017, registered stewards and remitters reported 27.5 million EEE units supplied into the Ontario market and paid a total of \$55.5 million to OES to fund operations. There are approximately 750 stewards currently registered in the WEEE program.

Under the WEEE program, stewards also have the option of self-managing (i.e. recycling) electronic waste. These stewards must meet legal obligations under the program but may be exempt from paying related steward fees as they run programs to recycle and manage their related WEEE materials.

OES conducts compliance activities to ensure that stewards and remitters are complying with program requirements and statutory obligations. This includes the

identification and registration of potential stewards who are not registered under the program and the verification of reporting and payments from stewards and remitters that are registered under the program.

## **OES Service Providers and Program Delivery**

The OES program facilitates recycling of waste electronics through two general approaches: an allocation-based recycling model and a processor incentive-based model.

Under the allocation model, representing approximately 20% of WEEE recycling, OES pays direct collection incentives, pays and arranges for warehousing and transportation of WEEE materials to processors and allocates WEEE materials to processors selected through an RFP process. These processors are paid processing rates agreed to under contractual terms associated with the award of the RFP contract.

In addition to this recycling stream, OES also runs a Processor Incentive Program (PIP) under which processors recycle WEEE materials sourced from generators. Under this program, OES pays an incentive to processors that covers the collection, transportation and processing of the WEEE, and processors are responsible for the financial arrangements with generators and haulers with respect to the services those parties provide.

## **Allocation Based WEEE Recycling**

### *WEEE Collection Sites:*

Under the allocation model, collectors are approved by OES to collect and sort WEEE for transport according to OES requirements. Collectors can be for-profit, not-for-profit organizations or municipalities which have entered into agreements with OES for the collection of designated materials.

Collectors can choose to collect all WEEE materials or a subset of WEEE materials. If collectors collect a subset of WEEE materials they cannot exclude any brands of such products and collection operations must be accessible to the public. For example, a retailer that chooses to collect WEEE computers and cell phones must collect all brands from consumers (even brands it may not sell) to become an OES-approved collector.

OES-approved collectors must utilize OES-approved transporters and are eligible for a collection incentive for every tonne of WEEE materials collected.

OES runs a number of programs, and provides a number of services, in relation to WEEE collection that assist various WEEE service providers in collecting and managing material in accordance with program guidelines. These include the following:

### *Multi-Residential Collections:*

OES provides multi-residential collection to a number of municipal partners. This program involves providing community housing complexes as well as apartment and town house complexes with collection bin services. OES bins, the majority of which are rented by OES, are located in secure recycling rooms that only residents have access to. These sites are serviced at regular intervals either bi-weekly or monthly.

OES provides promotional support to these sites in the form of stickered and highly visible wheelie bins as well as some graphic design promotional material.

### *Allocation Collections:*

OES has established an extensive collection network throughout the province since program inception. These permanent collectors consist of but are not limited to: municipalities, private businesses, government institutions, first nations groups, and not-for-profit organizations. Permanent collection sites have been established following one of two models:

A: Large Bin Collections (utilizing sea containers and roll offs or front-end bins);

B: Gaylord Collections (utilizing pallets, gaylords and shrink wrap).

Large bins, sea containers, roll offs, etc., are rented from various service providers. OES also provides collectors with promotional material and with pallets, gaylord boxes and shrink wrap necessary to facilitate the collection and transportation of WEEE in a safe and environmentally responsible manner. Some OES collection sites include WEEE drop off bins which are the property of, or are leased by, OES and which are provided to the collection site to facilitate WEEE collection. OES pays sites collection incentives on a monthly basis for any materials transported to, and received by, approved OES consolidation and re-packing facilities.

### *Business-to-Business (B2B) Pick-ups:*

OES also facilitates B2B WEEE pick ups at no cost to businesses and residents in Ontario. Businesses and residents with a minimum volume of WEEE can contact the OES Customer Service department which will arrange for transportation to an authorized WEEE processor. These one-time B2B pickups are not eligible for collection incentives.

As of December 31, 2017, there were a total of 902 permanent OES approved collection sites of which 383 were municipal facilities. Approximately 95% of the Ontario population lives within 10 kilometres of a WEEE collection location.

### *Collection Events:*

In addition to authorizing permanent collection sites, OES also approves collection events for businesses, community groups and not-for-profit organizations that wish to collect WEEE materials. As with permanent collectors, OES provides a collection incentive related to WEEE collected at special events along with promotional and packaging materials. In 2017 OES authorized 377 collection events and the WEEE tonnage collected accounted for approximately two percent of total WEEE collected.

These collection events not only collect product for recycling but also represent educational opportunities for which OES provides staff to promote electronics recycling with the public and help with actual WEEE collection (see Promotion and Education below).

### **WEEE Transportation**

OES-approved transporters pick up WEEE from OES-approved collection sites and move it to OES-approved regional consolidation or repacking centres for initial sorting prior to transportation to WEEE processors. Repacking centres sort and palletize material collected in bulk containers into different WEEE categories for delivery to consolidators. Consolidators weigh and aggregate pallets of materials into larger shipments for transporting to OES-approved processors.

OES pays re-packers, consolidators and transporters operating under the allocation model on an order-by-order basis. It tracks WEEE shipments throughout the supply chain with a proprietary Materials Tracking System (MTS) software.

### **Processing Under the Allocation Model**

In order to be approved as a WEEE processor under either the Allocation or Processor Incentive model, companies must first apply to the EPRA Recycler Qualification Office (RQO) for verification that they operate in compliance with a national Electronics Recycling Standard (ERS), published by the Electronic Products Stewardship Canada. The RQO audits prospective processors and related downstream partner companies to ensure they recycle WEEE materials in accordance with the ERS.

Once verified by the RQO as compliant with the Electronic Recycling Standard (ERS), prospective processors are eligible to become service providers to OES and operate under either the allocation model or the Processor Incentive Program.

Processors operating under OES allocation model are selected through an RFP process and are also eligible to participate in the Processor Incentive Program as well (see below). OES monitors WEEE product flows to successful RFP processors to ensure that WEEE volumes are consistent with RFP contractual terms.

## **Processor Incentive Program**

Under the WEEE Processor Incentive Program (PIP), OES does not directly contract with collectors or manage WEEE product flows directly. Rather, processors which have met OES eligibility requirements source WEEE from generators, arrange transportation and are paid processing incentives by OES based on the weight of WEEE processed in respect of the collection, transportation and processing. The processor enters into contracts with the generators and haulers which determines, among other things, how much of the incentive the processor will pass on to the generator and hauler.

### ***Processing under the PIP***

Under the PIP program, processors can contract directly with OES-approved generators for the supply and processing of WEEE materials. Generators must be registered and approved by OES and operate in accordance with program guidelines.

Processors submit invoices for incentives to OES, documenting the processing of WEEE materials in accordance with OES standards. Invoices for any particular WEEE shipment must be submitted within 90 days of the Material Tracking System (MTS) Bill of Lading generation for the pickup of the WEEE to be eligible for OES incentives.

### ***Generators and the Processor Incentive Program (PIP):***

OES's Process Incentive Program supports the collection of WEEE at generator sites. Generators are private sector, not-for-profit or government organizations that contract directly with an OES approved primary processor to handle residential and/or IC&I electronic waste. Generators must be approved by OES and meet the OES Generator operating standard in order to collect end of life electronics for eligibility in the OES program.

Generators operate under contracts with approved OES processors and any financial compensation regarding WEEE collection is a function of their contractual terms with processors.

### ***PIP WEEE Transportation:***

Under the PIP program, OES does not provide transportation or consolidation incentives directly to transporters, consolidators or re-packers. However, OES processors are eligible for a transportation incentive based on the distance the WEEE travelled from various collection sites to processing facilities. Transporter financial compensation for WEEE delivery is a function of contractual arrangements between processors and transporters.

## **Reuse and Refurbishment**

The OES program also includes a number of Reuse and Refurbishment (R&R) organizations which can be not-for-profit or for-profit organizations that handle EEE

materials for reuse without repairing or modifying the hardware or repairing or redistributing parts or equipment.

Under the program, these organizations receive an incentive for reporting on EEE whole units (via monthly reports to OES) that are sold or donated for re-use. These WEEE materials must have a warranty associated with their resale. R&R organizations must meet site requirements established by OES and are eligible to collect incentives on WEEE materials transported to processors.

In 2017, a total of 28 R&R organizations representing 29 reuse and refurbishing sites participated in the WEEE program. These organizations processed 2,628 tonnes of WEEE materials for re-use (primarily display devices, computers and printers) which represented approximately 5% of total WEEE diversion tonnage in 2017.

### **Service Provider Compliance Activity**

As with stewards, OES conducts regular compliance and audit activities to ensure that various service providers conduct activity in accordance with program requirements. OES may suspend or revoke authorizations for service providers if WEEE recycling activity is not conducted in accordance with program requirements.

### **Promotion and Education**

Promotion and Education is an important component of the OES WEEE program which informs consumers about the benefits of electronic waste recycling and builds awareness of program accessibility and the location of WEEE collection sites and events.

In 2017, OES promoted WEEE recycling through radio, print and transit (Go Train and TTC) advertising. OES also coordinated a number of OES sponsored WEEE recycling activities in conjunction with environmental events such as Earth Day and Waste Reduction Week. OES also raised awareness about electronics recycling through participation in community festivals and fairs, leveraging with the EPRA Recycle My Electronics Mobile Classroom, a customized shipping container which features videos and games designed to entertain and inform visitors about why they should recycle their old waste electronics.

In 2017, OES spent just under \$3 million related to promotional and educational activities with represented approximately 5.3% of the OES operating budget.

### **Program Performance**

In 2017, the OES WEEE program collected 52,712 tonnes of waste electronics materials from landfill. Since its inception the WEEE program has diverted over 500,000 tonnes of material.

Current trends in electronics manufacturing are significantly reducing the weight associated with display devices, computers and other electronic equipment. As such

the tonnage of WEEE processed under the program is expected to decline in 2019 and the first six months of 2020.

<b>Table 2: 2017 WEEE Tonnage by Material Category</b>	
<b>Material Category &amp; Processing</b>	<b>2017 Collection (Tonnes)</b>
Display Devices	26,869
Computers	6,454
Printers and Peripherals	18,495
Floor-Standing	894
Total	52,712

### **OES Operations and Administration**

OES currently administers the WEEE program through an operating agreement with the Electronics Product Recycling Association (EPRA), an industry led not-for-profit organization that operates regulated electronics recycling programs across Canada. OES has no direct employees. Under the terms of its operating agreement with EPRA, is liable for certain employee severance payments in the event of program termination.

Historically, a number of members of the EPRA and OES governing boards were comprised of the same representatives as both organizations operate for the same electronics industry. In preparation for program wind up, a new OES Board was appointed in August 2018 so that there is no overlap between the EPRA and OES governing representatives.

## OES Financing Heading into Wind Up

As can be seen in Table 3 below, OES is forecasting total operating expenses of \$46.9 million in 2018. Of this, \$39.5 million or 84%, is related to material management or incentive payments provided to service providers.

**Table 3: OES 2017 – 2018 (Forecast) Financials (\$000s)**

<b>Revenue:</b>	<b>2017 Actual</b>	<b>2018 Forecast*</b>
EEE Fee Revenue	\$55,544	\$51,309
EEE Fee Refund		
Tax Refund		\$60,840
Interest	\$417	\$936
	\$55,961	\$113,085
<b>Expenses:</b>		
Processing	\$35,888	\$27,142
Handling	\$6,257	\$6,103
Transportation/Storage	\$7,340	\$6,236
<b>Direct Program Costs:</b>	\$49,485	\$39,481
<b>Other:</b>		
Promotion and Education	\$2,999	\$2,885
Administration	\$3,394	\$3,101
Wind-up Fees		\$150
RPRAs Fees	\$878	\$1,256
<b>Indirect Costs:</b>	\$7,271	\$7,392
<b>Total Costs:</b>	\$56,756	\$46,873
<b>Surplus/(Deficit)</b>	<b>-\$795</b>	\$66,212
<b>Tonnage (metric tonnes)</b>	<b>52,712</b>	<b>47,097</b>
<b>Closing Reserve</b>	<b>\$43,603</b>	<b>\$109,815</b>

\* Updated March 2019

During 2018, OES's net asset position will increase from \$43.6 million as of December 31, 2017 to a projected \$109.8 million as of December 31, 2018. This increase in OES's net asset position is due to a recent Tax Court ruling, Stewardship Ontario versus the Queen, 2018 TCC59.

Ontario Electronic Stewardship, like Stewardship Ontario, provides a service to stewards in managing the waste recycling program that the stewards are legally obligated to provide in Ontario.

In managing the program, OES collects and remits HST on the fees charged to the stewards.

In the early years of the program, the CRA ruled that the Ontario stewardship entities, including OES, were not allowed to claim Input Tax Credits (ITCs) for the HST they paid to third parties in operating the recycling programs. Stewardship Ontario and OES filed appeals with the Tax Court of Canada to challenge this ruling.

In April 2018, the Tax Court of Canada overturned the ruling for Stewardship Ontario. In June 2018, the CRA and Tax Court of Canada consented to overturn the ruling for OES, meaning ITCs are thereby allowed for the HST which had been paid to the third parties. As a result, OES received refunds for the previously denied ITCs, and is permitted to continue to claim ITCs on a go forward basis.

This favourable outcome means that OES will, by February 2019, have sufficient reserves from previous steward fees to fully offset the fees chargeable to the stewards to manage the program.

The ability of OES to begin to properly claim ITCs following the Tax Court ruling in May 2018 also affected OES's 2018 budget by shifting it from a deficit position to a projected operating surplus.

The CRA refund as a result of ITC credits received is \$60.8M as of February 12, 2019 which will accrue to the 2018 OES operating budget.

## **SECTION 1: OPERATING PLAN**

### **1.1 A. Operating Plan Overview**

As per Ministerial direction, OES will run the WEEE program subject to changes identified below until June 30, 2020.

OES net assets permit the implementation of an EEE fee reduction to zero, as per Ministerial direction, for implementation February 1, 2019 and OES forecasts having some surplus funds remaining in the program following the resolution of all financial obligations after program termination. (See Proposed Wind Up Plan Budget and Steward Fees and Program Funding below for more details).

With respect to program operations, OES is not proposing any changes to WEEE material definitions during program wind up. OES is also not proposing any changes to service provider incentive rates during wind up. In the view of OES, a business as usual approach to current material management and incentives will ensure that program performance is maintained and, as per Ministerial direction, there are no disruptions to the existing program during the wind up period.

OES as a corporate entity will continue to function beyond June 30, 2020 to process claims from service provider partners, dispose of any remaining net assets and resolve final financial arrangements with stewards. Following the reconciliation of OES steward and service provider accounts, OES proposes to appoint a liquidator post-program termination to dispose of any remaining assets and coordinate the steps necessary for corporate dissolution. As noted below, anticipated residual surplus funds left with OES following the disposition of all assets and resolution of all financial obligations, will be distributed to stewards per the WDTA and the program agreement.

OES anticipates that it will need approximately nine months following program termination to complete operational wind up activities and complete financial arrangements. Costs that may be incurred in 2021, such as a final financial audit, are accrued into and reflected in the 2020 budget.

While EEE product trends will reduce the weight of WEEE materials available for collection in 2019 and 2020, the changes OES is proposing in this Wind Up Plan (WUP) will ensure that current program performance on awareness and accessibility is maintained and that the WEEE program operates without disruption for both stakeholders and consumers until June 30, 2020. Tonnage is expected to decline consistent with the light-weighting of electronics products that has been and will continue to occur in the industry. In the view of OES, this Wind Up Plan is consistent with Ministerial directions including the requirement to support competition in, and not adversely impact, the current marketplace for recycling WEEE in Ontario.

