COMPLIANCE ORDER

Issued under section 86 of the
Resource Recovery and Circular Economy Act, 2016, c 12, Sched 1

TO:
S.G. Canada Inc

Attention: Asad Abbas

Served by email to: asad@sgcanadainc.com

ORDER NO.: **RPRA-0089**

I, Inspector 017, am issuing this Compliance Order because I reasonably believe that S.G. Canada Inc is contravening or has contravened the *Resource Recovery and Circular Economy Act, 2016* (the "Act") or the regulations.

An excerpt of the Act relating to Compliance Orders is attached.

CONTRAVENTION

I reasonably believe that S.G. Canada Inc is contravening or has contravened the following provisions:

- Section 5 of O. Reg. 225/18: Tires, as it read on December 31, 2024
- Section 5 of O. Reg. 225/18: Tires
- Section 11 of O. Reg. 225/18: Tires, as it read on December 31, 2024
- Section 12 of O. Reg. 225/18: Tires
- Section 18 (2) of O. Reg. 225/18: Tires

NATURE OF CONTRAVENTION

Based on the information provided to RPRA in its registration on October 21, 2020 and information submitted in its initial supply report on June 8, 2023, it was determined that the Registrant meets the definition of a producer of tires under O. Reg. 225/18: Tires, as it supplies tires to consumers in Ontario.

The Registrant has reported supply data in its 2022, 2023, 2024 and 2025 Tires Supply Reports (2020, 2021, 2022 and 2023 calendar year supply data, respectively) in the registry that resulted in minimum collection and management requirements for the calendar year 2023, 2024, 2025 and 2026 performance periods, respectively.

The Registrant has failed to establish and operate a collection and management system effective January 1, 2023.

The Registrant has failed to submit 2024 and 2025 tires performance reports regarding the

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calendar year 2023 and 2024 performance periods as outlined by O. Reg. 225/18: Tires.

REQUIRED ACTION

Within **fourteen (14) days** from the date of this order, S.G. Canada Inc is required to take the following action:

1. Establish and operate a tire collection system and notify the undersigned Inspector via registry@rpra.ca that the establishment of this system has been reported in the Registry, effective January 1, 2023;
2. Establish and operate a system for managing collected tires and notify the undersigned Inspector via registry@rpra.ca that the establishment of this system has been reported in the Registry, effective January 1, 2023;
3. Submit to RPRA in writing, addressed to the undersigned Inspector, the performance data with respect to calendar years 2023 and 2024 as required by subsection 18 (2) of O. Reg. 225/18: Tires; and
4. Submit to RPRA, in writing, addressed to below undersigned Inspector via registry@rpra.ca, any agreements made with registered Producer Responsibility Organizations (PROs) or Service Providers to obtain recovered tire material in order for S.G. Canada Inc to meet its minimum collection and management requirements for all applicable performance periods.

REVIEW OF COMPLIANCE ORDER

You have the right to request a review of this Order by the Deputy Registrar within **seven (7) days** of the date of this Order, by completing and submitting a Request for Compliance Order Review. Requests may be sent to registry@rpra.ca.

A request for review must include:

- the portions of the order in respect of which the review is requested;
- any submissions that you want the Deputy Registrar to consider; and
- your address for service of the Deputy Registrar's decision.

This Order takes effect on the date it is issued even if you request a review unless the Deputy Registrar orders a stay in accordance with section 87(5) of the Act.

FAILURE TO COMPLY

Failure to comply with this Order is an offence under section 98 of the Act.

If an individual is convicted of an offence under the Act, the individual is liable for a fine of not more than $50,000 for each day or part of a day on which the offence occurs or continues for a first conviction, and in the case of a subsequent conviction, for a fine of not more than $100,000 for each day or part of a day on which the offence occurs or continues. If a corporation is convicted of an offence under the Act, the corporation is liable for a fine of not more than $250,000 for each

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day or part of a day on which the offence occurs or continues for a first conviction, and in the case of a subsequent conviction, for a fine of not more than $500,000 for each day or part of a day on which the offence occurs or continues.

Failure to comply with this Order may also be subject to an administrative penalty under O. Reg. 558/22. The maximum total base penalty for a corporation that fails to comply with an Order is $75,000 plus economic benefit, which is the value the corporation derived directly or indirectly from the non-compliance.

PUBLICATION OF ORDER

This Order will be posted on the Resource Productivity and Recovery Registry on RPRA's website in accordance with section 51 of the Act.

