

A horizontal banner with a grid of green and blue squares. The text "State End Of Life Tire Programs" is centered in white. There are four small yellow icons: a globe in the top left, a butterfly in the top right, a sun in the bottom left, and a group of people in the bottom right.

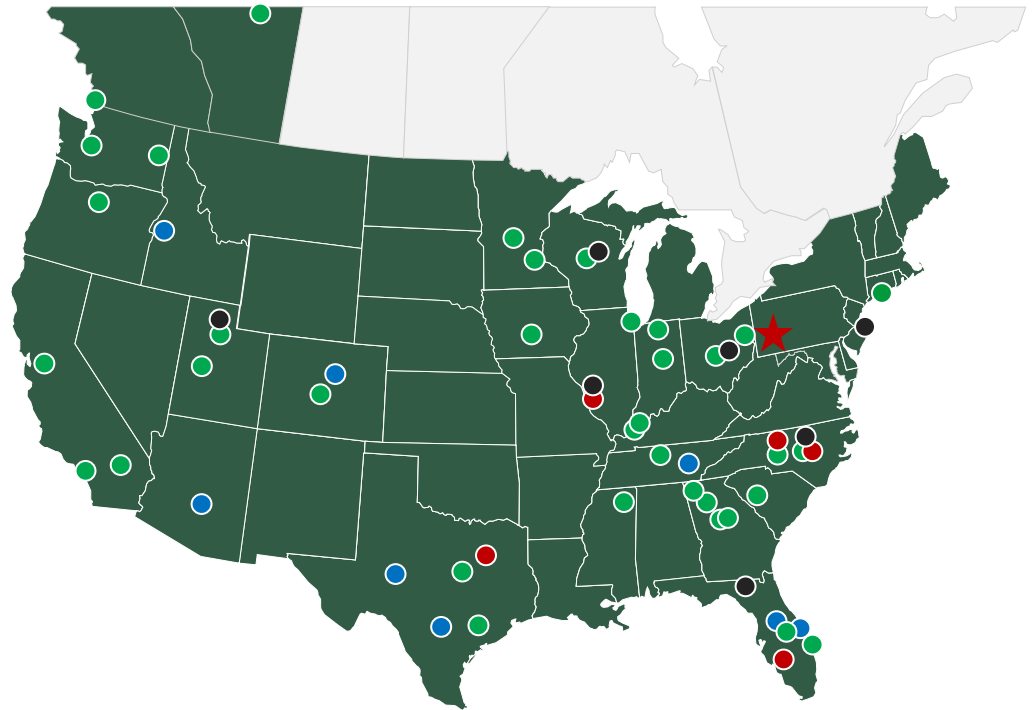
State End Of Life Tire Programs

About Liberty Tire Recycling

Liberty Tire Recycling is North America's leading tire recycler with operations in every U.S. state, and two provinces in Canada, and more than 50 processing facilities.

We collect, process, and manufacture goods out of recycled tire rubber, as well as supply a number of other companies with recycled rubber feedstock.

You can find our products in playgrounds, backyards, tracks and fields, and in commercial and industrial applications.



- ★ Corporate Headquarters
- Collection / Processing Facilities
- Collections Facilities / Transfer Stations
- Mulch & Molded Goods Facilities
- Regional / Administrative Offices

How We Have Grown



We have been successful because we are constantly investing back in the business—better efficiency in collections, greater safety for our teams, new partnerships, and more investments in markets ("end markets") for recycled rubber. This approach has made us the most successful tire recycler in North America.

We started in North Carolina in 2000 and have expanded through organic growth and strategic acquisitions. When we acquire another business, we are looking for a company that does a few things really well that we can learn from and integrate across our company. This means that with every acquisition, our entire company is strengthened. Meanwhile, we bring our best-in-class service and proven end-markets for rubber to more communities.

How Other States Operate

There is variation between state programs, but they can be categorized as follows:

System	# Of States	Description
Free-Market with State Fee	24	Private sector covers most of the costs; the state program supplements by providing funding for enforcement, cleanups, amnesty days, and grants.
Free-Market with No State Fee	14	Private sector covers most of the costs; costs for cleanups, etc. either come out of general revenues or are paid for by local entities.
Incentives Driven	7	Private sector still covers most costs, but state uses incentives to increase collections and push more rubber to higher and better uses.
County Led / Public System	5	Provides free state-wide disposal to decrease illegal dumping; counties sit in the middle of the system to ensure proper disposal. State reimburses counties based on a formula, but any excess costs are borne by the counties.