Key Wind Up Plan elements include the following:

### ***OES Wind Up Budget Summary***

Given OES's projected net asset position as of December 31, 2018, OES worked in conjunction with RPRA to take steps to implement an EEE fee reduction to zero for February 1, 2019. Notice to stewards regarding OES's intention to implement a fee reduction to zero was provided by OES on November 23, 2018 in order for stewards to prepare their internal IT systems accordingly. This fee reduction was reviewed and supported by RPRA Board and OES provided formal notification of the EEE fee reduction to stewards on December 3, 2018. The following OES wind up budgetary forecasts are based on the implementation of an EEE fee reduction to zero for February 1, 2019.

As per Ministerial direction regarding wind up, the EEE fee change will reduce OES surplus funds that remain following program termination.

As can be seen from Table 4 below, preliminary OES budgetary forecasts indicate that OES is currently projecting program surplus funds of approximately \$25.9 million following the resolution of outstanding financial obligations after the program termination date of June 30, 2020. As per the current statutory requirements under the WDTA and the approved program agreement, any surplus funds remaining at the end of program wind up will be disbursed to stewards.

It should be noted that these initial forecasts are subject to financial contingencies, such as fluctuations in WEEE supply, that may occur between now and program termination. In the unlikely event that OES requires more funds than planned prior to program termination, it will reserve the right, despite the implementation of the EEE reduction to \$0 in February 2019, to adjust the EEE fee to a higher \$ amount to fund any financial shortfalls that may occur prior to program termination.

**Table 4: OES Wind Up Financial Forecast 2018 – 2020\***

<b>Revenue:</b>	<b>2018 Forecast</b>	<b>2019 Budget</b>	<b>2020 Budget</b>
EEE Fee Revenue	\$51,305	\$3,327	0
EHF Fee Refund		-\$2,300	
Tax Refund	\$60,840		
Interest	\$936	\$545	\$250
	\$113,081	\$1,572	\$250
<b>Expenses:</b>			
Processing	\$27,142	\$26,013	\$12,681
Handling	\$6,103	\$6,231	\$3,280
Transportation/Storage	\$6,236	\$6,419	\$3,380
<b>Direct Program Costs:</b>	\$39,481	\$38,663	\$19,341
<b>Other:</b>			
Promotion and Education	\$2,885	\$2,860	\$1,000
Administration	\$3,148	\$3,370	\$2,485
Wind-up Fees	\$100	\$2,400	\$2,900
RPRA Fees	\$1,256	\$2,600	\$1,300
<b>Indirect Costs:</b>	\$7,389	\$11,230	\$7,685
<b>Total Costs:</b>	\$46,870	\$49,893	\$27,026
<b>Surplus/(Deficit)</b>	\$66,211	(\$48,321)	(\$26,776)
<b>Tonnage (metric tonnes)</b>	<b>47,097</b>	<b>45,684</b>	<b>22,271</b>
<b>Closing Reserve</b>	<b>\$109,814</b>	<b>\$61,494</b>	<b>\$28,480</b>
<b>Drawdown on Reserve for HST</b>		<b>(\$6,238)</b>	<b>(\$2,597)</b>
<b>Closing Reserve</b>		<b>\$55,256</b>	<b>\$25,884</b>

\* Updated March 2019

## **Steward Fees and Supply Reports**

As noted above, OES has announced the reduction of EEE steward fees to zero for implementation on February 1, 2019. This fee reduction to zero will be the same for all program materials. Despite the EEE fee reduction to zero, OES stewards will remain obligated to report on EEE supply into the Ontario market until June 30, 2020. OES will finance operations during this period from existing reserve funds.

All stewards will be required to submit supply reports and pay existing EEE fees for January 2019 by February 28, 2019. Stewards will be permitted to submit adjustments or corrections to these reports until April 30<sup>th</sup>, 2019

These reporting deadlines will apply to all stewards including those who are approved to report on a quarterly or annual basis. After submitting their January supply report and paying related fees, stewards that submit on a quarterly basis will revert to the submission of supply reports on a quarterly basis until program termination. Stewards that normally submit supply reports on a quarterly or annual basis will also submit a January 2019 report no later than February 28<sup>th</sup>, 2019. All stewards will continue reporting market units supplied following their normal monthly, quarterly or annual schedule for February 2019 sales through to June 30<sup>th</sup>, 2020 sales. Following program termination on June 30, 2020, stewards that normally submit annual supply reports will submit a 6-month supply report covering the period from January 1, 2020 to June 30, 2020.

The reduction of steward fees prior to program termination will allow OES to resolve most steward account and outstanding payments during the wind up period and in advance of the June 30, 2020 program termination date.

Stewards, however, will continue to be required to submit EEE supply reports to OES throughout the wind up period (despite the reduction of steward fees to zero in relation to these reports). Final steward reports for the month ending June 30, 2020 will be due to OES by July 31, 2020 (this applies to all stewards whether they normally report on a monthly, quarterly or annual basis) with correction or adjustments to final steward reports due to OES no later than September 15, 2020.<sup>1</sup>

The continuation of steward supply reports is essential for OES to monitor program performance and conduct period and final program cost allocations associated with the program. As such, current OES-steward and remitter service agreements will remain in

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<sup>1</sup> Note: Stewards can currently link to OES's registration page and file reports through the Recycle My Electronics website, [recyclemyelectronics.ca](http://recyclemyelectronics.ca), which OES uses to promote WEEE recycling through an agreement with EPRA. OES proposes to continue to utilize the Recycle My Electronics website to promote electronics recycling including steward registration and reporting links until the program termination date of June 30, 2020. Following the program termination date, the steward links for remaining electronic report filing will be transferred to the [ontarioelectronicstewardship.ca](http://ontarioelectronicstewardship.ca) website. See Schedule A for more details with respect to the details of the proposed transition of steward registration and reporting links.

place for the duration of the WEEE program. OES will provide formal notice of the timing of the termination of these agreements to stewards following approval of the Wind Up Plan by RPRA.

Once OES has resolved all financial program obligations following program termination, any remaining surplus OES funds, as per RPRA Wind Up Guide instructions and statutory requirements, will be distributed to OES stewards in accordance with a methodology supported by RPRA.<sup>2</sup>

### ***Service Provider Contracts, Incentives and Payments***

OES is not proposing any changes to current WEEE related collection, transportation and processing incentive rates prior to or during the wind up period.

During the wind up period (Wind Up Plan approval date to June 2020), OES is proposing that it maintain existing service provider contracts related to the collection, transportation or processing of WEEE materials. OES will monitor applications for additional service providers during this period in light of maintaining current program performance and streamlining program wind up.

OES operates a Claims Verification Process (CVP) to support the integrity of the service provider reporting process. In the first quarter of 2020, processor mass balancing reports will be moved from a quarterly to a monthly basis to facilitate wind up and expedite OES payments in the final six months of program operations. OES will also continue with its regular compliance review activities during the wind up period and conduct additional onsite processor visits to validate inputs and outputs related to processor reports. OES will conduct additional reviews on claims outside of normal patterns to ensure validity of claims and expedite the reconciliation process.

Consumer collection sites will maintain program access throughout the wind up period and OES will coordinate the collection of any OES collection materials previously provided to OES collection partners in a manner which does not adversely impact consumer access to WEEE disposal sites prior to June 30, 2020.

OES will begin working with collectors and generators, both of whom operate collection sites, in January 2020 in preparation for program shut down. Collected WEEE will only be eligible for program incentives if the WEEE is dropped off at a collection site by June 30, 2020 and the related MTS Bill of Lading (BOL) for pick up and transportation of these materials is created and submitted to OES by end of day, June 30<sup>th</sup>, 2020.

As of July 1<sup>st</sup>, 2020, collectors and generators will not be able to add new volume to the OES Material Tracking System and no new BOL submissions will be accepted. Collector and generator BOL submissions must be made by June 30, 2020 with arrangement for pickup of such materials arranged no later than July 10, 2020.

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<sup>2</sup> The methodology used by OES to determine any surplus funds disbursements to individual stewards will be reviewed and supported by RPRA as part of the wind up process.

Collector claims for incentives on WEEE materials collected prior to June 30, 2020 must be submitted to OES no later than July 31, 2020.

OES will provide carriers with notice of program wind up consistent with contractual terms. OES will also coordinate the wind up of WEEE collection activities with existing processors.

Following program termination, Re-use and Refurbisher service providers will have until July 10, 2020 to submit reports to OES on R&R activities completed prior to June 30, 2020. After July 10<sup>th</sup>, 2020, the MTS system will no longer be available for R&R reports.

Following program termination, processors will have until August 15, 2020 to submit claims to OES for the MTS BOL's completed and submitted by June 30<sup>th</sup>, 2020 end of day and with corresponding pickups completed by July 10<sup>th</sup>, 2020. BOL's dated later than June 30<sup>th</sup>, 2020, will not be eligible for reimbursement. Mass balancing reports are to be completed and submitted to OES by September 15, 2020.

OES will increase the audits of processors during the last six months of the program to ensure claims are entered correctly, are valid and that processors continue to function in accordance with program requirements. OES will work closely with processors to ensure that any additional or expedited audit or verification procedures required by OES to facilitate program wind up are implemented efficiently and in a manner that is reasonable for both processors and OES.

Onsite inspections and wind up audits will occur during July through September 2020. Material collected under the OES program will be properly dismantled and not stock piled, on-hand inventories will be managed in accordance with the ERS Standard and OES program requirements. Final collector, processor and other service provider payments will be consistent with contractual terms-

Where WEEE collection partners have OES-branded promotional materials and excess OES collection supplies such as bins, gaylord boxes, pallets and shrink wrap at program termination, these materials will be collected during final program pickups. OES will track packaging material supply inventories on an ongoing basis throughout the wind up period and will work to minimize on-hand OES packaging supplies at the point of program termination. Following program termination, OES leased bins will be returned to service providers and OES owned bins and packaging supplies which are re-usable will be disposed of in conjunction with other assets (Note: OES is not anticipating that these assets will generate significant revenues (see Wind Up Plan Section 5 for preliminary estimates)). OES recovered packaging supplies which are not suitable for resale will be recycled.

All service providers will be given a minimum of 6 months of notice of contract terminations. Currently OES anticipates providing notice of contractual termination to service providers in relation to wind up by September 30, 2019. OES will also provide adequate notice to service providers that do not have signed service contracts with OES

regarding impending program termination (i.e. transporters that are paid on an order by order basis).

### ***Transition of OES's Material Tracking System***

OES currently tracks WEEE materials through various service providers to intended recycling outcomes through the use of a proprietary software Material Tracking System (MTS) specifically designed to track WEEE in accordance with OES regulatory requirements. The MTS system helps OES maintain integrity in the WEEE recycling marketplace and ensure that materials are recycled in accordance with acceptable environmental standards and program objectives and requirements.

As part of its Wind Up Plan, OES is proposing that the MTS system be made available to stakeholders as free software, including potential service providers and RRCEA stewards, as of January 1, 2020. While the MTS system is specifically designed for operation in the OES regulatory environment, making it available may assist future WEEE organizations in establishing their own tracking and reporting systems under the RRCEA framework. Making the MTS system broadly available also ensures that individual stakeholders are not receiving preferential treatment as WEEE recycling transitions to the new legislative framework.

OES will conduct information sessions with stakeholders, if necessary, to facilitate the transition of the Material Tracking System. A copy of the MTS system software will be provided to RPRA following program termination for potential release to stakeholders for whatever period of time RPRA determines is helpful with respect to continued WEEE recycling.

### ***Data Management***

As part of the wind up process, OES is required to transfer data that relates to the operation of the waste diversion program to RPRA. RPRA will be responsible for administering WEEE recycling programs under the RRCEA legislative framework.

Under Section 70 of the WDTA and Section 57 of the RRCEA, RPRA is required to treat information in its possession as confidential unless that information is required to be made public under the statutes. OES will identify any confidential or commercially sensitive data transferred to RPRA and take measures to ensure that data is supplied in confidence.

All steward and service provider data in OES's possession will eventually be destroyed following transfer of data to RPRA and resolution of final OES financial and corporate obligations (see WUP Section 9 for more detail).

Throughout the wind up process, OES will treat all stakeholder information in its possession as commercially confidential and maintain measures to ensure data security. Data will be transferred to RPRA at RPRA's request and RPRA is bound by confidentiality guidelines as well regarding safeguarding of data.

## ***OES Operations and Administration***

A new governing OES Board was appointed in August 2018 to develop and manage the OES wind up process and plan. The Board will monitor and assess OES fiscal and program performance throughout the wind up period to ensure that operations and outcomes are consistent with WUP schedules and objectives. It will work closely with RPRA to address any financial or program contingencies that may occur during the WUP period.

Upon RPRA approval of the OES Wind Up Plan, EPRA, which functions as OES's administrative service provider, will separate OES related operations and staff from those of EPRA's other operations to minimize overlap between OES personnel and functions with other EPRA activities during the wind up period (See WUP Section 13 for more details on Board and OES conflict of interest measures).

As noted earlier, the OES Board also proposes to appoint a liquidator, subject to RPRA approval, following program termination to dispose of any remaining OES assets and take the final steps necessary to dissolve OES as a corporate entity.

Winding down OES operations will require a termination of OES's operating agreement with EPRA. As noted earlier, OES administers the WEEE program through a service agreement with EPRA and does not have any direct employees.

As EPRA services are utilized by OES to process service provider and steward transactions, OES will manage the end of its EPRA service agreement to coincide with resolution of final program obligations with respect to both stewards and service providers. OES contractual closure with EPRA will likely occur approximately six to nine months following program termination after which the liquidator appointed by OES will assume responsibility for remaining OES operations.

OES will not incur any financial penalties for termination of its service contract with EPRA. Under the terms of the contract it has financial liability for severance costs associated with any EPRA employees that are laid off as a result of WEEE program termination. Potential contract termination costs, including severance, are covered in the wind up costs allowed for in the wind up budget.

OES physical assets are relatively minimal and include a few collection bins and an appliance which will have a net book value of less than \$2000 as of the program termination date. The OES appointed liquidator will assume responsibility for disposition of these assets in accordance with this Plan. OES does not anticipate that revenues related to asset disposition will be significant.

## ***Stakeholder Communications***

The attached Wind Up Plan includes a comprehensive communications strategy that will ensure that all stewards, stakeholders and service providers receive ongoing communications related OES wind up activities and related dates. OES may allocate

additional staffing to Field Operations in an effort to ensure all stakeholders receive notification of OES wind up and understand the impacts of the program wind up. Targeted stakeholder groups will include both the service providers that OES partners with directly and the secondary service providers that participate in the WEEE program indirectly through service arrangements with direct OES partners.

All affected stakeholders will be notified of RPRA approval of the Wind Up Plan and impending changes by July 2019 or earlier depending upon the timing of RPRA WUP approval process.

All OES contractual arrangements will be provided with notice of contractual termination in advance of, or consistent with, the timing of specified contractual terms. As noted above, OES anticipates providing contracted partners with notice of contract termination dates by September 30, 2019.

In early 2020, OES will increase communications outreach with service provider entities including generators, municipalities, and not-for-profit organizations participating in the collection of WEEE materials.

During the development of this Wind Up Plan, OES also conducted consultation with stewards, municipalities, service providers and other affected stakeholders. A summary of the OES consultation process and how it responded to stakeholder feedback in the development of this plan is attached as Appendix A.

