

Mercury Thermostat Collection and Recycling Program

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Table of Contents

EWC Controls Background.....	3
Purpose of the Plan.....	4
Plan Description.....	5
Public Awareness.....	6
Wholesaler Participation.....	7
Recycling Solution.....	8
Summary.....	8

EWC Controls Background with Mercury Thermostats

EWC Controls is a manufacturing company of forced air zone controls (Zoning). Zoning is a product for solving temperature complaints of hot spots or cold spots within a home or building. EWC Controls produces (dampers, control panels, relief dampers, etc.) these items work in conjunction with the heating and air conditioning system. EWC Controls does not manufacture thermostats; our level of participation with Mercury Thermostats is that of a reseller. EWC Controls thermostat offering is a product of convenience for our wholesaler base.

EWC Controls product offering of mercury thermostats consists of items that were bought and resold. The mercury thermostats that EWC Controls purchased were thermostats that our wholesaler customer base could have also bought direct from the thermostat manufacturer. Some of the thermostats that EWC Controls purchased for our use had the EWC Controls brand name on the product from the manufacturer. Those mercury thermostats are the items that EWC Controls plans to identify, capture and recycle.

EWC Controls estimates that over the period of our reselling mercury thermostats with our branded name on the product, we introduced 25,000 pieces country wide to the market place. This took place over an 18 year period from 1989 to 2007. It is difficult for EWC Controls to pinpoint what regions or states that these items were shipped into. We can however, prorate the numbers to match our volume of sales in our zoning product line so that we can estimate where these mercury thermostats have been shipped.

During these years, the Mid-Atlantic region and the Southeast region of the United States were our higher volume territories along with the state of Connecticut. The Upper Mid-West was our next highest producing region.

EWC Controls is very conscientious of our recycling duties. We currently have in place a company wide recycling program for all batteries, computers, computer monitors, all “e-scrap”, cell phones, PDA’s, ink-jet cartridges and other items that pose a threat to our environment. Over the last 3 years we estimate that EWC Controls has recycled more than 500 mercury thermostats through our normal channels without an aggressive outreach program.

Purpose of the Plan

EWC Controls intends to capture and recycle as many of the 25,000 thermostats that were introduced by our product offering as we can. Our goal is to notify all possible individuals that can make an impact on our success of this plan. EWC Controls has 612 wholesale customers that can potentially reach across all 50 states.

Almost all of our 612 wholesale partners are already in a recycling program with other industry manufacturers. We believe this fact will make our plan easy and well received. Many industry professionals are well aware of the pollution that mercury can cause and many are ardent supporters of the recycling efforts that are on going within our industry.

The plan is intended to provide a safe and easy method for the recycling of mercury thermostats from our customer base. EWC Controls would like to achieve better than average reclamation rates than the industry standard. EWC Controls would like to have as many mercury thermostats diverted from landfills or solid waste disposal locations as possible.

EWC Controls plans to achieve these goals by proper notifications to all our customers and their employees. We will provide industry updates and news bulletins in order to keep our customers up to date. When cross-over or overlapping occur with other plans, EWC Controls will instruct all channel partners to contribute in and help facilitate along with other plans to

promote the highest possible outcome of success. EWC will encourage our partners to get involved to help the reclamation process when overlapping of plans occurs. In no way, is EWC implying that they are participants in any other recycling program, only that they would like to see the highest success rate possible when overlapping of plans exist. We will always instruct our customers to use our plan when possible.

Plan Description

EWC Controls will have a recycling plan in place to hand out, e-mail, mail, or fax to our customer base. We will continually update and revise the plan as changes are made. All of our current wholesalers will receive this plan and adherence will be mandatory. Non-compliance with this plan will be addressed and corrected immediately. There will be no direct costs to contractors, service technicians or homeowners for participating in this plan.

1. EWC Controls requires all wholesale partners to obtain a return authorization number (RMA) for any and all items to be returned to our facility.
2. Wholesale partners must list quantities, item numbers and descriptions of all items to be returned before a RMA # can be obtained.
3. Once EWC Controls is notified that a mercury thermostat is to be returned, EWC Controls will provide our wholesale partner with a shipping bag (plastic 5 mil liner bag) for each mercury thermostat to be returned.
4. EWC Controls will provide as many shipping bags as needed to our wholesale partner for each mercury thermostat to be returned.
5. Our wholesale partner will wrap each mercury thermostat individually with shipping bags provided and individually pack each thermostat into a corrugated box.
6. Each mercury thermostat will then be over packed into a large scale corrugated container for shipment back to EWC Controls.
7. The mercury thermostat must be in one piece and contain its cover.

Once the items are received at EWC Controls facility the following procedures will be followed. We will continually update and revise these procedures as improvements are required. All handling of these materials will comply with all State and Federal waste requirements of the State of New Jersey. EWC Controls is incorporated and operates in the State of New Jersey. All product handling will be done in that State.