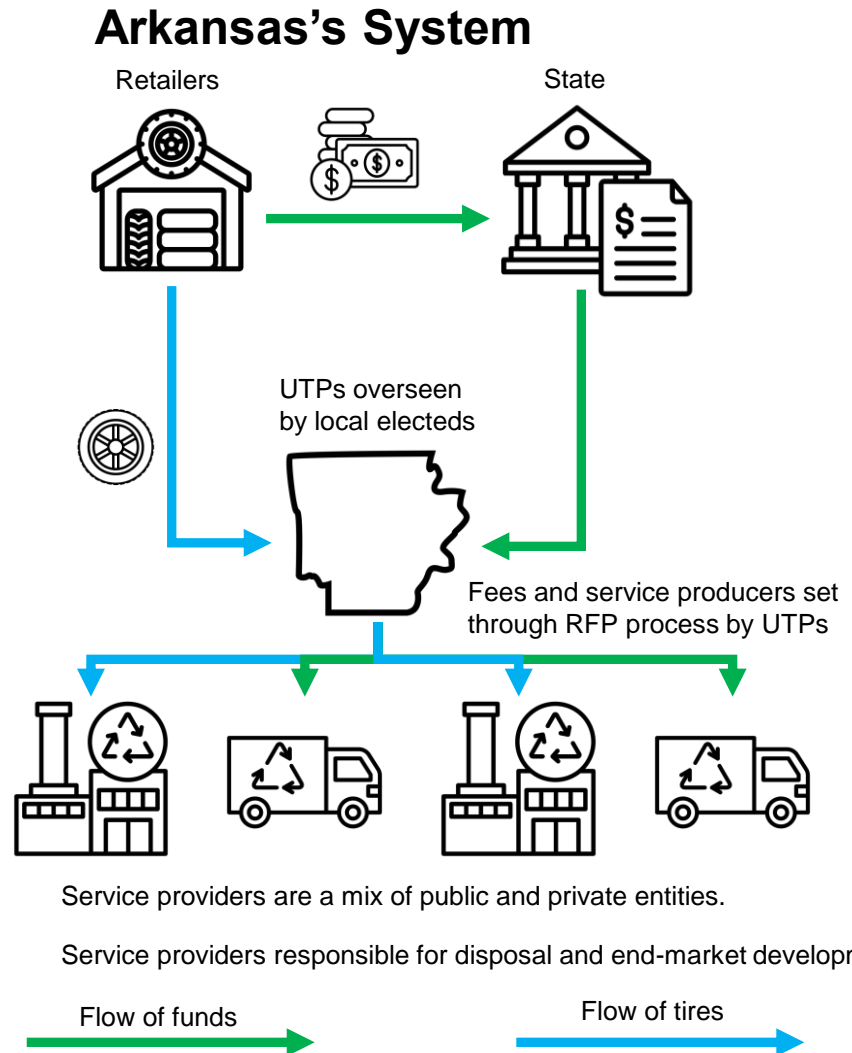


State Models

About The Arkansas Program

Arkansas's Program Operates Differently From Most States:

- The Arkansas Waste Tire Fee is used to cover all hauling and disposal expenses
- Most states use the waste tire fee to supplement the system—not fully fund it
- Arkansas essentially has a quasi-public run system with some elements being serviced by private operators
- Too often the outcome is “privatizing the gains while socializing the risks”