### ***Designated Waste Covered Under the Wind Up Plan***

Desktop Computers

Portable Computers

Display Devices

Desktop Printers, Scanners, Fax Machines and Multifunctional Devices

Floor Standing Printers, Copiers and Multifunction Devices

Computer Peripherals

Personal/Portable Audio/Video playback and/or Recording Systems

Home Audio/Video Playback and/or Recording Systems

Home Theatre in a Box

Vehicle Audio and Video, Navigation Systems and Recessed Wall and Ceiling Speakers

Non-Cellular Telephones and Answering Machines

Cellular Devices and Pagers

OES is not proposing any changes to the content of designated Waste Electronics and Electrical Equipment prior to or during the wind up period. The current list of designated waste has been in place since program inception in 2009.

### **Summary of Operational Timelines**

<b>Table 5: Summary of OES Operational Timelines</b>	
<b>Date</b>	<b>OES Wind Up Action</b>
December 31, 2018	OES submission of WUP due to RPRA
February 1, 2019	Reduction of steward EEE fees to zero.
February 28, 2019	Steward deadline for submission of January 2019 supply report and payment of related steward fees. (Note deadline applies to all stewards including those which normally report on a quarterly or annual basis.)
April 30, 2019	Deadline for stewards to submit any reporting revisions re previous reports which required fee payments and pay any associated fees owing (or submit request for OES fee adjustment).
April 1, 2019	OES 2018 Annual Report due to RPRA
June 30 <sup>th</sup> , 2019	RPRA Windup Plan Approval Due Date
July 2019 (or earlier dependent upon RPRA approval process)	OES notification to stewards, service providers and other stakeholders of Wind Up Plan approval
September 30, 2019	OES notice to stakeholders of pending contractual terminations
November-December 2019	OES Information Sessions re: Availability of MTS software and impending release.
January 2020	Communication reminder to all stewards regarding the final reporting and remitting period being June, 2020, due July 2020 and for six-month R&R reporting ending June 30, 2020.
January 2020	Release of OES MTS software to stakeholders.
January 2020	Communication reminder to all service providers and affected stakeholders of impending program termination date.
April 1, 2020	OES 2019 Annual Report due to RPRA
June 30 <sup>th</sup> , 2020	Program Termination Date: Final date for which OES will accept: - Final date for collectors and generators to submit MTS bill of lading (BOL) submissions and arrange WEEE pickup.
July 10, 2020	Final date for transporters to pick up WEEE at collector and generator sites for MTS BOL dated June 30 <sup>th</sup> , 2020 and earlier.
July 10, 2020	Final date for submission of R&R reports to OES

July 31, 2020	OS Collector cut-off date for submission of final OES collection claims.
August 15, 2020	Processor Cut-off date: Date by which processors must have processed any WEEE material collected prior to June 30, 2020 and submitting final PI claims.
September 15, 2020	Deadline for completion of processor mass balancing reports. Deadline for Stewards to submit any final supply report corrections or adjustments.
TBD	Final date for OES transfer of MTS software to eligible stakeholders and transfer to RPRA
September 30 <sup>th</sup> , 2020	\$5K holdback returned to processors meeting final mass balancing reporting requirements
TBD – Target Oct-Nov 2020	Appointment of OES liquidator (subject to RPRA approval)
TBD	Disbursements to stewards if surplus funds remaining.
TBD	Termination of OES-EPRA Service Agreement
TBD	Dissolution of OES as a corporation
April 1, 2021	OES 2020 Annual Report due to RPRA
April 2021	Submission of Final Wind Up Report to RPRA and Minister

## **1.1 B Reporting Obligations During Wind Up**

Prior to and during the wind up period OES will continue to fulfill its reporting obligations under the WDTA:

Consistent with the WDTA, OES will provide the following reports to RPRA by the following dates:

- Annual report for 2018 by April 1, 2019
- Annual report for 2019 by April 1, 2020
- Annual report for 2020 by April 1, 2021

OES also proposed to submit the final Program Wind Up Report by April 30<sup>th</sup>, 2021 to RPRA and Ministry of Environment, Conservation and Parks.

Consistent with Ministerial direction, OES is also providing quarterly financial reports to RPRA.

## **1.2 Steward Rules During Wind Up**

Steward rules will be amended to facilitate certain wind up activities.

These will include amendments to enable the following changes:

- Update steward rules to permit an EHF change effective February 1, 2019.
- Implement shorter time frames for reporting obligations given the mid-year wind up date of June 30<sup>th</sup>, 2020.

## **1.3 Targets and Performance**

### ***Program Accessibility***

Since the WEEE program began, OES has diverted 507,619 metric tonnes of end-of-life electronics (EOLE) from landfill to help the environment. As noted above, WEEE collection is facilitated by both OES approved collection sites, including municipal, not-for-profit organizations and retailers and OES-approved generator sites (which are often open to the public).

In 2017 the number of Ontarians living within the catchment area of WEEE collection/generator sites was the following:<sup>3</sup>

- Total accessibility within 10 kms – 96.9%;
- Total accessibility with 25kms – 99.7%
- Total accessibility within 50kms – 99.8%

OES will continue to post all public collection sites on its website throughout the wind up period and direct residents to their nearest collection site based on postal code. In addition, OES will continue to implement marketing and promotional activities that facilitate consumer awareness of WEEE drop off locations.

OES will monitor collection site activity throughout the wind up period to ensure program accessibility is maintained. If select collection sites voluntarily exit the program during the wind up period, OES will look to contract other service partners in any affected areas so that service is not interrupted. OES will continue to recommend the nearest existing collection sites to any resident or business that contacts the customer service group. If the material to be collected meets the requirements of the B2B program OES will arrange for an on-site pick up.

### ***Tonnage and Light Weighting***

It should be noted that trends in EEE manufacturing are driving reduced tonnages with respect to WEEE recycling throughout Canada. As can be seen in Table 6 below, the tonnage of collected WEEE in the last five years has dropped by over a third since 2013. Laptops, as an example, are 50% lighter than 5 years ago.

<b>Table 6: OES WEEE Tonnage 2013 – 2018</b>		
<b>Year</b>	<b>WEEE Collection Tonnage</b>	<b>YOY Decrease due to Light Weighting</b>
2013	76,764	
2014	71,018	- 7%
2015	67,115	- 5%
2016	60,139	- 10%
2017	52,712	- 12%
2018 (Forecast)	47,097	- 11%

OES anticipates that collected WEEE tonnages will decline in 2019 and 2020 but that the current rate of tonnage decline will lessen in comparison to the previous five years as the heavy CRT televisions and monitors are becoming less and less prevalent in the returns of display devices.

<sup>3</sup> OES commissioned Environmental Design and Management Limited (EDM) in 2017 to measure the program’s accessibility.

## **Consumer Program Awareness**

OES conducts polling on an annual basis to assess consumer awareness of the WEEE recycling program. In 2018, 69% of the adult Ontario population reported being aware of waste electronic recycling, a 3% improvement over 2017.

OES will continue to monitor consumer awareness in 2019 to support ongoing consumer awareness of WEEE recycling throughout the wind up period.

OES utilizes the EPRA Recycle My Electronics logo, branding, campaigns and marketing collateral in order to increase the awareness and participation in Ontario at an affordable cost. This has proven an effective strategy for OES as the awareness has increased from 66% in 2017 to 69% in the 2018 survey results.

The [recyclemyelectronics.ca](http://recyclemyelectronics.ca) website provides consumers and businesses with information about the OES program, what types of electronics can be recycled and allows them to search for the closest waste electronic collections sites. OES proposes to continue to utilize the [recyclemyelectronics.ca](http://recyclemyelectronics.ca) website and related marketing activities to promote consumer awareness of the program throughout the wind up period. Following the program termination date use of the [recyclemyelectronics.ca](http://recyclemyelectronics.ca) website and marketing materials would revert to EPRA.

OES's [ontarioelectronicstewardship.ca](http://ontarioelectronicstewardship.ca) website is and will continue to be the primary source of information about OES wind up activities for stakeholders and the [recyclemyelectronics.ca](http://recyclemyelectronics.ca) will include links to that information for stakeholders interested in the details of how the OES program is being wound up.

### **1.4 Education Programs**

Promotion and education are crucial components of the OES WEEE Program. OES P&E activities inform Ontario residents on the importance of safely and securely recycling their end-of-life electronics while also providing information on safe and convenient drop-off locations.

A number of EPRA/Recycle My Electronics campaigns are utilized by OES to raise awareness and ask the Ontario audience to consider the future for their own, local, natural environment, along with the behaviour of the devices they use today. These include:

- **Education Learning Hub:** The EPRA Learning Hub is utilized by OES to provide students, youth groups, educators and parents with engaging content that helps them learn about the importance of electronics recycling.

- **My Electronics Mobile Classroom:** The successful launch of the EPRA Recycle My Electronics Mobile Classroom was utilized by OES to raise awareness in a self-contained, hands-on environment. This Mobile Classroom, made from a customized shipping container, features videos and games designed to both educate and entertain visitors about why they should recycle their old, unused electronics. As well as being a mobile information centre, the container serves as a collection bin for visitors to drop off their end-of-electronics on the spot. The Mobile Classroom was set up on location at festivals and fall fairs with on-site event staff present to interact with the public and spread the word about the importance of recycling end-of-life electronics
- The operation of a Trade Show Booth for industry association and waste management events;
- Participation with service providers in promotion of WEEE recycling and collection at environment events such as Earth Day and Waste Reduction Week. OES expanded on its communications strategy in 2017, by focusing on the recoverable resources inside end-of-life electronics and promoting this message at Earth Week and Waste Reduction Week events, through new media partnerships and with the new interactive Recycle My Electronics Mobile Classroom

In support of these events and WEEE recycling generally, OES conducts annual advertising in radio, print and online forums in addition to utilizing digital marketing to raise awareness and encourage participation in electronics recycling. Brochures, signage, stickers and marketing materials are provided to collection sites and other OES service providers.

Current promotional and education campaigns and partnerships will be continued in 2019. In 2020 such events will be assessed on a case-by-case basis to determine whether benefits are still applicable in light of the pending program termination.

With the reduction of the EHF consumer fee to zero for the wind up period, in the view of OES, it is important to maintain promotional and education programs which support consumer awareness of WEEE recycling to ensure that the change in the EHF fees does not create the impression that WEEE recycling is ending.

During the wind up period, OES will refocus communications activities on informing stakeholders and consumers about the wind up process and the continued importance of electronic recycling following program termination. OES communication activities and events will promote recycling of waste electronics generally and emphasize the continuation of WEEE recycling behaviours.

These activities will not only support a streamlined wind up of OES operations but also help to improve consumer and stakeholder awareness of continued WEEE recycling under the RRCEA framework.

## **1.5 Market Development**

As there are active markets existing for WEEE downstream materials, OES focuses on building awareness of WEEE recycling among both businesses and consumers.

OES has implemented a number of projects designed to build program awareness and thereby increase the volume of WEEE collection in Ontario indirectly supporting market development for related downstream materials (by encouraging the production of larger Ontario volumes).

OES intends to continue marketing plans and events throughout 2019. In 2020, each special collection event or campaign partnership will be assessed on a case-by-case basis to determine if the short-term benefits associated with the event or campaign are still justified given impending program termination.

### ***Studies, Reports and Market Information***

OES conducts analysis and produces annual reports on accessibility and awareness. These reports will be transferred to RPRA during the wind up. These annual assessments will continue to be run by OES in 2019 and the spring of 2020:

OES Consumer Awareness Survey

OES Accessibility Report

OES commissioned a third party to measure brand awareness of the program in 2017 and 2018. They conducted survey research among adults living in Ontario and data was weighted to reflect the adult population of Ontario by region, age and gender. Awareness increased by 3% from 66% in 2017 to 69% in 2018.

## **SECTION 2: IMPLEMENTATION PLAN AND TIMELINES**

### **2.1 Implementation Plan and Timeline**

#### **A. Detailed Implementation Plan**

A detailed implementation plan is attached as Schedule A. OES will begin to operationalize implementation of the Wind Up Plan with a general notification of RPRA's approval of the Plan targeted for July 2019 (or earlier dependent on RPRA approval date). All program participants will be notified of key wind up dates with a schedule of follow-up notifications specific to each program participant and key wind up steps.

As per Ministerial instruction, key wind up steps will operationalize a program termination of June 30, 2020. Following WEEE program termination, OES estimates that it will take approximately six to nine months to resolve remaining WEEE program and OES corporate financial and legal obligations and dissolve OES as a corporate entity.

As part of this Wind Up Plan, OES is proposing the engagement of a liquidator to resolve final OES financial and legal obligations and undertake the steps necessary to dissolve OES as a corporate entity in a manner consistent with the provincial *Corporations Act* and regulations under the WDTA. The liquidator will be appointed prior to the finalization of OES financial arrangements and reconciliations.

Throughout the process, OES will meet regularly with RPRA staff to monitor implementation of key wind up tasks, as per Schedule A, and ensure that wind up activities are completed in accordance with the approved Wind Up Plan. Quarterly reviews will include regular updating of OES financial and budgetary forecasts to ensure consistency with the approved wind up budget and early identification of any financial discrepancies or adjustments necessary in relation to the OES wind up budget.

OES also proposes to engage an independent program manager, focused solely on OES wind up, who will work with relevant OES staff to ensure that tasks identified in Schedule A are completed in accordance with the WUP.

#### **B. Corporations Act and WDTA Regulations**

As noted above, OES proposes to engage a liquidator, subject to RPRA approval, to take the final steps necessary to dissolve OES as a corporate entity in a manner consistent with WDTA regulations and the *Corporations Act*.

## 2.2 Key Wind Up Plan Dates

<b>December 31, 2018:</b>	As per Ministerial direction of February 8, 2018, date by which OES must submit a Wind Up Plan for the WEEE program to RPRA for review and approval.
<b>June 30, 2019:</b>	Date by which RPRA will approve a Wind Up Plan for the WEEE program.
<b>June 30, 2020:</b>	Termination date for OES program operations as per Ministerial direction of February 8, 2018.
<b>December 31, 2020:</b>	Target date for the completion of all OES third party arrangements (i.e. disbursement of any excess funds, finalization of service provider payments, etc.)
<b>April 2021:</b>	Target date for submission of final Wind Up Plan report to RPRA and Minister as per Subsection 14 (20) of the <i>Waste Diversion Transition Act, 2016</i> (confirmation of Wind Up Plan implementation and completion.)

## 2.3 Other Timeline Considerations

Wind up of the WEEE program will require termination of contracts with a number of OES service providers including: collectors, transporters and processors. Contractual termination provisions for these service providers range from 30 to 90 days. OES is proposing to provide formal notice of contract terminations to service providers approximately 9 months prior to the program termination.

The OES wind up plan (Section 1: Operational Plan) includes explicit dates for the completion of WEEE related activities for all service providers along with set dates for the submission of claims and related submissions to OES.

Steward OES agreements do not include explicit termination clauses, but as with service providers, the Wind Up Plan will include advance notice to stewards of program termination along with final dates for the submission of steward fees, related adjustments and supply reports (Note: Under the proposed Wind Up Plan it is proposed that steward WEEE fees will be reduced to zero prior to program termination. However, steward EEE supply report obligations will continue until program termination meaning that stewards will be subject to different dates for the finalization of fee payments and EEE supply reports.)

Wind up of the WEEE program will also require termination of the OES service contract with the EPRA which provides administrative support to the program. This termination is anticipated to be operationalized approximately six months after the WEEE program

termination date. OES's termination of the EPRA contract will be implemented in accordance with contractual requirements and Wind Up Plan provisions.

