VPS Program Quarter 2 2015 Review

Q2 2015 VPS Summary & Recommendations for Approval

September 4, 2015
Agenda

- Program Update
- Quarterly Overview of Results
- Q3 2015 Forecast
- Financials
- Approval Request
VPS Detailed Agenda Q2 ‘15

- Welcome
  - Antitrust Guidelines
  - Roll call
  - Agenda Approval

- Program Update (Anthony)

- Data Review & Recommendations for VPS Q2 2015 (Anthony)

- Q3 2015 Forecast (Anthony)

- Fund Approval Request (Anthony)

- Feedback from VPS Committee (All)
VPS Program Update

- 68 CSEs participate in the VPS Program
  - 1 CSE was added in Q2
  - 61 CSEs requested funds for Q2

- End-market issues in the marketplace persist

- AUPs are currently being conducted on 3 CSEs
  - 3 companies will be selected for Q3 AUPs

- All CSEs that requested funds are CARE members in good standing

- One CSE has gone out of business (Larry Sagarin)
VPS Summary Results
Q2 2015 Summary Results

- 61 CSEs Requested Funds for Q2 2015
  - 68 CSEs participate in program (88% response rate)

- Output Eligible for Funding: 80,026,259 lbs.
  - Total Output: 106,010,722
    - Landfilled: 20,290,601
    - Ending Inventory: 5,693,859

- Total $ Requested - $1,347,382.85*
  - $1,509,630.17 before cap correction
  - One CSE reached cap limit of $150,000

* Includes Cap Correction
VPS Q2 Output Destinations (lbs)

Pounds of Output Q1 2015
Pounds of Output Q2 2015
# VPS Output ($s)

<table>
<thead>
<tr>
<th>Output in $s</th>
<th>Q1 2015</th>
<th>Q2 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broadloom Re-Used ($0.02)</td>
<td>$33,244.44</td>
<td>$56,512.96</td>
</tr>
<tr>
<td>Carpet Tiles Re-used</td>
<td>$-</td>
<td>$12,784.12</td>
</tr>
<tr>
<td>Shipped Internationally ($0.02)</td>
<td>$71,537.86</td>
<td>$28,071.06</td>
</tr>
<tr>
<td>Shipped inside U.S. ($0.02)</td>
<td>$1,285,163.16</td>
<td>$1,321,367.02</td>
</tr>
<tr>
<td>Waste-to-Energy ($0.01)</td>
<td>$55,014.36</td>
<td>$62,435.24</td>
</tr>
<tr>
<td>Pyrolysis ($0.01)</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Cement Kiln ($0.01)</td>
<td>$14,440.65</td>
<td>$15,831.32</td>
</tr>
<tr>
<td>CAAF ($0.01)</td>
<td>$16,480.83</td>
<td>$12,628.45</td>
</tr>
<tr>
<td><strong>Total Uncapped</strong></td>
<td><strong>$1,475,881.30</strong></td>
<td><strong>$1,509,630.17</strong></td>
</tr>
<tr>
<td><strong>Cap Correction</strong></td>
<td><strong>($142,735.90)</strong></td>
<td><strong>($162,247.32)</strong></td>
</tr>
<tr>
<td><strong>Grand Total Payout for Total</strong></td>
<td><strong>$1,333,145.40</strong></td>
<td><strong>$1,347,382.85</strong></td>
</tr>
</tbody>
</table>
VPS Output ($s)

Output in $s Q1 2015
Output in $s Q2 2015
Face Fiber Breakdown of Sorted Output

Q2 2015

- Nylon 6: 45%
- Nylon6,6: 23%
- Wool: 8%
- Modular Carpet Tile: 21%
- Polypropylene: 1%
- PET: 0%
- PTT: 1%
- Other/Mixed Fibers: 0%

CARPET RECOVERY EFFORT™
Face Fiber Breakdown (Q1 vs Q2)
VPS Q3 2015 Forecast
Results and Forecasts

<table>
<thead>
<tr>
<th>Period</th>
<th>Actual</th>
<th>Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2014</td>
<td>82,754,372</td>
<td>88,076,009</td>
</tr>
<tr>
<td>Q1 2015</td>
<td>78,090,857</td>
<td>80,026,259</td>
</tr>
<tr>
<td>Q2 2014</td>
<td>88,076,009</td>
<td>80,026,259</td>
</tr>
<tr>
<td>Q2 2015</td>
<td>80,026,259</td>
<td>80,026,259</td>
</tr>
<tr>
<td>Q3 2015</td>
<td>78,090,857</td>
<td>80,026,259</td>
</tr>
</tbody>
</table>

Pounds

- Actual
- Forecast
VPS Financials
## Q2 Financial Analysis

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Starting Balance</td>
<td>$10,000.00</td>
</tr>
<tr>
<td>Admin Expenses</td>
<td>$(42,585.63)</td>
</tr>
<tr>
<td>CSE Payout</td>
<td>$(1,347,382.85)</td>
</tr>
<tr>
<td>Reserve</td>
<td>$(10,000.00)</td>
</tr>
<tr>
<td>Transfer Amount</td>
<td>$(1,389,968.48)</td>
</tr>
</tbody>
</table>
VPS Payout vs. Budget

Q3 Forecasted Payout – 1,277,623.35
Q2 Actual Payout - $1,347,382.85
Q1 Actual Payout - $1,333,145.40

$238,774.40 left for Q4
Recommendations for VPS Approval

1) Approve transfer of $1.35 M
2) Approve CSE Distribution of $1,347,382.85
3) Approve Administrative reimbursements of $42,585

Total Payout Q2: $1.39 M
End of Review