

The Reduced Fee Schedule

In 2000, the RBRC shareholders (Panasonic Industrial Company, Saft America Inc., Sanyo Energy (USA) Corporation, Sony Electronics, Inc. and Varta Microbattery, Inc.) approved a program to expand the *Charge Up to Recycle!*[®] Nickel Cadmium (Ni-Cd) recycling program to collect additional rechargeable battery chemistries. Covered chemistries included Nickel Metal Hydride (Ni-MH), Lithium Ion (Li-ion) and Small Sealed Lead Acid (Pb)*. We began the program in January 2001, and collected and recycled almost 500,000 pounds of these batteries the first year.

The program has continued, and with steadily increasing collections. However in January 2002 the shareholders suspended the license fee collection pertaining to these batteries and refunded or credited any payments of license fees that had been paid. The fee remained suspended for 2002 and 2003.

Effective February 1, 2004, RBRC will again begin collecting license fees to support this program. However, to broaden participation, **the fees will be approximately 75% lower than they were initially. In addition, a fee cap of \$50,000 per year payable by any company has been established.**

The new fee will be:

- Single cell batteries up to 1.5 volts: \$.0025 per battery
- Small battery packs 1.5 volts to 8 volts: \$.01 per battery
- Large battery packs 8.1 volts and greater: \$.02 per battery

Examples:

- 1.2 volt single cell, branded round batteries (AAA, AA, C, and D Ni-MH) fee is \$.0025 (1/4 cent).
- 3.6 volt cellular phone battery pack (Ni-MH or Li- ion) fee is \$.01 (1 cent).
- 12 volt notebook PC or power tool battery pack (Ni-MH or Li-ion) fee is \$.02 (2 cents).

Please note that the fee cap does not apply as to Ni-Cd batteries. There are NO CHANGES to the current rechargeable Ni-Cd program. Ni-Cd license fee pricing will remain at the current level for 2004.

The new fee will be easy to calculate. In addition, because RBRC's costs are not related solely to weight, it is not weight based or tied to any amp hour calculation. For example, public education (marketing and advertising) is unit based and not weight based, i.e., it costs the same to reach a user of notebook computer as it does for a cellular phone.

* weighing less than 2 lbs. or 1 kg each.