Detailed information on various dates for program participant contractual, activity and reporting deadlines are found in: WUP Section 1: Timelines Summary; WUP Section 2: Schedule A: Implementation Plan and Timelines; and WUP Section 7: Cut-off Dates.

## **SECTION 3: CONSULTATION WITH STAKEHOLDERS**

### **3.1 Consultation During Wind Up Plan Development**

OES conducted a series of webinars and meetings in October and November 2018 to solicit input regarding the development of its Wind Up Plan (WUP). Stakeholders were provided with an overview of OES Wind Up Plan financials and a summary of key proposals for wind up activities. In addition, OES sought feedback on specific proposed dates for termination of steward and service provider reporting obligations and transactions.

A series of 11 webinars were conducted between October 30<sup>th</sup> and November 23<sup>rd</sup> 2018. All stakeholders were notified of webinar sessions through email blast. Webinars were grouped by stakeholder category but open to all stakeholders. OES also invited all WEEE processors to individual, in-person consultations as well as meeting with the Retail Council of Canada and Electronic Products Stewardship Canada. OES conducted the final webinar on November 23, 2018 providing a financial update and signaling the intent to implement an EEE fee reduction to zero effective for February 1, 2019.<sup>4</sup>

As per Ministerial direction a full report (the OES Wind Up Plan Consultation Report) regarding OES consultation during the development of the wind up plan is attached as Appendix A to this plan. The OES Wind Up Plan Consultation Report identifies types of organizations that participated in OES wind up plan consultation sessions, a summary of the comments received during consultation and a discussion of how those comments were considered by OES in the development of this wind up Plan.

### **3.2 Communications with Stakeholders**

#### ***Communication Plan Objectives***

A comprehensive and effective communications strategy is a key component of implementing an OES Wind Up Plan that is consistent with legislative requirements and consistent with Ministerial direction. Throughout the wind up period, OES will utilize open and transparent communications strategies to support an orderly wind up of OES operations and a smooth transition to recycling under the RRCEA framework. Key communications objectives include the following:

- Support for program performance throughout the wind up period:
  - Maintain or improve program performance;
  - Ensure no disruption in the operation of WEEE recycling;
- Implementation of a transparent and open OES wind up process:

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<sup>4</sup> Stewards were provided with formal notification of the EEE fee reduction to zero for implementation effective February 1, 2019 on December 3, 2018 following review and support of the proposal by RPRA Board.

- Ensure advance stakeholder awareness of key program changes;
- Maintain open and accessible communications feedback options for all affected stakeholders – i.e. make it easy for stakeholders to get questions answered.
- Sustain effective OES-stakeholder interaction during program wind up:
  - Tailor stakeholder messaging where applicable to address the needs of specific stakeholders;
  - Monitor stakeholder reactions and adjust outreach activities/messaging where necessary.
- Support for stakeholder awareness of impending transition to waste electronic diversion under the RRCEA framework (although not a direct OES responsibility, represents a complementary objective to smooth wind up of existing OES program).

Note: The wind up of the current OES WEEE program is taking place during the concurrent development of a new regulatory framework for diverting waste electrical and electronic equipment to be implemented under the RRCEA. That new legislative framework will come into effect after the current OES program terminates. As such the majority of OES stakeholders participating in the wind up of the current program will also be preparing for anticipated operations under the RRCEA framework.

OES communications activities during program wind up will support stakeholder awareness of the impending transition to the diversion of waste electronics under the RRCEA, but primarily to direct stakeholders to the appropriate organizations for information, RPRA or the MECP, and identify any outreach activities that may be impending or underway on the part of those organizations. OES communications activities will not address any specific issues related to waste electronic recycling under the RRCEA framework (i.e. content of waste electronic regulations under the RRCEA, etc.). The content of RRCEA requirements and details of stakeholder obligations under that legislative framework are out of scope with respect to OES communications activities.

See Section 3.4, 3.5 Stakeholder Communications Mechanisms for an outline of proposed communication activities and tactics to be implemented during the wind up period.

### **3.3 Audits, Reviews and Engagements**

#### ***Operational Audits***

OES undertakes a number of compliance activities to ensure that service providers comply with program requirements. OES service providers contracting with OES are accountable to meet and fulfill regulated program requirements. Sanctions for service

provider non-compliance include repayment of incentives or recovery of fees paid, through to suspension and termination from the program.

With respect to collection sites, OES site visits are required prior to approval of registration to ensure such sites comply with program requirements. As with the current operations, OES will continue to inspect collection sites during the wind up to ensure ongoing compliance.

With respect to WEEE processing facilities, all facilities must operate in accordance with the RQO recycling standard for WEEE materials and comply with program standards and reporting requirements established by OES. All invoices submitted by processors to OES must be supported by complete, accurate and timely documentation in accordance with OES requirements. OES reserves the right to visit and inspect processor locations and those of processor generators to ensure ongoing compliance with program requirements.<sup>5</sup>

With respect to program wind up, prior to and after the program termination date, OES will employ additional resources to perform processor audit functions to maintain program integrity throughout the wind up process and to enable OES to expedite the wind up of the program in a reasonable time frame.

OES follow-up work related to documentation and processor incentive claims submissions will be conducted under tighter time frames that apply to normal program operations. Throughout the wind up period, OES will work closely with processors to ensure that any OES additional or expedited verification requirements associated with the program termination are implemented in a manner which is reasonable for both the processors and the OES program.

During program consultation, processors indicated that the initial time frames proposed by OES for the submission of final processor incentive claims reports in relation to program termination were reasonable and workable from their perspectives.

### ***Steward Audits***

OES conducts a number of compliance activities to ensure stewards are complying with their obligations under the WDTA. Compliance activity related to stewards can be subdivided into three general categories:

1. Identification of stewards who are obligated to register under the WDTA but have not done so and notification to those stewards of their obligation;
2. Ensuring registered stewards file required EEE supply reports and pay related fees in relation to those reports; and
3. Verification of the accuracy steward reports filed.

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<sup>5</sup> Note: OES site visit inspections may be undertaken for all processors and related generators prior to their approval to participate in the OES WEEE program.

With respect to identification of unregistered stewards, OES will continue to identify and notify these organizations to report on EEE supplied into the Ontario market throughout the wind up period. As noted in section 1, amendments to OES steward rules will be made to shorten the time frames to report EEE supply to accommodate the wind up of the WEEE program. OES will continue with these functions even after the EEE fee has been reduced to zero. Supply information will be required to monitor program performance and the identification of obligated stewards will identify organizations that will likely be obligated to register under the RRCEA regulatory framework with respect to EEE supply.

OES will continue to follow-up with stewards where they have failed to submit supply reports and pay any related steward fees in accordance with program requirements.

As noted in WUP Section 1, OES is implementing an EEE fee reduction to zero effective for February 1, 2019. All stewards will be required to submit supply reports and pay existing EEE fees for January 2019 by February 28, 2019. Stewards will be permitted to submit adjustments or corrections to these reports until April 30th, 2019.

As noted in the operational plan, following program termination on June 30, 2020 stewards will have until July 31, 2020 to submit final supply reports (this applies to all stewards whether they report on a monthly, quarterly or on a 6-month basis). Stewards will be given until September 15, 2020 to make any final adjustments or corrections to these final supply reports.

In the case of program termination, OES will increase steward communication activities and expedite steward follow-up compliance to ensure OES final financial and program reconciliations can be completed in a reasonable time frame.

With respect to verifying the accuracy of steward reports, OES conducts both risk-based assessments (stewards with a history of non-compliance are audited more frequently) and random steward assessments. This pattern will continue throughout the wind up period with a stronger emphasis on risk-based accuracy verifications following the program termination date on June 30, 2020.

### ***Annual Reports***

During the wind up period OES Annual Reports will be prepared and submitted in accordance with historical practice and existing statutory requirements. The schedule for submission of OES Annual Reports is the following:

2018 Annual Report – Submission to RPRA by April 1, 2019;

2019 Annual Report – Submission to RPRA by April 1, 2020;

2020 Annual Report - Submission to RPRA by April 1, 2021.

### ***Final Financial Audit***

Following the submission of final steward supply reports (and any corrections and adjustments) and the final processing of payments to OES service providers, OES will be in a position to conduct final financial reconciliations related to both 2020 program operations and the full term of the overall WEEE program. These final financial audits are scheduled to be conducted in the fall of 2020 once final stakeholder reports have been received and processed. The final financial audit of the program will be conducted in accordance the audit process currently used for OES Annual Reports.

### **3.4, 3.5 Stakeholder Communications Mechanisms**

A number of OES wind up communication related activities will be common to all stakeholders. These include the following activities along with targeted time frames related to such activities.

April 2019 – Publication of 2018 OES Annual Report (On-line posting)

July 2019 – (or earlier dependent upon RPRA approval process) Notification of Approval of OES Wind Up Plan (Special Email Communications)

January 2020 – Wind Up Notification Reminders (Special Email Communications)

April 2020 – Publication of 2019 OES Annual Report (On-line posting)

May/June 2020 – Wind Up Notification Reminders (Special Email Communications)

April 2021 – Publication of 2020 OES Annual Report (On-line posting)

OES communication mechanisms related to various stakeholder groups and initial timeframes for activities are outlined below.

<b>Table 7: Summary of OES Communications by Stakeholder Group</b>		
<b>Stakeholder</b>	<b>Communication Mechanisms</b>	<b>General Schedule</b>
Stewards	Email Blasts Steward Newsletter Letters Information Sessions (Webinars) Phone Calls Website Posts Web Portal – ontarioelectronicsstewardship.ca Website Notifications/Links: recyclemyelectronics.ca Call Centre access throughout wind up period.	<i>November 2018</i> Notification of EEE Fee reduction to zero Webinar sessions - re fee reduction process, continued reporting obligations. <i>February 2019</i> Implementation of EEE fee reduction to zero. <i>February-April 2019</i> Final steward EEE fee payments and adjustments – individual steward follow up as required. <i>July 2019 (or earlier)</i> Notification of WEEE Wind Up Plan Approval <i>TBD</i> Notice of timing for termination of OES-remitter- steward agreements. <i>Fall 2019</i> Notification of MTS Availability Information Sessions <i>January 2020</i> WEEE Wind Up Reminders <i>April – May 2020</i> WEEE Wind Up Reminders - re final reporting requirements – timing re termination of OES- remitter steward agreements. <i>July – September</i> Reminder of final reporting due dates, follow-up reminders where required. Individual steward follow-up as required. <i>TBD</i> Final program reconciliation notices for WEEE program. Letters to stewards – end of program obligations.

<b>Table 7: Summary of OES Communications by Stakeholder Group</b>		
<b>Stakeholder</b>	<b>Communication Mechanisms</b>	<b>General Schedule</b>
Processors	Email Blasts Letters Phone Calls In person Meetings Website Posts Web Portals ontarioelectronicsstewardship.ca recyclemyelectronics.ca Call Centre access throughout wind up period.	<i>July 2019 (or earlier)</i> Notification of WEEE Wind Up Plan Approval <i>Fall 2019 – TBD</i> Formal notice of upcoming contract terminations <i>Fall 2019</i> Notification of MTS Availability Information Sessions <i>January 2020</i> WEEE Program Termination Reminders <i>April – June 2020</i> One on One Information Sessions re WEEE termination processes and Timeframes <i>July – September</i> Reminder of final reporting due dates, follow-up where required – scheduling of final mass balance site visits. <i>Fall 2020 TBD</i> Issuance of final processor payments – termination of OES-processor relationships.
Collectors Generators	Email Blasts Letters Phone Calls Website Posts Web Portals – ontarioelectronicsstewardship.ca recyclemyelectronics.ca Call Centre access throughout wind up period.	<i>July 2019 (or earlier)</i> Notification of WEEE Wind Up Plan Approval <i>Fall 2019 – TBD</i> Formal notice of upcoming contract terminations (where applicable) <i>January 2020</i> WEEE Program Termination Reminders <i>April – June 2020</i> One on One contact re wind up dates – arrangement for pickup of OES materials (where applicable) <i>July – August</i> Reminder of final reporting due dates, follow-up where required. <i>Fall 2020 TBD</i> Issuance of final collector payments – termination of OES-collector relationships.

<b>Table 7: Summary of OES Communications by Stakeholder Group</b>		
<b>Stakeholder</b>	<b>Communication Mechanisms</b>	<b>General Schedule</b>
Municipalities	Email Blasts Phone Calls Website Posts Web Portals ontarioelectronicsstewardship.ca recyclemyelectronics.ca Call Centre access throughout wind up period	<i>July 2019 (or earlier)</i> Notification of WEEE Wind Up Plan Approval <i>Fall 2019 – TBD</i> Formal notice of upcoming contract terminations (where applicable) <i>January 2020</i> WEEE Program Termination Reminders <i>April – June 2020</i> One on One contact re wind up dates – arrangement for pickup of OES materials (where applicable) <i>July – August</i> Reminder of final reporting due dates, follow-up where required. <i>Fall 2020 TBD</i> Issuance of final collector incentive payments – termination of OES-municipal agreements.
Refurbishers	Email Blasts Phone Calls Website Posts Web Portals: ontarioelectronicsstewardship.ca recyclemyelectronics.ca Call Centre access throughout wind up period	<i>July 2019 (or earlier)</i> Notification of WEEE Wind Up Plan Approval <i>Fall 2019 – TBD</i> Formal notice of upcoming contract terminations (where applicable) <i>January 2020</i> WEEE Program Termination Reminders <i>April – June 2020</i> One on One contact re wind up dates – arrangement for pickup of OES materials (where applicable) <i>July – August</i> Reminder of final reporting due dates, follow-up where required. <i>Fall 2020 TBD</i> Issuance of final refurbisher reporting payments – termination of OES-refurbisher relationships.
Transporters, Consolidators, Re-packers	Email Blasts Phone Calls Website Posts Web Portals: ontarioelectronicsstewardship.ca recyclemyelectronics.ca Call Centre access throughout wind up period	<i>July 2019 (or earlier)</i> Notification of WEEE Wind Up Plan Approval <i>January 2020</i> WEEE Program Termination Reminders <i>April – June 2020</i> One on One contact re wind up dates – arrangement for pickup of WEEE materials and OES branding materials (if applicable) <i>July – August 2020</i> Issuance of final transporter, consolidator, re-packer payments – termination of OES-relationships with these service providers.

<b>Table 7: Summary of OES Communications by Stakeholder Group</b>		
<b>Stakeholder</b>	<b>Communication Mechanisms</b>	<b>General Schedule</b>
Public	Website Posts Web Portals: ontarioelectronicsstewardship.ca recyclemyelectronics.ca Call Centre access throughout wind up period	As noted in Section 1, OES is proposing to continue promotional and education activities in 2019 consistent with its historical practice. Throughout 2019 and 2020 OES will continue to participate in community and municipal events and programs which support public awareness of WEEE recycling. Messaging in support of WEEE recycling will be adjusted to reflect the impending termination of the OES program and transition to WEEE recycling under the RRCEA framework. Members of the public interested in OES wind up activities will be directed to its website and the wind up web portal for more information on how the program is being wound up (See WUP Section 1: Operational Plan for more details of proposed OES Promotional and Educational activities during wind up.)
OES dedicated Staff	Meetings (monthly or more frequently as required)	Staff administering the WEEE wind up program will be kept informed of all OES communications activities throughout the wind up period.
RPRA	Emails Phone Calls Letters Meetings	Throughout the wind up period RPRA will be provided with key wind up communication materials produced and issued by OES and kept informed regarding OES stakeholder outreach. OES-RPRA liaison will be ongoing throughout the wind up period.