ORDER ISSUED ON JANUARY 30, 2026

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Original signed by Inspector 017
RPRA Inspector appointed under section 47 the Act

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RPRA
Resource Productivity & Recovery Authority

EXCERPT OF THE *RESOURCE RECOVERY AND CIRCULAR ECONOMY ACT, 2016*

COMPLIANCE ORDERS

Order by inspector: contraventions of Act and regulations

86 (1) If an inspector reasonably believes any of the following persons is contravening or has contravened this Act or the regulations, the inspector may issue an order to the person, subject to the regulations:

1. A person required under Part IV to carry out a responsibility under that Part.
2. A person required to pay a fee under subsection 41 (5).
3. A person required to comply with a rule pursuant to subsection 107.1 (6). 2016, c. 12, Sched. 1, s. 86 (1); 2020, c. 36, Sched. 41, s. 5.

Information to be included in order

(2) The order shall,

(a) specify the provision of this Act or the regulations that the inspector believes is being or has been contravened;

(b) briefly describe the nature and, where applicable, the location of the contravention; and

(c) state that a review of the order may be requested in accordance with section 87. 2016, c. 12, Sched. 1, s. 86 (2).

What order may require

(3) The order may require the person to whom it is directed to comply with any directions set out in the order within the time specified, relating to,

(a) remedying a contravention of Part III or IV of this Act or the regulations made in respect of those Parts;

(b) preventing the continuation or repetition of the contravention;

(c) submitting a plan prepared by or on behalf of the person for achieving compliance with a provision of this Act or the regulations to the inspector's satisfaction;

(d) engaging contractors or consultants satisfactory to an inspector to prepare a plan or carry out work required by the order;

(e) sampling, testing, measuring, monitoring and reporting with respect to material in a class designated under the Part IV regulations; or

(f) posting notice of the order. 2016, c. 12, Sched. 1, s. 86 (3).

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Consequential authority

(4) The authority to make an order under this section includes the authority to require the person to whom the order is directed to take such intermediate action or such procedural steps, or both, as are related to the action required or prohibited by the order and as are specified in the order. 2016, c. 12, Sched. 1, s. 86 (4).

Request for review, orders under s. 86

87 (1) A person to whom an order under section 86 is directed may, within seven days after being served with a copy of the order, request that a Deputy Registrar review the order.

Exception

(2) If the order under section 86 was made by an inspector who is also the Registrar or a Deputy Registrar, subsection (1) does not apply and section 91 applies instead.

Manner of making request

(3) The request may be made orally, with written confirmation served on the Registrar within the time specified in subsection (1), or in writing.

Contents of request for review

(4) A written request for review under subsection (1) or a written confirmation of an oral request under subsection (3) shall include,

(a) the portions of the order in respect of which the review is requested;

(b) any submissions that the person requesting the review wishes the Deputy Registrar to consider; and

(c) for the purpose of subsection (8), an address that may be used for service.

No automatic stay

(5) The request for review does not stay the order, unless the Deputy Registrar orders otherwise in writing.

Decision of Deputy Registrar

(6) After reviewing the request, the Deputy Registrar may,

(a) revoke the inspector's order; or

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(b) by order directed to the person requesting the review, confirm or amend the inspector's order.

Same

(7) For the purposes of subsection (6), the Deputy Registrar may substitute his or her own opinion for that of the inspector.

Notice of decision

(8) The Deputy Registrar shall serve the person requesting the review with a copy of,

(a) a decision to revoke the inspector's order; or

(b) an order to confirm or amend the inspector's order, together with reasons.

Automatic confirmation of order

(9) If, within seven days after receiving a written request for review or a written confirmation of an oral request for review, the Deputy Registrar does not deal with the matter under subsection (6) and give notice under subsection (8), the order in respect of which the review is sought is deemed to have been confirmed by order of the Deputy Registrar.

Same

(10) For the purpose of section 91 and a hearing required under that section, a confirming order deemed to have been made by the Deputy Registrar under subsection (9),

(a) is deemed to be directed to each person to whom the inspector's order was directed; and

(b) is deemed to have been served, on each person to whom the inspector's order was directed, at the expiry of the time period referred to in subsection (9).

Additional time

(11) Subsections (9) and (10) do not apply if, within seven days after receiving the request for review, the Deputy Registrar stays the order under subsection (5) and serves written notice on the person requesting the review specifying,

(a) that the Deputy Registrar requires additional time to make a decision under subsection (6); and

(b) the date by which the decision will be made.

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Renewal

(12) A notice under subsection (11) may be renewed one or more times.

90 day limitation

(13) The Deputy Registrar's decision shall be made, in any event, no later than 90 days after the day the written request for review or written confirmation of an oral request for review was received.

Compliance with order

88 A person to whom an order is directed shall comply with the order or with the order as amended under clause 87 (6) (b) or varied under section 96, as the case may be.

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