1. Returns are received at EWC Controls and sent to our Quality Control department.
2. Our Quality Control Manager will log in the return and match the paperwork to the previously issued RMA.
3. We will then open the contents and record the customer name, city, date returned, quantity of items and any item (SKU's) numbers.
4. Quality Control will then segregate any mercury thermostats, store them in a plastic lined container and put them into storage for final processing.
5. EWC Controls maintains a Mercury Spill and Contaminant Kit at our facility. All designated Quality Control personnel have been trained in the safe and proper use of this equipment.
6. Every (6) six months of operation, all company recyclables along with Mercury Thermostats are packed and shipped to Battery Solutions, Inc. of Howell, MI. Battery Solutions, Inc. is an ISO 9000 and ISO 14001 compliant company. All EPA documentation and identification numbers are available from Battery Solutions, Inc. upon request.

Public Awareness

It is EWC Controls' intention to make every possible effort to inform and make aware, to our customer base the program that we have in place to help facilitate the safe and effective reclamation process for mercury thermostats. As stated previously, all of our current customers are familiar with and are participating in a recycling program already in place with other manufacturers. EWC Controls intends to include our plan in conjunction with current plans to help spread awareness. EWC Controls plan is a stand alone plan in and of itself, and fulfills all necessary requirements for safe

mercury reclamation. When cross-over or overlapping occur with other plans, EWC Controls will instruct all channel partners to contribute in and help facilitate along with other plans to promote the highest possible outcome of success. In no way, is EWC implying that they are participants in any other recycling program, only that they would like to see the highest success rate possible.

Through our zoning system installations, EWC Controls has access to more than 40,000 HVAC jobsites per year. We will include a recycling note of Mercury Thermostats on each of those jobsites through our installation manuals. These printed manuals are used by HVAC technicians to help with installation procedures. These manuals are also left behind on the jobsite for the homeowners to reference if needed, or for future technicians showing up at the jobsite for additional work to be performed.

EWC Controls will post our plan on our Website along with a note as to why recycling mercury thermostats is important to the industry. In the State of Pennsylvania, Act 97 (Mercury-Free Thermostat Act) prohibits the disposal of mercury thermostats in that state. The EWC Controls website (www.ewccontrols.com) has more than 6,500 unique hits or visitors every business day. This translates to more than 1.5 million viewers every year. These viewers are a mix of industry professionals, local homeowners, government officials, and many other public and private consumers.

Another outreach activity that EWC Controls will perform is linked to our daily routine. One major function of EWC Controls sales routine is the face-to-face selling and training of HVAC technicians. We estimate that we talk to, in person, more than 10,000 technicians in any given year. EWC Controls also calls on more than 600 wholesale customers. We have instructed our sales force to start promoting on the Mercury Thermostat recycling program, as well as, instructing all persons to go to the www.ewccontrols.com website to gather more information. This direct marketing approach will allow EWC Controls to gauge more accurately the level of participation from our customer base.

Wholesaler Participation

As mentioned earlier, EWC Controls has more than 600 wholesale customers; those customers are also customers of other manufacturers in the Mercury Thermostat recycling programs. The most popular program, with which EWC Controls customers are involved, is the TRC (Thermostat Recycling Corporation) of Arlington, Virginia. Many HVAC wholesalers participate in the TRC program due to its early implementation and the outreach performed by the founding companies (Honeywell, White-Rodgers, and General Electric).

The EWC Controls customers who are not participating in the TRC program will have full access to recycle mercury thermostats through the EWC Controls program. Due to the sheer numbers of wholesalers already involved with the TRC program, EWC Controls anticipates an easy introduction of our plan.

Our plan will make all of our wholesale partners, contractors or retailers a drop point or collection point, for any and all wishing to recycle mercury thermostats. We will notify and mandate that all wholesale partners, contractors or retailers will take back, at no charge, any thermostat containing mercury. We will notify all HVAC technicians that we train, sell, or consult, that our wholesaler partners, contractors and retailers are local drop points for these items. Our plan will make clear that Homeowners wishing to recycle mercury thermostats will also be able to use our wholesaler partners, contractors and retailers as a collection point.

Battery Solutions, Inc.

Battery Solutions, Inc is our recycling partner of choice. They operate out of two locations Howell, MI and Mesa, AZ. They are ISO certified, possess EPA identification and have more than 35 years experience in the recycling industry. The main headquarters of Battery Solutions, Inc. is 5900 Brighton Pines Court Howell, MI 48843. They can be contacted via www.batteryrecycling.com or phone 800-852-8127

Summary

EWC Controls Mercury Thermostat Recycling and Collection plan is a goal driven plan that fits in well with our corporate governance. We are well aware of our recycling duties and the impact we have on our local communities. The plan is intended to reach out to those communities and educate them on their role as an end-user.

EWC Controls can help provide a large word-of-mouth network, as well as, continued educational awareness. Our plan targets the wholesale level, the HVAC technician level and the consumer level. Our goal will be to provide general education on mercury pollution, but more importantly to advise that our wholesale base will be a collection point of thermostats containing Mercury.