## **Stakeholder Feedback**

Throughout the wind up period, stewards, service providers and other interested parties who have questions about the OES wind up process will have the ability to ask questions, raise concerns through a variety of communications mechanisms. These include:

- Phone calls;
- Emails;
- Web portal inquiries;
- Letters;
- In person meetings.

Proposed time frames for OES responses to various stakeholder feedback mechanisms are identified in the Table below.

<b>OES Stakeholder Feedback Mechanisms</b>	
<b>Type of Stakeholder Inquiry</b>	<b>Proposed Response Timeframe</b>
Direct Phone Call	Immediate
Phone Call – Message	24 Hours
Direct Email Inquiry	48 Hours
Web Portal Inquiry	48 Hours
Letter to OES	10 Business Days

## SECTION 4. FINANCIAL FORECAST AND BUDGET

Forecasts of cash inflows and outflows and current account statements are confidential and provided to RPRA.

A summary of overall revenue projections and forecasts for 2019 and 2020 is provided in Table 8 below.

**Table 8: OES Wind Up Financial Forecast 2018 – 2020\***

	2018 Forecast	2019 Budget	2020 Budget
<b>Revenue:</b>			
EEE Fee Revenue	\$51,305	\$3,327	0
EHF Fee Refund		-\$2,300	
Tax Refund	\$60,840		
Interest	\$936	\$545	\$250
	\$113,081	\$1,572	\$250
<b>Expenses:</b>			
Processing	\$27,142	\$26,013	\$12,681
Handling	\$6,103	\$6,231	\$3,280
Transportation/Storage	\$6,236	\$6,419	\$3,380
	\$39,481	\$38,663	\$19,341
<b>Direct Program Costs:</b>			
<b>Other:</b>			
Promotion and Education	\$2,885	\$2,860	\$1,000
Administration	\$3,148	\$3,370	\$2,485
Wind-up Fees	\$100	\$2,400	\$2,900
RPRA Fees	\$1,256	\$2,600	\$1,300
	\$7,389	\$11,230	\$7,685
<b>Indirect Costs:</b>			
<b>Total Costs:</b>	\$46,870	\$49,893	\$27,026
<b>Surplus/(Deficit)</b>	\$66,211	(\$48,321)	(\$26,776)
<b>Tonnage (metric tonnes)</b>	<b>47,097</b>	<b>45,684</b>	<b>22,271</b>
<b>Closing Reserve</b>	<b>\$109,814</b>	<b>\$61,494</b>	<b>\$28,480</b>
<b>Drawdown on Reserve for HST</b>		<b>(\$6,238)</b>	<b>(\$2,597)</b>
<b>Closing Reserve</b>		<b>\$55,256</b>	<b>\$25,884</b>

\* Updated March 2019

Key assumptions regarding OES financial forecasts for 2019 and 2020 are provided below:

### ***Projected Revenue Assumptions***

With the implementation of an EEE fee reduction to zero as of February 1, 2019, OES steward fee revenues for 2019 will be limited to January 2019 EEE supplies and related fees. OES has projected January 2019 EEE fee revenues to represent approximately 7% of forecast 2018 levels based on historical EEE supply reports for January 2018.

January EEE fee revenues will be offset by OES EEE fee rebates provided to retailers for EEE fees paid on retailer inventories which have not yet been sold to the public as of February 1, 2019. OES's estimate of the total cost of EEE fee rebates is \$2.3 million.

Following the collection of January 2019 EEE fees from stewards, OES remaining revenue projection for steward fee revenues in budgetary forecasts for 2019 and 2020 is zero.

OES's other source of revenue in 2019 and 2020 is interest accrued on cash reserves. OES may receive more HST refunds, and if so, this will be reflected in the financial statements. With respect to forecasting these amounts, OES is forecasting interest revenue in 2019 that is 30% less than the 2018 forecast. This interest revenue will continue to decline in 2020 as OES's cash reserves are depleted to finance program expenses.

### ***Projected Expense Assumptions***

With respect to direct collection, processing and transportation costs, the key assumptions related to expense forecasting are the following:

- OES Processing costs will decline by approximately 3% in 2019 and again in 2020 due to continued light weighting trends and a similar drop in the tonnage of WEEE collected for recycling. [Note: While the projected tonnage decline included in OES financial forecasts is less than the program tonnage reductions experienced in the last few years, OES anticipates that the tonnage decline due to product light weighting trends is currently slowing.];
- OES handling, transportation and storage costs are forecast to increase by approximately 5% in 2019 and 2020. Although light weighting will decrease direct costs, variable items like fuel surcharges may increase costs. Forecasts for 2019 and 2020 are allowing room for potential cost increases, ensuring that a move to \$0 revenue in February 2019 will be manageable.

OES spending on promotional and educational (P&E) activities in 2019 will be consistent with 2018 expenditures. P&E spending for 2020 is forecast to be about 35 percent of spending for 2019 which reflects the fact that: the program will only be operating for six months; OES P&E events are more frequent in the summer months

and there will be an anticipated reduction in OES sponsored events immediately preceding the program termination date;

OES administration expenses are forecast to remain the same in 2019 as 2018 and in 2020 be about 75% of 2019 levels reflecting the need for OES to perform a number of administrative functions for approximately six to nine months after program termination to complete wind up activities;

Costs specific to wind up activities are forecast to be \$2.4 million in 2019 and \$2.9 million in 2020. Wind up cost forecasts include items like additional legal fees, administrative costs, IT costs to prepare MTS for distribution, segregating the OES activities and systems from EPRA, and additional communication and consultation.

OES is projecting that RPRA related fees will be \$2.6M in 2019 and with a reduction in RPRA fees 2020 due to a partial year of OES program operations.

Although the steward fee is reduced to zero effective February 1<sup>st</sup>, 2019, OES is continuing to provide a taxable service to stewards that is funded through the steward earlier contributions. As such, HST is owed on these services. OES can remit these payments on behalf of stewards which are shown as a drawn down on reserve for HST in Table 8 above.

### ***Other Financial Issues***

As noted in Table 8 above, OES will begin 2019 with estimated cash reserves of approximately \$109.8 million based on current forecasts and CRA refunds received. Additional reserves may result if CRA completes audits and refunds further HST to OES. OES reserves will enable the EEE fee reduction to zero for February 1, 2019 and the continued financing of operations until program termination and beyond. OES cash reserves are not restricted and will remain available to fund operations throughout program wind up. OES is not anticipating any cash shortfalls or need to borrow money during the wind up period.

With respect to proceeds from the sale of capital assets, as noted in WUP Section 1: Operational Plan, OES does not expect assets disbursement to generate significant revenues (projected to be less than \$2000, see WUP Section 5: Assets for more detail).

Legal fees associated with program termination have been included in OES estimates of wind-up fees and program administration costs noted in Table 8. A full discussion of legal issues and related costs is included in WUP Section 11: Legal Considerations.

Total OES wind up costs associated with termination of existing service agreements and contracts, including lease terminations, are included in wind up costs in Table 8 above.

### ***Excess Funds Following Program Termination***

Current budget forecasts and financial estimates suggest that OES will retain excess cash funds following the resolution of all financial obligations after program termination of approximately \$25.9 million. While the exact amount associated with excess funds will be subject to financial fluctuations and contingencies related to a number of financial forecasts, barring unforeseen contingencies with large financial implications between now and program termination, OES forecasts surplus on hand following the resolution of all financial obligations after program termination.

In accordance with current statutory requirements and RPRA wind up guide instructions, OES proposes to disburse any surplus to stewards. The methodology OES utilizes to calculate any excess fund disbursement amounts will be reviewed and supported by RPRA as part of the wind up process.

This disbursement of excess program funds will take place upon program wind up once OES has finalized payment of all service provider invoices, terminated various operating agreements and resolved outstanding wind up financial obligations.

The proposed disbursement of excess funds is consistent with the current Subsections 35 (2) and 33 (5) of the WDTA which limit OES spending to the costs of operating and winding up the existing WEEE program.

## **SECTION 5: ASSETS**

### **5.1 Cash**

#### **A Cash and Short-term Investments**

A list of OES bank accounts along with account balances, account numbers, institution, currency and type of account is confidential and provided to RPRA.

#### **B Short term investments requiring liquidation**

OES does not have any cash or short-term investments in accounts which cannot be easily liquidated.

#### **C Monies held in trust**

OES does not have any monies held in trust.

OES does hold \$ 76,500 in processor letters of credit, that under current contractual terms, must be provided back to processors following the termination of processor service agreements assuming required processor contractual requirements have been complied with. OES proposes to return processor letters of credit in the fall of 2020 following the completion of processor final mass balance reports.

### **5.2 Accounts Receivable**

As the Wind Up Plan includes implementation of a steward fee reduction to zero effective for February 1, 2019, OES anticipates that receivables related to collection of steward fees will be resolved in the spring of 2019.

Stewards will be required to submit fee payments for EEE supplied into the Ontario market in January by February 28, 2019 with any adjustments or corrections to previous EEE supply reports required by April 30, 2019. As noted in WUP Section 4, OES is forecasting total steward fees payable in January 2019 to be approximately \$3.3 million. Collectability risk related to this amount is relatively low as typically 98% of Accounts Receivable are current.

While steward fee receivables are uninsured, stewards have a legislative obligation to report EEE supply and pay related fees. OES steward rules also subject stewards that fail to pay required fees before the required deadline to a number of penalties and potential costs described below:

## 8) Penalties, Interest and Back Fees (From OES Steward Rules)

(1) Stewards who fail to pay Steward's Fees with respect to any Data Period before the Deadline Date or to pay the Reconciliation Fees on or before their due date shall pay a penalty equal to 10% of the unpaid Steward's Fees or Reconciliation Fees.

(2) If the amounts reported in a Steward's Report are inaccurate, any deficiency in Steward's Fees paid resulting from such inaccuracies shall be immediately due and payable from the date of the filing of the correcting Steward's Report, and, if not paid within 30 days, the Steward shall pay a penalty equal to 10% of such Steward Fee deficiency.

(3) Interest on the amounts payable under Rules 8(1) and 8(2) shall accrue from the respective Deadline Date or due date for the Reconciliation Fees at the Interest Rate. In addition, a Steward in default shall pay all collection costs, including all proper and reasonable legal fees, incurred by OES, whether or not an action has been commenced. If an audit under Rule 9 reveals that a Steward has under-reported the amount of Steward's Fees due by more than 10% in any Data Period, in addition to any other sums payable, the Steward shall pay the costs of such audit, as reasonably determined by OES.

(4) OES may waive all or part of any penalty, interest or charges otherwise payable under this Rule 8.

Given that final steward corrections or adjustments related to EEE supply which requires fee payments are due by April 30, 2019, OES anticipates that virtually all steward fee payment issues should be resolved by June of 2019.

Other than steward fees payable for January 2019, OES does not anticipate any other revenues associated with accounts receivable during the wind up period.

### 5.3 Prepaid Assets

<b>Description of Assets</b>	<b>Estimate as of December 31, 2018</b>
Commercial/General Insurance	\$854
Consolidation/Repack Deposit	\$71,190
Office Rent	\$9,821
Furniture Rental	\$12,200
<b>Total</b>	<b>\$93,866</b>

## 5.4 Capital Assets

### *Material Tracking System*

As noted in Section 1: Operational Plan, OES main asset is its Material Tracking System (MTS) which is a proprietary software developed by OES to manage the collection, transportation, consolidation and processing of material across the OES allocation and processor incentive programs. The system is coded in Microsoft .net framework 4.0 and runs on Microsoft Server, with a Microsoft SQL Server database.

For OES purposes, the useful life of the MTS system extends to program termination. The system's useful life is limited to the wind up period as system models the current business processes and controls under the current program.

The system is the sole property of Ontario Electronic Stewardship. The system was built, supported and implemented by OES. The OES book value of the MTS system is \$0. The system was fully amortized in 2017. As the system is custom and proprietary to OES business processes, significant modification would likely be required to use MTS for other purposes.

Ministerial wind up direction included a requirement for OES to outline how it would deal with information technology systems to ensure fair and equitable access to all users as an alternative to disposing of these assets for fair market value.

OES WUP proposes to make the MTS available to stewards and potential RRCEA producer responsibility organizations as free software. OES will hold information sessions for interested organizations in the late fall of 2019 outlining system operating requirements and capabilities. A clean version of the software, excluding any historic data or company specific information would be made available to interested parties as of January 2020.

The OES Material Tracking System will be packaged into a white label version of the system with all OES data and configuration removed. The system will be bundled into a zip folder containing the application code, a copy of an empty database and sample configuration file for secure file transfer to the authority. Also included in this package will be basic documentation of how to setup the system.

Following program termination, OES proposed to transfer the MTS to RPRA to act as the trustee of the MTS source code (as it exists on the date of transfer from OES) and enable RPRA to continue to make instances of MTS available to users after the wind up of OES.

OES estimates that its costs related to making a version of the MTS available to potential users will be approximately \$250,000. These costs have been included in wind up costs as part of 2019 and 2020 financial forecasts.

### **Other Capital Assets**

Other OES capital assets include the MTS logistics software, a WEEE container, a refrigerator and leasehold improvements (network and electrical wiring in current space). OES estimates that the book value of other capital assets will be approximately \$1300 as of the program termination date June 30, 2020.

OES proposes to auction these capital assets off following program termination. OES estimates that the total proceeds related to this auction audit will be relatively minimal. A list of OES assets along with a preliminary estimate of auction value is provided in Table 10 below. OES branded materials collection materials that cannot be auctioned off will be recycled.

<b>Table 10: OES Capital Assets</b>			
<b>Description</b>	<b>Number of Items</b>	<b>Net Book Value December 31, 2018</b>	<b>Estimated Auction Value July 2020</b>
Collection Bin (20 ft)	1	\$1,610	\$1,200
Refrigerator	1	\$0	\$100
Leasehold Improvement	Wiring	\$8,931	\$0
MTS Software	NA	\$0	NA
<b>Total Auction Value (Estimated)</b>			<b>\$1,300</b>

## **5.5 Leased Assets**

### **Collection Materials**

OES rents 40-yard bins, sea containers, wheelie bins and trailers that are located at collection sites across the province. E-waste must be sheltered from the environment to ensure hazardous substances do not leach into the ground and surrounding waters. Bins are also used to protect e-waste from the elements.

All rentals are on a month-to-month basis. Bins can be removed at any point in time, however, if the site has no other means of sheltering collected WEEE materials they are in breach of the collection site agreement and the risk for contaminants entering the ground is significant.

OES will make arrangements to collect and return leased assets to suppliers following program termination. Suppliers will be given advance notice of termination of rental arrangements. OES will also work closely with collection sites that utilize leased OES assets for WEEE collection so that those locations can plan alternate collection

arrangements if they chose to continue collecting WEEE materials under the RRCEA legislative framework. OES anticipates that all leased assets related to collection sites will be returned to suppliers by July 31, 2020.

### ***Other Leased Assets***

OES rents a storage unit in which historical files are retained for tax purposes. Following program termination, the OES liquidator will make whatever arrangements are necessary with respect to these files for OES to comply with records retention requirements for tax purposes. The storage unit operator will be given notice of lease termination in accordance with existing contractual provisions.

OES will also consult with RPRA regarding file contents to determine whether any should be transferred to RPRA as part of OES WEEE program data transfer steps.