Liberty's Footprint In Arkansas

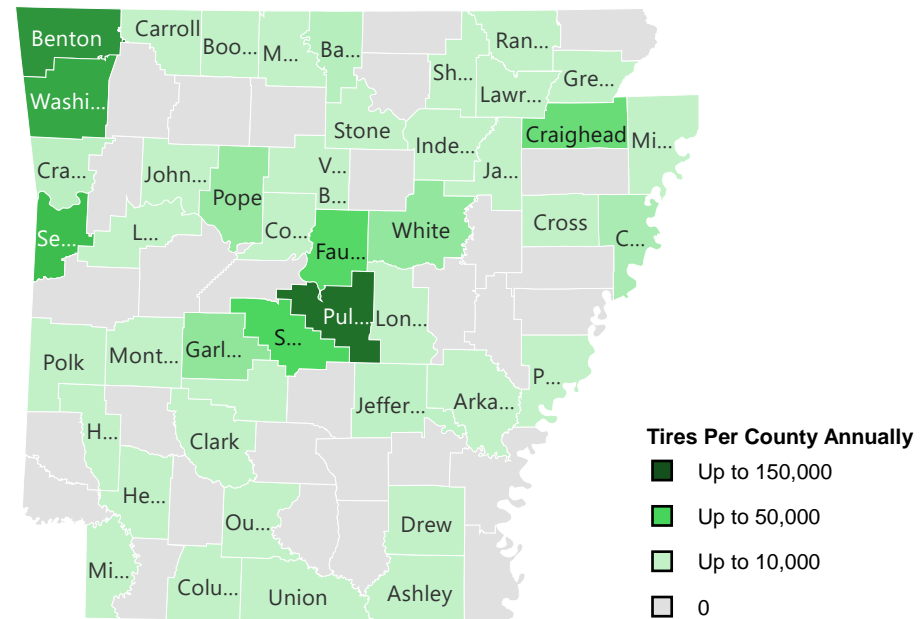
Our Current Operations

Liberty currently collects 797,000 tires in Arkansas through agreements with national retailers, using local haulers.

Essentially, these tires are already being handled by a private system as Liberty is coordinating collections and billing between retailers, haulers, and drop-off locations.

Although tire collections and recycling is complicated, this demonstrates that transitioning to a system led more by the free-market might be easier than often assumed.

Tires Currently Collected In Arkansas By Liberty

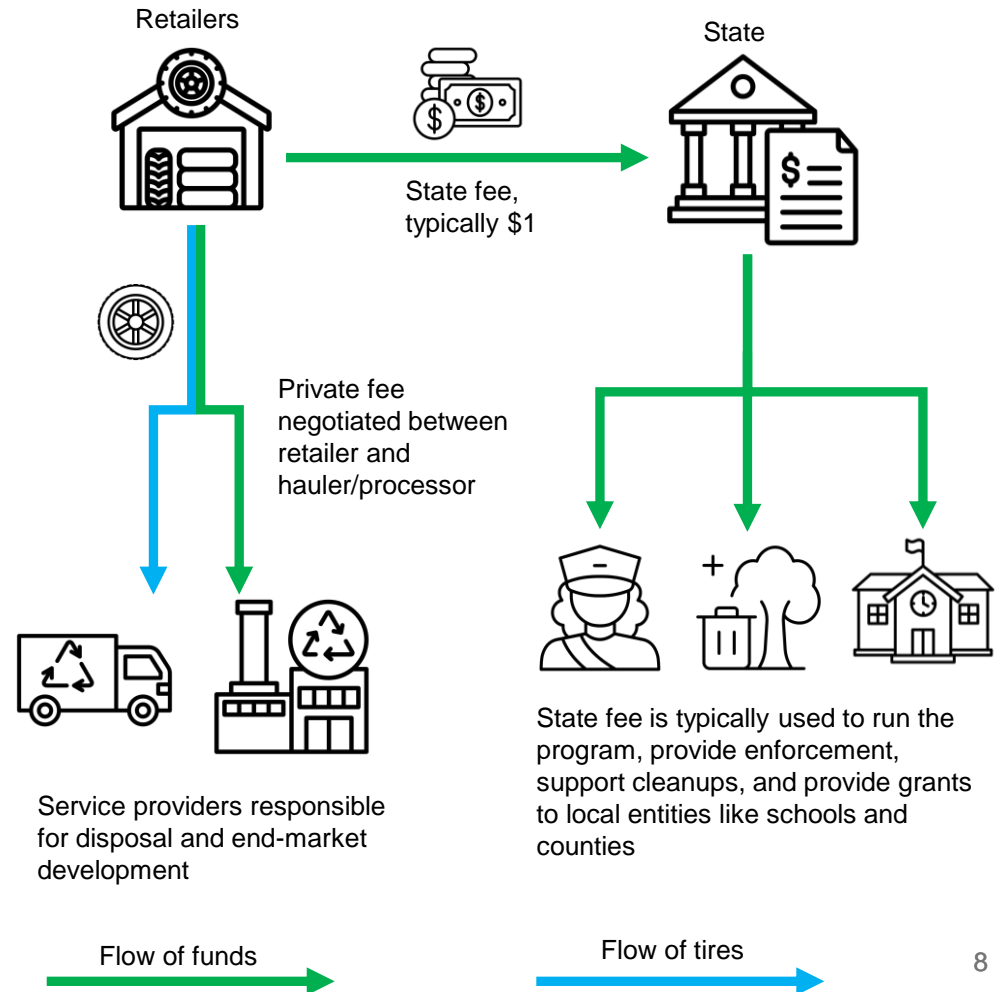


About Free-Market Systems

Most States Operate Under A Free Market System:

- In a market-based system, the tire fee does not pay for the cost of disposing of a tire
- The state fee supplements the market system by providing funding for enforcement, oversight, and end-market grants
- Retailers and private-sector haulers and recyclers negotiate fees directly
- 36 states charge some sort of state fee ranging from 25 cents to \$5—with \$1-\$2 being the most common

Free-Market System

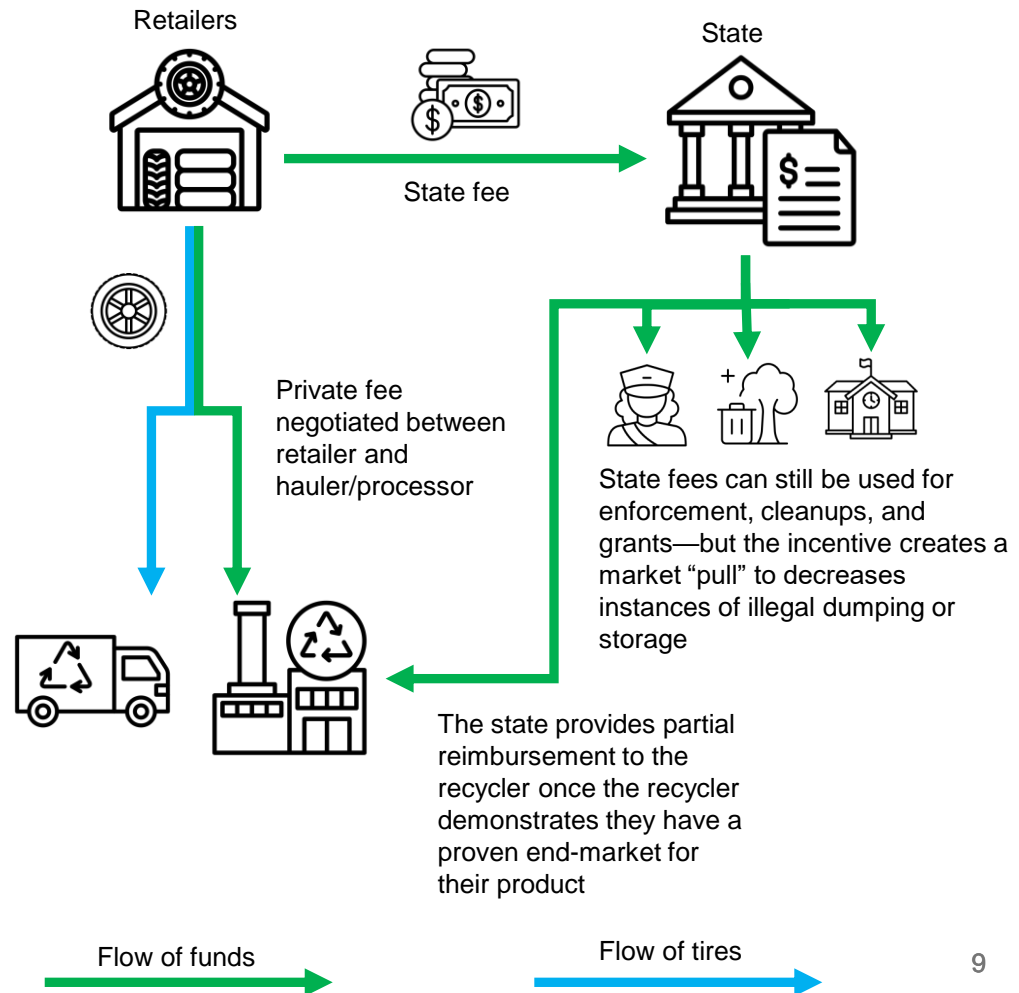


About Market Systems With Incentives

Market-Based With Incentives:

- In a market-based system with incentives, the tire fee does not pay for the cost of disposing of a tire
- Rather, the state fee incentivizes higher and better uses for recycled rubber products by providing a partial reimbursement
- For instance, crumb rubber will be reimbursed at a higher rate than tire-derived fuel
- The result is a system still driven by the free market, but the state is encouraging higher end recycling

Market System With Incentives



About County-Led Systems

A Small Number Of States Operate A County-Led System:

- This system can be best thought of as a public-private system
- The counties are responsible for establishing free drop off locations for tires but they contract with private companies to handle disposal
- The state uses the tire fee to reimburse counties, although cost overruns can end up being paid by the county
- This is the system in Tennessee and North Carolina

County-Led System