OES has leased premises at 5750 Explorer Drive, Suite 302, with obligation until October 31<sup>st</sup>, 2020 in the amount of \$ 8,500 per month. Early termination will require full payout of the lease term. A reimbursement of leased space to EPRA of \$5,400 per month is also required, as OES leased the separate suite 302 office facility in order to address the desire for segregation during wind up, as an aspect of the governance directive.

## **5.6 Intellectual Property**

### ***OES Material Tracking System***

See Section 5.4 for a description of the proprietary OES MTS software and its proposed method of transfer to RPRA.

### ***Other Intellectual Property***

OES's additional intellectual property includes the domain name for the OES website: ontarioelectronicstewardship.ca and the trademark for the business name Ontario Electronic Stewardship. OES will continue to utilize these trademarks and domain names throughout the wind up period. Following program termination, the legal ownership rights to the OES trademark and website domain name will be transferred to RPRA.

## **5.7 Investments**

OES does not hold any funds in long-term investments. Reserve funds are held in accounts identified in Section 5.1

## **5.8 Internally Restricted Assets**

Not applicable to OES operations or financial forecast.

## **SECTION 6: LIABILITIES**

### **6.1 Accounts Payable and Accrued Liabilities**

#### **A. Current Accounts Payable**

A list of current accounts payable and accrued liabilities is confidential and provided to RPRA. Related costs and financial implications are included in wind up plan budget summaries provided.

#### **B. Future Accounts Payable**

##### ***Collection Incentive Accounts Payable Forecasts***

##### ***Processing Incentive Accounts Payable Forecasts***

##### ***Re-use and Refurbish Reports Accounts Payable***

##### ***Transportation, Re-pack and Consolidation Accounts Payable***

Accounts Payable forecasts are based on prior year trending and adjusted for current year run rates.

#### **C. Key Suppliers**

Termination notification periods for OES processor and collector contracts are described, and proposed OES processes for notification of contract terminations in WUP Section 2: Implementation Plan and Timeline.

Key Suppliers whom OES directly compensates include:

- Collectors;
- Transporters;
- Processors;
- Administrative Service Providers such as IT services; and
- Marketing and Communication Service Providers such as Media Organizations.

All service providers will be given a minimum 90 days of notice, or notice per the contractual arrangement, should the contractual notice exceed 90 days.

### **6.2 Debt**

OES does not carry debt. OES does not anticipate any need to source additional funding over the wind-up period.

## SECTION 7: CUT-OFF DATES

### 7.1 A. Key Wind Up Cut-Off Dates

<b>Table 11: Key OES Wind Up Cut-Off Dates</b>	
<b>Cut-Off Date</b>	<b>Wind Up Plan Measure</b>
June 30, 2020	<ul style="list-style-type: none"> <li>- Program termination date;</li> <li>- Final date for collection of WEEE materials under program;</li> <li>- Final date for submission of MTS BOLs by collectors and generators;</li> </ul>
July 10, 2020	<ul style="list-style-type: none"> <li>- Final date for transportation pick up of WEEE from collector and generator sites;</li> <li>- Final date for submission of re-use and refurbish reports to OES;</li> </ul>
July 31, 2020	<ul style="list-style-type: none"> <li>- Final date for submission of claims for collection incentives to OES from collectors;</li> <li>- Final date for submission of steward EEE supply reports to OES for the period ending June 30, 2020;</li> </ul>
August 15, 2020	<ul style="list-style-type: none"> <li>- Final date for processing of WEEE collected prior to June 30, 2020 and submission of processor incentive claims to OES;</li> </ul>
September 15, 2020	<ul style="list-style-type: none"> <li>- Final date for completion of final processor mass balance reports under WEEE program;</li> <li>- Final date for steward submission of corrections or adjustments to EEE supply reports provided earlier under the program.</li> </ul>

Based on consultation feedback, OES is comfortable that the proposed key cut-off dates can be implemented with minimal disruption to stakeholders.

### B. WEEE Inventory Management and Cut-off Dates

During consultation some service providers raised concerns about the risk of being saddled with stranded inventory at program termination. OES's proposed time lines related to service provider cut-offs and payments ensure that all WEEE material collected by June 30, 2020 will be eligible for a full range of incentives under the program.

Time lines allow processors up to six weeks to process WEEE materials that they have in inventory as of June 30, 2020 and materials collected from generation and collection sites that were collected by June 30, 2020. As most processors currently submit claims for PI incentives within two weeks of receiving WEEE materials, six weeks will allow for the final processing of existing WEEE inventories as of the program termination date.

For a brief transitional period collectors (July 1 to July 10) and processors (July 1 to August 15) will maintain separate inventories of WEEE materials collected before and after the June 30<sup>th</sup> program termination date.

Under the allocation model, data records in the MTS will provide OES will real time inventory forecasts of WEEE materials as of June 30, 2020. Only those WEEE materials collected by June 30<sup>th</sup> will be eligible for OES incentives. OES will also increase the frequency of processor mass balance reports shifting to monthly mass balance reports no later than the 2<sup>nd</sup> quarter of 2020. OES will monitor both collection and processing incentive claims volumes closely throughout the wind up period and where necessary implement additional verification processes to ensure that incentive claims are consistent with program requirements.

Some collectors and processors may fail to or choose not to submit incentive claims for WEEE materials collected prior to June 30, 2020. Any WEEE material collected prior to June 30, 2020 for which collection incentive claims have not been submitted to OES by July 31, 2020 or for which processing incentive claims have not been submitted to OES by August 15, 2020 will not be eligible for respective OES program collection or processing incentives.

## **7.2 Revenue**

As noted in WUP Section 1, OES will implement a reduction of steward EEE fees to zero as of February 1<sup>st</sup>, 2019.

## SECTION 8: RESERVES

### 8.1 Reserves

#### A. Reserve Fund Balances

As of December 31, 2018, OES estimates a total reserve fund balance of \$109.8 million. Table 12: outlines estimates of operating deficits for 2019 and 2020 and the related impact on OES reserve fund estimates.

<b>Table 12: OES Reserve Fund Estimates 2018 – 2020*</b>	
OES Projected Reserve Fund Balance December 31, 2018 (unaudited)	\$109.8 Million
Projected OES Operating (Deficit) 2019	(\$54.6 Million)
OES Projected Reserve Fund Balance December 31, 2019	\$55.2 Million
Projected OES Operating (Deficit) 2020	(\$29.4 Million)
Preliminary Estimate of OES Surplus Funds Remaining Post-Program Termination, prior to surplus distribution.	\$25.9 Million

\* Updated March 2019

The OES reserve fund balance for 2018 forecast is calculated by beginning with prior year ending reserve, adding current year operating surplus or deficit and any one-time items like a tax refund, to arrive at the ending year reserve.

Estimates of operating deficits for 2019 and 2020 and the subsequent reduction in OES Reserve Funds are based on assumptions in OES Financial Forecast and Budget described in detail in WUP Section 4: Financial Forecast and Budget.

#### B. Reserve Fund Management Plan

As noted in Section 1: Operational Plan, OES reserve fund balances enable a reduction of steward EEE fees to zero as of February 1, 2019,

OES proposals for financing operations through the reduction of reserve funds is consistent with Ministerial direction related to program wind up. OES also worked with RPRA to consult on and receive support to implement this EEE fee reduction prior to formal approval of the full OES Wind Up Plan in order to minimize any surplus remaining at program wind up.

### **C. Targeting a Nil Balance**

As noted earlier, a Tax Court of Canada ruling in 2018 resulted in an HST tax refund to OES, which increased the OES existing reserve fund balance by \$60.8 million.

Given the time lines established for program termination and the level of OES year end 2018 cash reserves, even with an EEE fee reduction to zero in February 2019, it is not forecasted that OES will end with a reserve fund balance at zero following program termination. OES currently estimates that its reserve fund balance following program termination and the resolution of all outstanding financial obligations will be approximately \$25.9 million, and that amount may increase with additional HST refunds. At the time of Wind Up Plan writing, these potential amounts remain under audit by CRA.

### **D. Reserve Fund Risks and Compliance with WDTA**

Given the length of time between the submission of this WUP plan and program termination, forecasts related to reserve fund balances for 2019 and 2020 are subject to a number of financial contingencies associated with OES operating expenses for these years. Variations in actual WEEE tonnage recycled in relation to current forecasts could create significant cost variations in the OES program.

Actual reserve fund balances as of September 2020, therefore, may vary significantly from the current reserve fund forecasts. Even with these caveats, however, OES is forecasting that excess surplus funds will remain in the WEEE program following program termination. As noted in the operational plan, OES proposes to disburse these funds in accordance with the WDTA approved program agreement. The methodology OES utilizes to calculate steward contributions and any excess fund disbursement amounts will be reviewed and supported by RPRA.

The proposed WUP plan strategy to fund program operations from reserve fund balances during program wind up and disburse excess funds to stewards following program termination are both consistent with Ministerial wind up direction and WDTA provisions.

With respect to the EEE fee reduction to zero, the Ministerial direction instructed OES to, where possible, reduce the EEE steward fee in order to minimize any remaining surplus funds including any reserves when the program ceases operations. This use of reserve funds to finance program operations is also consistent with WDTA provisions which limit the use of program reserves to the following purposes:

### **Purposes of fund (Subsection 35 (2) WDTA)**

(2) The fund [*in this case OES reserve funds*] shall be held in trust by the industry funding organization and shall only be used for the following purposes:

1. To pay the costs of operating the program.
2. To pay the costs of developing and implementing changes to the program.
3. To pay the costs of developing and implementing a plan to wind up all or part of the program.
4. To pay the costs incurred by the organization or the Authority to wind up all or part of the program.
5. To pay the costs incurred by the organization or the Authority to wind up the organization.
6. To pay the costs incurred by the Authority in exercising its powers and carrying out its duties as they relate to the industry funding organization.
7. To pay the costs incurred by the Crown in administering this Act and the regulations, as the costs relate to the industry funding organization and the Authority's oversight of it, including costs associated with appeals to the Tribunal of the Authority's orders.

With respect to disbursement of excess funds to stewards following program termination, page 7 of RPRA IFO Wind Up Guide states "To the extent that there are credits/reserves/refunds/excess cash balances ("Excess Funds"), these Excess Funds must be allocated to the steward who paid the original fee that gave rise to those Excess Funds, in accordance with the applicable laws governing the transaction and to the extent feasibly possible."

The disbursement of OES excess funds back to stewards following program termination is also consistent with the funding principles established in the WDTA related to program financing which state that steward fees must fairly reflect the costs of running the program.

## **8.2 Funds**

### **Fund Restrictions**

OES reserve funds are not subject to any specific restrictions other than the spending parameters for program spending created by the WDTA and related regulations and requirements.

### **Excess Fund Disbursement**

As noted above, the methodology OES proposes to disburse excess funds to stewards following program termination is to base each steward's disbursement on their

estimated contribution to excess funds over the course of the OES WEEE program. The methodology OES utilizes to calculate steward contributions and any excess fund disbursement amounts will be reviewed and approved by RPRA.

## **SECTION 9: DATA**

### **9.1 Security/Privacy**

Through the operation of the WEEE program, OES has accumulated data pertaining to the operation of the program from stewards, service providers, stakeholders and the general public. This data falls into the following categories:

- Steward and service provider contact information;
- Steward put on market data;
- Supplier contact information;
- Supplier banking information;
- Pricing and volume data;
- Tax information;
- Operational information, audit results and open issues

Consumer data collected would only include information gathered to support the validation of WEEE Program material claims by a processor, to investigate and/or respond to a concern, question or statements addressed to OES by a consumer, or as a result of consulting on program planning with a consumer.

Collected information is only used for the administration of the WEEE program and validation of claims. This data contains information that is commercially sensitive and highly confidential. OES exercises extreme care in the management of this data through its operation of the program and through the wind up process.

All authorized OES resources have signed covenant agreement which requires resources to act in a manner which protects all information including that which is commercially sensitive. Contractors and IT service providers sign non-disclosure agreements which similarly protect OES information.

#### *OES/EPRA Data Segregation*

OES data is protected through a combination of physical system segregation and in-system access controls.

The key OES data solutions (steward, service provider and accounting ledgers) are separate and distinct from EPRA solutions. These separate modules have been configured to limit access to the dedicated OES authorized resources only.

IT administration of OES systems is provided by a third-party IT firm that is contracted to provide IT support and systems development for OES. This third party has signed confidentiality agreements with OES.

Access to local data is protected as OES-dedicated staff and operations are managed from a separate office with separate card key access during wind up.

## **9.2 Data Destruction**

As noted in WUP Section 1: Operational Plan, OES proposes to destroy all historic WEEE recycling data in its possession following transfer of program data to RPRA (see Section 9.4 Data Transfer below).

Following confirmation of receipt of data by RPRA, OES will commence the following process to shut down and destroy systems and cancel IT contracts:

- OES will notify its third-party IT firm and provide a date for the OES systems to be shut down;
- The third party will execute the shutdown of all internal systems and accounts and purge all data;
- For any physical data storage devices, data will be removed according to current department of defense standards and the devices disposed of according to this Wind Up Plan;
- The third party will verify by manual inspection that OES data has been removed and will issue a formal letter attesting to the deletion of OES data;
- For systems hosted by third parties, the third-party IT firm will contact service providers to ensure all accounts are closed and data has been purged from the providers' servers;
- For systems hosted by EPRA, the third-party IT firm will close all OES accounts and purge data from EPRA servers.

For physical files held at the OES office and OES off-site storage location, a similar process will be used. OES will notify its IT firm and provide a date for the OES physical documents to be destroyed:

- The third party will coordinate and oversee the onsite shredding of all remaining physical document;
- The third party will verify by manual inspection that OES data has been destroyed and will issue a formal letter attesting to the destruction of OES data.

### **9.3 Data Retention and Sharing**

#### *Post Program Data Retention*

Following program termination, OES will take steps to ensure that data retention required to ensure compliance with residual program obligations, any outstanding *Corporations Act* or taxation requirements, will be retained in a manner consistent with those obligations.

Any materials provided to RPRA that have to be retained for a period of time to ensure compliance with residual OES obligations will be clearly marked and identified with retention time frames explicitly identified. If RPRA cannot act as the repository for certain OES data requirements, the OES appointed liquidator will take steps necessary to ensure the retention of such data for the periods required.

#### *Data Safeguards*

OES employs a secure cloud document management system (Box) which is used to house electronic copies of OES documents. This system ensures that data is encrypted while at rest and while being transferred to/from the system. Throughout the windup this secure system will be used for data transfer with RPRA.

#### *Public Information*

Throughout the wind up period, OES will continue to publish Annual Reports which include aggregated non-commercially sensitive information about OES stewards, and program recycling volumes.

OES is not proposing to release any additional public information data about WEEE recycling other than the annual data summations included in those reports.

#### *Confidential Information*

Confidential information submitted to RPRA as part of this WUP submission is provided as appendices to this report with such information clearly marked as confidential for RPRA. This information will not be included for publication as part of the public OES WUP.

OES will consider a steward request for the release of their own OES-held data to a third party of the steward's choice, subject to signing of an appropriate authorization by the steward and the reasonable availability of requested data in the OES steward reporting system.

OES may also provide commercially sensitive and confidential information to RPRA as part of the transfer of historic WEEE recycling data (see 9.4 below). OES will clearly identify any confidential or commercially sensitive data transferred to RPRA as such so that RPRA can take appropriate measures to safeguard such data in accordance with its confidentiality guidelines for such data.

#### **9.4 Data Transfer**

As part of the wind up process, OES will provide historic and current WEEE program data to RPRA. Most of this information will be provided to RPRA in digital format with measures taken to ensure no access by third parties during the transfer process.

Once program data has been transferred to RPRA and all necessary OES post-program termination administrative tasks have been completed, OES will engage a third-party IT firm to destroy remaining data and ensure all such data is cleansed from OES devices before any such devices are auctioned off

Following termination of the EPRA-OES operating agreement, OES-dedicated staff employed by EPRA will not have access to any OES program data.

## **SECTION 10: HUMAN RESOURCES**

### **10.1 Employees**

OES does not have employees. Services are provided by EPRA staff, and the EPRA contract allows for provision of OES to pay severance for any OES supporting staff that are terminated as a result of program wind up or contract cancellation with EPRA. These potential costs are included in wind up budget forecasts.

Additional staff that may be required to handle an influx of administrative activity during wind up have been built into the wind up plan and costs. Additional staff may be required for handling calls, processing claims and compliance activities.

### **10.2 Sub-Contractors**

OES subcontracts administration to EPRA. Reference to the EPRA staffing is in previous section, 10.1

### **10.3 Pension and RRSPs**

Not applicable to OES operations

### **10.4 Communications with Personnel**

OES dedicated staff are informed regularly on program updates regarding regulatory information, news from RPRA, wind up activities and next steps.

## **SECTION 11: LEGAL CONSIDERATIONS**

### **11.1 Litigation**

#### **A. Ongoing Litigation**

There is one case currently under legal guidance. Due to the confidential nature, it is not disclosed here.

#### **B. Legal Wind Up Risks**

OES compliance with contractual terms of all stakeholder agreements should minimize legal risks that may arise during wind up.

#### **C. Mitigation of Legal Risks**

Any legal claims or actions that arise during program wind up will be managed on an ad hoc basis. OES does not anticipate that run-off insurance will be required in relation to managing these risks.

### **11.2 Contracts**

#### **A. OES Contracts**

OES obligations and termination processes for collector and processor contracts are described in WUP Sections 1 and 2: Operational Plan and Implementation Plan and Timelines. These contracts do not generate termination costs given appropriate notice, which can be achieved within the wind up timelines.

Other Contracts: OES has contracts providing administration services, IT services, and marketing services with various providers. All contracts have normal notification terms that are well within the 12-month period of wind up plan and therefore no unusual termination costs are forecasted.

#### **B. Contractual Terminations, Timing and Costs**

OES will provide notice of contractual terminations in relation to all commercial agreements or contracts in a manner that meets or exceeds those contractual provisions. All costs associated with anticipated contractual terminations have been factored into OES budgetary forecasts (WUP SECTION 4) and where applicable have been identified in relation to specific contracts in subsection A above.

### **11.3 Legal Contingency Costs**

Legal contingency costs associated with ongoing litigation and other potential legal issues have been factored into OES estimates of wind up costs included its budgetary forecast.

### **11.4 Environmental Issues**

#### **A. Need for Environmental Review**

WEEE is not considered a hazardous material until it is broken down or processed. As such, collectors and transporters of WEEE do not require environmental approvals from the MECP. Processors who undertake the processing of WEEE must hold valid Environment Certificates of Approvals and are regulated by the MECP. Processors are required to provide financial assurance to the MECP to cover any costs associated with site contamination or clean up.

OES processors operate under the ERS 2013 Standard. The standard outlines the safe handling and operations requirements for processors and is administered by the RQO. Processors are obligated to provide OES with Mass Balance Reports which outline where their outputs are delivered. OES validates that the appropriate volume of material is being shipped to approved downstream processors.

A formal environmental review is not required to be conducted by OES as the MECP has jurisdiction over processor operations.

Environmental insurance is addressed through letters of credit that Processors are required to issue in order to handle the potential of an environmental cleanup. Letters of Credit may be issued to the Ministry of Environment or the OES Program.

### **11.5 Key Contracts**

As noted in the Operation Plan, the OES program is delivered through a service agreement with the EPRA. The OES-EPRA service agreement will be terminated following the completion of OES administrative functions after the program termination date. OES may incur some labour-related costs following termination of the agreement which are described in Section 10 and which have been factored into wind up plan financial forecasts.

## **SECTION 12: TAX**

### **12.1 Harmonized Sales Tax**

OES provides a service to stewards in managing the waste recycling program that the stewards are legally obligated to fund in Ontario. OES collects and remits Harmonized Sales Tax (HST) on fees charged to stewards.

Early in the program, the Canada Revenue Agency (CRA) ruled that Industry Funding Organizations (IFOs), such as OES, were not allowed to claim Input Tax Credits (ITCs) for the HST paid to third parties for services provided in operating the recycling program (such as processors and collectors).

In 2017, Stewardship Ontario and OES filed appeals with the Tax Court of Canada challenging the CRA ruling with respect to the eligibility of ITCs.

In April 2018, the Tax Court of Canada overturned the ruling for Stewardship Ontario. In June 2018, the CRA and Tax Court of Canada consented to allow the SO ruling to apply to OES, meaning ITCs were allowed for the HST which had been paid on services and goods received.

As a result, OES in 2018 and early 2019 received CRA HST refunds in the amount of \$60.8 M. and is permitted to claim ITCs on HST payable on a go forward basis.

As noted in previous WUP sections, the ability of OES to claim ITCs on program expenses in 2018 shifted the OES 2018 budget forecast from a deficit to surplus position.

### **12.2 Employee Source Deductions**

Not applicable to OES financing. OES pays EPRA for services provided. Employee related expenses are managed directly by EPRA and all EPRA employee related costs and related OES financial obligations have been factored into OES estimates related to the operation and termination of the OES-EPRA agreement. These costs are referenced in WUP Sections: 4 Financial Forecast and Budget and 10: Human Resources

## **12.3 Other Tax Considerations**

### **A. Final Tax Return**

The final OES tax return for 2020 will be filed by the liquidator.

### **B. Record Keeping**

CRA related tax records are required to be kept for a period of seven years. OES or its liquidator will contract with a third party to manage and retain all required tax records. After the required seven-year retention period these records will be destroyed. As part of winding up OES as a corporate entity, the liquidator will be required to file a final tax return and obtain a Clearance Certificate from the CRA before final disbursements of any remaining cash that remains in OES accounts at the point of corporate dissolution.

## **12.4 HST Rulings**

See Section 12.1 above.

## **SECTION 13: MANAGEMENT OF OTHER RISKS**

### **13.1 Public Perception: Potential Wind Up Risks**

#### *Public Awareness of WEEE Recycling*

OES does not anticipate any significant negative consumer impacts associated with program wind up. OES will monitor consumer access to WEEE drop off locations through the wind period to ensure that consumer WEEE returns are convenient and in keeping with historic program performance metrics.

One potential risk associated with the OES wind up plan relates to the reduction of steward EEE fee to zero after February 2019. OES anticipates that consumer EHF fees may also be removed as of February 1, 2019. The change to zero of EHF fees for some consumers may create the impression that WEEE materials are no longer being recycled. This may be particularly true for consumer items where EHF fees are more significant such as those applied to large TVs and monitors.

To ensure that consumer awareness of WEEE recycling is maintained, OES will continue with promotional and education programs throughout the wind up period to support public awareness of WEEE recycling. OES will also conduct polling related to consumer awareness in the summer or fall of 2019 following the elimination of EHF fees to assess whether there has been any reduction in consumer awareness in relation to WEEE recycling (in comparison to historical norms).

#### *Disruption of WEEE Recycling*

As noted throughout the WUP, OES is not proposing any changes to program incentive rates throughout the wind up period. It is also proposing that all WEEE collected as of June 30, 2020 will be eligible for a full range of incentives under the program. As such OES does not anticipate that there will be any disruption to WEEE recycling during the wind up period. In the view of OES, its recommendations to continue with a business as usual approach to managing WEEE recycling should minimize the likelihood of any disruptions to WEEE recycling prior to June 30, 2020.

However, OES will monitor WEEE product flows closely throughout the wind up period to ensure continued program performance is maintained. As noted earlier if OES determines that significant backlogs related to WEEE recycling are emerging it will consider implementation of additional measures to address those backlogs.

## *Disbursement of Excess or Surplus Funds to Stewards Following Program Termination*

As in noted earlier in the WUP, at the time of submission of this plan, the RPRA IFO Wind Up Guide indicates that to the extent there are excess IFO funds “these Excess Funds must be allocated to the Steward who paid the original fee that gave rise to those Excess Funds”. In the absence of Ministerial Direction or guidance from the RPRA that clarifies that alternate uses of program surpluses may be permitted under the statute or regulations, the OES Board felt that consideration of any alternative use of excess funds (other than disbursement back to stewards) was beyond the scope of its recommendations.

While some stewards requested that surplus funds be used for post-wind up costs rather than distributed back to stewards, in the view of OES, consideration of such options as part of the wind up plan would require clarification from the RPRA that such options are consistent with statutory and regulatory requirements.

### **13.2 Conflict of Interest**

#### **A. OES Governance and Operations During Wind Up**

As noted in WUP Section 1: Operation Plan, a new OES Board was appointed in August 2018 to manage the OES program including the development and submission of this WUP. Unlike previous OES boards, the new OES board does not have any members whom are also members of the EPRA Board of Directors.

The new OES Board was appointed in accordance with WDTA regulatory requirements with members appointed by the Retail Council of Canada and Electronic Product Stewardship of Canada. The new OES Board includes members with extensive senior management experience in variety of national corporations, including members with previous OES experience and backgrounds related to corporate product stewardship responsibilities.

OES By-laws obligate members and officers to avoid and declare conflict of interest situations and conduct Board business in accordance with high governance standards (See section 13.3 below for more details on Board conflict of interest guidelines). As noted earlier, OES utilizes EPRA services to administer the WEEE program. It is anticipated that EPRA will likely apply to operate programs on behalf of stewards under the RRCEA framework. The separation of OES and EPRA board memberships during the wind up period will ensure that OES Board wind up activities are directed independently of EPRA Board considerations.

Operationally, OES will engage an independent Wind Up Program Manager to oversee OES dedicated staff who will be segregated from EPRA staff through operations in separate office facilities. OES data-containing applications relating to stewards, service providers and the corresponding accounting ledgers will be segregated and accessed only by the OES dedicated staff. EPRA senior management will not have system or data access and will only be available for guidance as called upon by the OES Board or in general consultation by the OES dedicated staff. Dedicated managers of Finance and Operations will be put in place to manage the OES daily activities and information and report to the Wind Up Program Manager. In addition, a third-party consultant was engaged to facilitate the wind up consultations and draft the wind up plan for the OES Board.

Following program termination, all OES WEEE recycling data will be destroyed (see WUP Section 9: Data). EPRA staff utilized to deliver the OES program will be prohibited from retaining, communicating or transferring any OES related WEEE recycling data to EPRA or any other parties.

## **B. Legal Advice and Governance Issues**

To prepare for program wind up and ensure that conflict of interest (COI) issues are managed appropriately, OES engaged legal counsel with expertise in governance issues to advise the OES Board throughout the wind up period.

Legal counsel attends all OES Board meetings to address any potential conflict of interest issues that are flagged and to help ensure that Board decisions are made in compliance with conflict of interest by-laws and high corporate governance standards.

Each Board meeting begins with a reminder regarding COI obligations. Any Board member who has questions about whether a personal situation creates a conflict of interest problem or issue for OES operations, has direct access to legal counsel for advice on the matter.

### **C. Third Party Transactions**

As noted above, OES administers the WEEE program through a service agreement with EPRA. See Subsection A above for a description of OES-EPRA arrangements during program wind up.

### **D. Prior Transactions**

Not applicable to OES operations.

### **E. Governance Documentation**

OES Corporate By-law Number 1 General By-Law governing Board and Committee operations and procedures is attached as Schedule B to this WUP Plan. This By-law will be in force during the wind up period.

OES By-Law Number 2: A by-law related to Code of Conduct of OES is attached as Schedule C to this WUP. This By-law will be in force during the wind up period.

## **13.3 Board of Directors**

### **Conflict of Interest Provisions**

As noted in section 13.2 above, in anticipation of program wind up a new OES Board was appointed in August 2018 to manage the development and administration of the OES WUP.

OES By-Law Number 2, attached as Schedule C, establishes code of conduct provisions that apply to all Board members and officers of the corporation.

By-Law No. 2 defines real, potential and apparent conflict of interest situations for OES Board members and officers of the corporation:

- Real conflict of interest is defined as an indirect personal or business interest (financial or non-pecuniary) that is sufficient to influence the exercise the board member's or officer's duties or responsibilities;
- Potential conflict of interest is defined as an interest which could affect duties or responsibilities but where those duties or responsibilities have not yet been exercised; and,
- Apparent conflict of interest is defined as existing where a reasonable well-informed person could have a reasonable belief that a Board member or officer was in a direct or indirect conflict of interest situation even if there was no conflict of interest in fact.

Under By-Law No. 2, Board members are obligated to conduct themselves to avoid conflict of interest situations. They are obligated to declare any conflict of interest situations and must remove themselves from participation in Board activities where a conflict of interest is deemed to exist. Board members and officers are also prohibited from using confidential or commercial OES information for any purpose other than the conduct of their OES duties. They are also prohibited from releasing such information to third parties.

Board members and officers, upon appointment, must sign declarations indicating that to the best of their knowledge, they or any persons related to them, have no direct or indirect conflict of interest situations related to OES operations. Where a potential conflict does exist with respect to a particular OES contract or transaction, Board members must declare their connection or interest that gives rise to a conflict of interest with respect to OES operations.

Board members and officers agree to abide by OES conflict of interest provisions and agree to disclose any new conflict of interest situations that might arise subsequent to their appointments.

### **Board and Committee Meetings During Wind Up**

OES will provide RPRA with copies of all OES Board and Committee minutes during the wind up period.

**SCHEDULE A: DETAILED OES IMPLEMENTATION PLAN AND TIMELINES**

Wind Up Task	Personnel Responsible (ADD NAMES THROUGHOUT)	Key Tasks/Dates	Status Update
<b>1. Implementation of Steward OES Fee Reduction to Zero on February 1, 2019</b>			
<b>OES Notice to Stewards re Proposed Fee Reduction Via Steward Webinar Session - email blast invitation (November 19, 2018)</b>		<ul style="list-style-type: none"> <li>- November 23, 2018 Webinar updating OES Financials and providing notice of EHF fee reduction to zero for February 1, 2019;</li> <li>- Identification of continuing supply reporting obligation;</li> <li>- Posting of webinar on OES website (consultation update);</li> <li>- <b>November 23, 2018</b></li> </ul>	Completed
<b>Formal OES notification of EHF fee reduction to zero</b>		<ul style="list-style-type: none"> <li>- Website posting;</li> <li>- Steward email blast;</li> <li>- Identification of key dates for final fee payments to OES along with final dates for any fee adjustment corrections;</li> <li>- OES contact information/process re questions;</li> <li>- <b>December 3, 2018</b></li> </ul>	Completed
<b>Implementation of Steward Fee Reduction</b>		<ul style="list-style-type: none"> <li>- Update EHF fee rates and references throughout OES website;</li> <li>- <b>February 1, 2019</b></li> </ul>	
<b>Final Date for Submission of Steward Reports requiring fee payments</b>		<p><b>February 28, 2019</b></p> <ul style="list-style-type: none"> <li>- OES staff follow-up as required.</li> </ul>	
<b>Final date for Stewards to Report any corrections to supply reports and associated fee adjustments.</b>		<p><b>April 30, 2019</b></p> <ul style="list-style-type: none"> <li>- OES staff follow-up as required.</li> </ul>	

Wind Up Task	Personnel Responsible (ADD NAMES THROUGHOUT)	Key Tasks/Dates	Status Update
Deadline for submission of inventory adjustment claims from retailers		- February 28, 2019 deadline for submission of claims; - April 30, 2019 deadline for adjustments to claims; - One on one staff follow-up as required	
<b>2. Notice to Stakeholders re RPRA Approval of OES Wind Up Plan</b> <ul style="list-style-type: none"> <li>• General notification of approval of wind up plan;</li> <li>• Confirmation of key WUP dates and deadlines;</li> <li>• Link to copy of full WUP;</li> <li>• Identification of process for contacting OES re information and questions of clarification</li> </ul>			
Stewards		Preparation and release of notification materials: <ul style="list-style-type: none"> <li>- Website update;</li> <li>- Steward Newsletter;</li> <li>- Email Blast;</li> <li>- <b>Target Date: July 15, 2019 or earlier.</b></li> </ul>	
Collectors		Preparation and release of notification materials: <ul style="list-style-type: none"> <li>- Website update;</li> <li>- Email Blast;</li> <li>- <b>Target Date: July 15, 2019 or earlier.</b></li> </ul>	
Transporters		Preparation and release of notification materials: <ul style="list-style-type: none"> <li>- Website update;</li> <li>- Email Blast;</li> <li>- <b>Target Date: July 15, 2019 or earlier.</b></li> </ul>	
Processors		Preparation and release of notification materials: <ul style="list-style-type: none"> <li>- Website update;</li> <li>- Email Blast;</li> <li>- <b>Target Date: July 15, 2019 or earlier.</b></li> </ul>	

Wind Up Task	Personnel Responsible (ADD NAMES THROUGHOUT)	Key Tasks/Dates	Status Update
Generators		Preparation and release of notification materials: - Website update; - Email Blast; <b>Target Date: July 15, 2019 or earlier.</b>	
Re-use and Refurbishers		Preparation and release of notification materials: - Website update; - Email Blast; <b>Target Date: July 15, 2019 or earlier.</b>	
Municipalities		Preparation and release of notification materials: - Website update; - Email Blast; <b>Target Date: July 15, 2019 or earlier.</b>	
Public		Preparation and release of notification materials: - Website update; - <b>Target Date: July 15, 2019 or earlier.</b>	
<b>3. Formal Notification to Service Providers of Contract Terminations</b>			
Stewards-Remitters		<ul style="list-style-type: none"> <li>- Preparation of contract termination notice (email/letter);</li> <li>- Identification of date on which OES service contract will be terminated;</li> <li>- Reference to key submission dates re finalization of contract obligations;</li> <li>- OES contact information/process re questions.</li> <li>- <b>Target Date: September 2019</b></li> </ul>	

Wind Up Task	Personnel Responsible (ADD NAMES THROUGHOUT)	Key Tasks/Dates	Status Update
<b>Collectors</b>		<ul style="list-style-type: none"> <li>- Preparation of contract termination notice (email/letter);</li> <li>- Identification of date on which OES service contract will be terminated;</li> <li>- Reference to key submission dates re finalization of contract obligations;</li> <li>- OES contact information/process re questions.</li> </ul> <p><b>Target Date: September 2019</b></p>	
<b>Municipalities</b>		<ul style="list-style-type: none"> <li>- Preparation of contract termination notice (email/letter);</li> <li>- Identification of date on which OES service contract will be terminated;</li> <li>- Reference to key submission dates re finalization of contract obligations;</li> <li>- OES contact information/process re questions.</li> </ul> <p><b>Target Date: September 2019</b></p>	
<b>Refurbishers</b>		<ul style="list-style-type: none"> <li>- Preparation of contract termination notice (email/letter);</li> <li>- Identification of date on which OES service contract will be terminated;</li> <li>- Reference to key submission dates re finalization of contract obligations;</li> <li>- OES contact information/process re questions.</li> </ul> <p><b>Target Date: September 2019</b></p>	

Wind Up Task	Personnel Responsible (ADD NAMES THROUGHOUT)	Key Tasks/Dates	Status Update
Processors		<ul style="list-style-type: none"> <li>- Preparation of contract termination notice (email/letter);</li> <li>- Identification of date on which OES service contract will be terminated;</li> <li>- Reference to key submission dates re finalization of contract obligations;</li> <li>- OES contact information/process re questions.</li> </ul> <p><b>Target Date: September 2019</b></p>	
<b>4. Making MTS tracking software available to Program Participants</b>			
Notification to Stewards, Service Providers of OES MTS Information Session		<ul style="list-style-type: none"> <li>- Letter indicating time and date of session to provide briefing on MTS requirements, process for transfer.</li> <li>- <b>Target Date: October 2019</b></li> </ul>	
Conduct MTS Information Session		<ul style="list-style-type: none"> <li>- Development of briefing materials for information session</li> <li>- <b>Target Date: November 2019;</b></li> </ul>	
MTS software available for transfer		<ul style="list-style-type: none"> <li>- Development of internal process, software modifications, instructions, necessary to facilitate transfer</li> <li>- <b>Target Date: January 2020 – software available until June 30, 2018</b></li> </ul>	
Provision of MTS Software to RPRA for potential transfer to WEEE recyclers post-program termination.		<ul style="list-style-type: none"> <li>- After June 30, 2020 MTS software transferred to the RPRA.</li> <li>- Date to be determined in consultation with RPRA.</li> </ul>	

Wind Up Task	Personnel Responsible (ADD NAMES THROUGHOUT)	Key Tasks/Dates	Status Update
<b>5. Submission and publication of OES 2019 Annual Report</b>			
<b>Draft and Submit Annual Report</b>		<ul style="list-style-type: none"> <li>- Compile data;</li> <li>- Draft Report;</li> <li>- Engage Auditor complete financial statements;</li> <li>- Submit report to RPRA;</li> <li>- <b>By April 1, 2020</b></li> </ul>	
<b>6. Implementation of Process for Finalization of OES Steward Supply Reports</b>			
<b>Notification of Wind Up processes and deadline to Stewards-Remitters</b>		<ul style="list-style-type: none"> <li>- Preparation and release of wind up reminders;</li> <li>- Newsletters;</li> <li>- Email blasts;</li> <li>- Website postings;</li> <li>- <b>January 2020 to June 2020</b></li> </ul>	
<b>Transition of Steward reporting/registration link from recyclemyelectronics.ca to ontariostewardship.ca</b>		<ul style="list-style-type: none"> <li>- July 1, 2020</li> <li>- Implementation of IT adjustments;</li> <li>- Implementation of changes to both websites.</li> </ul>	
<b>Follow up one on one contact with Stewards as required</b>		<ul style="list-style-type: none"> <li>- Staff contact any stewards which have not submitted final reports or submitted deficient reports by July 31 deadline;</li> <li>- <b>August 2020</b></li> </ul>	
<b>Additional one-on-one steward follow-up as required</b>		<ul style="list-style-type: none"> <li>- Staff contact stewards to resolve correction or adjustment to reports issues with September 15 steward adjustments to reports;</li> <li>- <b>September-October 2020</b></li> </ul>	

Wind Up Task	Personnel Responsible (ADD NAMES THROUGHOUT)	Key Tasks/Dates	Status Update
Final OES Steward Supply Report Reconciliations		<ul style="list-style-type: none"> <li>- OES finalizes steward supply reports for 2020 operating period.</li> <li>- <b>October-November 2020</b></li> </ul>	
<b>7. Implementation of process for finalization of collector (including municipalities) incentive payments</b>			
Reminder Notifications of Wind Up Processes and Deadlines to Collectors		<ul style="list-style-type: none"> <li>- Preparation and release of wind up reminders;</li> <li>- Email blasts;</li> <li>- Website postings;</li> <li>- Direct staff contact;</li> <li>- <b>January 2020 to June 2020</b></li> </ul>	
Arrangement of final collector WEEE pickups		<ul style="list-style-type: none"> <li>- Staff arrangement of final collector pickups;</li> <li>- <b>By July 10, 2020</b></li> </ul>	
One on one follow-up with collectors as required		<ul style="list-style-type: none"> <li>- Staff contact any collectors to resolve any issues with claims submissions due by July 31, 2020;</li> <li>- <b>August 2020</b></li> </ul>	
Processing of final collection incentive payments to collectors		<ul style="list-style-type: none"> <li>- Processing of final collector incentive payments;</li> <li>- <b>August-September 2020</b></li> </ul>	
<b>8. Implementation of process for finalization of processor incentive payments</b>			
Reminder Notification of Wind Up Processes and Deadlines to Processors		<ul style="list-style-type: none"> <li>- Preparation and release of wind up reminders;</li> <li>- Email blasts;</li> <li>- Website postings;</li> <li>- Direct staff contact;</li> <li>- <b>January 2020 to June 2020</b></li> </ul>	

Wind Up Task	Personnel Responsible (ADD NAMES THROUGHOUT)	Key Tasks/Dates	Status Update
One on one work with processors re additional audit/verification requirements re wind up requirements		<ul style="list-style-type: none"> <li>- OES Identification of additional verification requirements/revised time frames for documentation, etc.;</li> <li>- Additional site visits as required;</li> <li>- <b>May – July 2020</b></li> </ul>	
One on one follow up with processors as required		<ul style="list-style-type: none"> <li>- Follow up with processors re final incentive claims submissions due August 15, 2020;</li> <li>- <b>August – September 2020</b></li> </ul>	
Final Processor Site Visits – Completion of Mass Balance Reports		<ul style="list-style-type: none"> <li>- Final staff processor site visits and completion of mass balance reports – final adjustments to incentive claims volumes;</li> <li>- <b>September 2020</b></li> </ul>	
Processing of Final OES Processor Incentive Payments		<ul style="list-style-type: none"> <li>- Processing of final processor incentive payments;</li> <li>- <b>October/November 2020</b></li> </ul>	
<b>9. Finalization of OES Transporter, Re-Packer and Consolidator Arrangements</b>			
Reminder Notification of Wind Up Processes and Deadlines to Processors		<ul style="list-style-type: none"> <li>- Preparation and release of wind up reminders;</li> <li>- Email blasts;</li> <li>- Website postings;</li> <li>- Direct staff contact;</li> <li>- <b>January 2020 to June 2020</b></li> </ul>	
Final Purchase Orders for Services		<ul style="list-style-type: none"> <li>- Staff processing of final purchase orders for services;</li> <li>- <b>July 2020</b></li> </ul>	
Processing of payments for final purchase orders		<ul style="list-style-type: none"> <li>- Processing of payment for final purchase orders;</li> <li>- <b>August 2020</b></li> </ul>	

Wind Up Task	Personnel Responsible (ADD NAMES THROUGHOUT)	Key Tasks/Dates	Status Update
<b>10. Implementation of process for Finalization of Re-use and Refurbisher Reports</b>			
Reminder Notification of Wind Up Processes and Deadlines to Processors		<ul style="list-style-type: none"> <li>- Preparation and release of wind up reminders;</li> <li>- Email blasts;</li> <li>- Website postings;</li> <li>- Direct staff contact;</li> <li>- <b>January 2020 to June 2020</b></li> </ul>	
One on one follow up with Refurbishers		<ul style="list-style-type: none"> <li>- Staff follow-up with refurbishers as required re submission of final reuse and refurbish reports (due by July 10, 2020);</li> <li>- <b>July – August 2020</b></li> </ul>	
Processing of final OES payments for reuse and refurbish reports		<ul style="list-style-type: none"> <li>- Staff processing of final payments for last reuse and refurbish reports</li> <li>- <b>August – September 2020</b></li> </ul>	
<b>11. Collection of OES Branded Materials Used by Collectors or Processors (Note to be completed in conjunction with WUP Tasks 6 – 10 above as applicable).</b>			
Reminder Notifications of Wind Up Processes and Deadlines to Collectors		<ul style="list-style-type: none"> <li>- Direct staff contact with collectors re inventories of OES materials</li> <li>- <b>May-June 2020</b></li> </ul>	
Arrangement of collection of OES branded materials from collectors in conjunction with final WEEE pickups		<ul style="list-style-type: none"> <li>- Staff arrangement of final material pickups;</li> <li>- <b>June-July 2020</b></li> </ul>	
Arrangement of collection of OES branded materials form processors		<ul style="list-style-type: none"> <li>- Staff arrangement of final material pickups;</li> <li>- <b>August-September 2020</b></li> </ul>	
Auctioning off of any OES branded materials with value		<ul style="list-style-type: none"> <li>- Materials to be auctioned off in conjunction with dispersal of other remaining OES assets (possibly by OES appointed liquidator (see below));</li> <li>- <b>September-October 2020</b></li> </ul>	
Arrangement for recycling of OES branded materials with no material value		<ul style="list-style-type: none"> <li>- Staff arrangement of branded materials recycling;</li> <li>- <b>August-September 2020</b></li> </ul>	

Wind Up Task	Personnel Responsible (ADD NAMES THROUGHOUT)	Key Tasks/Dates	Status Update
<b>12. Final Program Financial Reconciliation</b>			
Program reconciliation for January – June 2020		TBD –	
Processing of Payments to Stewards if applicable		TBD –	
<b>13. Finalization Arrangements re OES DATA</b>			
Final WEEE Data Transfers from OES to RPRA		<ul style="list-style-type: none"> <li>- Consultation with RPRA;</li> <li>- Transfer of any remaining program data to RPRA;</li> <li>- Arrangements any additional information to be transferred to RPRA following appointment of liquidator;</li> </ul>	
Destruction of WEEE program data		<ul style="list-style-type: none"> <li>- Once all OES data requirements met, including those necessary for completion of 2020 Annual Report, implementation of arrangements to destroy remaining data.</li> </ul> <b>TBD</b>	
<b>14. Appointment of OES Liquidator</b>			
Consultation with RPRA		OES Board consults with RPRA re appointment of liquidator <b>Fall 2020</b>	
Selection of Liquidator		OES Board selection of liquidator subject to RPRA approval; Assignment of liquidator functions; <b>Oct-Nov 2020</b>	
Resignation of OES Board		Board resignation and transfer of duties to liquidator <b>Late 2020</b>	
<b>15. Termination of OES-EPRA Service Agreement</b>			
Termination of OES consumer functions on EPRA recyclemyelectronics.ca website		<ul style="list-style-type: none"> <li>- July 1, 2020;</li> <li>- preparation and implementation of necessary IT and website changes;</li> <li>- links to OES ontarioelectronicstewardship.ca website</li> </ul>	

Wind Up Task	Personnel Responsible (ADD NAMES THROUGHOUT)	Key Tasks/Dates	Status Update
Final arrangements for termination of OES-EPRA service agreement		Fall 2020	
Shut down of OES Website		Fall 2020 Transition of domain name and trademarks to RPRA - preparation of necessary legal documents; - preparation and implementation of necessary IT changes.	
<b>16. Submission of Wind Up Report to Minister</b>			
Draft and submit wind up report as required by WDTA section 14		TBD – Target Date April 2021	
<b>17. Dissolution of OES as Corporation</b>			
Notices under Corporations Act as Required		Filed by liquidator TBD	
Arrangement for required record keeping		Made by liquidator	
Corporate Dissolution		Final paperwork submitted by liquidator <b>TBD</b>	
<b>18. Submission and Publication of OES 2020 Annual Report</b>			
Draft and Submit Annual Report		<ul style="list-style-type: none"> <li>- Compile data;</li> <li>- Draft Report;</li> <li>- Engage Auditor to complete financial statements;</li> <li>- Submit report to RPRA;</li> <li>- <b>By April 1, 2021</b></li> </ul>	

