

Stored Energy Holdings, Inc. **Recycling Program**



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Stored Energy Holdings, Inc. Recycling Program

"Stored Energy Holdings, Inc. (SEHI) is committed to being great stewards of our environment. Lead-acid batteries worldwide are the single greatest example of a circular economy and SEHI plays a critical role in ensuring that circle remains unbroken. We are committed to environmental stewardship and support our communities by providing safe battery handling processes. When you recycle your batteries with SEHI, we guarantee they will be recycled responsibly. Did you know that 98% of batteries worldwide are recycled back into new batteries? We keep our promise to ensure your spent batteries will be safely handled and transported by our knowledgeable staff.

For more information and to arrange a recycle pickup, please feel free to contact us at 800-441-8824."

Stored Energy Holdings, Inc. – Recycling Is Not Just What We do, It's Our Story

Since 1985, we at SEHI have never faltered in our commitment to deliver exceptional products through unparalleled service. Our mission has always been centered on sustainability and environmental stewardship, and there is no better way to live up to this name than through our dedication to recycling.

Long before the federal government and more and more states trended toward stricter regulations on the disposal of lead acid batteries, Northeast Battery was a leader in doing this the right way, having stepped up to the plate at its inception to ensure that your safety along with that of the environment is protected.

Our battery-recycling program is a well thought out process that is available with you, the customer, in mind. We provide a detailed and easy to follow packaging and securing guideline for you to use. Guidelines are provided for the packaging of the different types of batteries.

The recycling - and, where necessary, the safe and compliant disposal - of these batteries is as high a priority to us as is the sourcing and sale of new batteries. We never compromise on our promise to be there when you need us.

With everything you have to do to run your business, the last thing that you need is to worry about your old and/or damaged batteries and how to safely get rid of them without negatively affecting the environment.

We take our duty and commitment to safe and compliant recycling seriously. That is why our team is dedicated to the task of keeping our environment green. Our Customers choose Northeast Battery because we not only care for them, but we also care for and cherish the environment. A trait we believe is second to none.

When you choose SEHI for your battery needs, you are choosing a company that is committed to excellent quality, unequivocal commitment, and continued sustainability.

Key Customers

- a. All customers are Prime Targets. Recycling should be a part of EVERY customer conversation and communication.
 - i. Others to consider: Scrap Yards, Forklift Truck Dealers
- b. Position as one less thing for customers to worry about in fact we ensure that Recycling is completed to the highest (Standards) so you can rest easy knowing that there is no pollution.

Relevant Reference Stories

Situation: Naftzinger Auto Salvage sell their cores to other sources.

Pain: Regional core buyers are not dependable, and the most important problem is the "cradle to grave" liability trail. Seller is financially responsible for any materials sold and deposited of in a non-compliant DER designated superfund cleanup site.

Reasons: Inconsistent payment schedules. Disposal source sites not provided. Service issues with current partner.

Capabilities: Dedicated fleet for consistent pickup of materials. EPA documents with disposal sites listed. Prompt and reliable payment schedules.

SEHI Provided: We offered the disposal documents and quoted a fair scrap price per pound. NEB provided materials (pallets, cardboard) for preparation. Assured customer of prompt payment.

Result: We secured a load for a trial purchase. Customer was pleased with our process and we now have the business. We purchased many loads over the last couple of years.

Situation: Cold- calling, setting up appointments to visit scrap yards with the hopes of maybe getting them to switch NEB. A prospect, LKQ (now account #8829) accepts the appointment. I go and meet them in person to discuss their needs. LKQ is a large, multi-location, professional recycler, with truckload capacity to sell scrap direct. Why do they want to talk to me?

Pain: LKQ is unhappy with current scrap battery vendor (Exide), but stayed with them as they still needed to get good price for scrap and 'one stop' shopping for all their locations on scrap lead batteries.

Reasons: Inconsistent pick-up schedule. Needed supplies to stack batteries properly, existing vendor (Exide) would not or was unable to supply them. Driver was at times rude and/or surly with LKQ staff. Payment for scrap was 'okay' but not always timely.

Capabilities: Need current knowledge of scrap market conditions/prices, how they are trending and most important: What can we offer for a price? Need to know NEB capabilities: delivery days, frequency, availability of packing supplies, how our basic sales to delivery process works.

SEHI Provided: A fair, but slightly less price than they were getting. They gained consistent pick ups across (5) regional locations, supplies as needed, faster return on scrap instead of holding out for a truckload shipment and timely payments via check.

Result: Both parties benefit: LKQ gets fair rate on scrap, while have a single source vendor for the NE Region. NEB gets more scrap volume.

Situation: ABC customer keeps their scrap batteries and sends them in to a recycle center every couple months.

Pain: The biggest pain that they have is that they often don't organize all the scrap batteries in one area. They take up a lot of floor space around the shop which makes them inefficient. Reasons: They don't have a standardized program in place that organizes their batteries into one area and also regularly relieves their scrap inventory.

Capabilities: They need to have enough floor space for one skid to place the batteries on.

SEHI Provided: SEHI was happy to provide them a dedicated skid and wrapping requirements. When the weekly truck came to drop off their new batteries, they picked up their scrap ones.

Result: The customer now had additional floor space that they could use for other purposes. They also did not have to spend time organizing and arranging delivery of their scrap.



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SEHI Recycle Process

- Utilize a confident total Proactive approach and engage in recycling conversations with every contact.
- Secure the agreement to handle clients' Spent/Recycling.

What our Drivers Do - Their Process

- At the Customer Site
 - Credit Customers
 - Reviews the spent batteries to be picked up.
 - Counts the spent batteries received and records counts on the delivery doc by category.
 - Once completed has customer sign deliver doc and gives copy to customer.
 - Drops delivery doc off to branch manager at end of the day.
 - Branch manager scans delivery doc to Accounting to process credit memo to customer.
 - COD "Cash Customer" Customers
 - Reviews the spent batteries to be picked up, noting categories.
 - Calls Customer Service (CS) for availability of core credit.
 - Gives CS the count of spent batteries received by category.
 - CS gives driver credit memo number and credit amount to be deducted from the invoice amount.
 - Collects a check from the customer for the calculated net amount of the invoice after deducting the credit and before leaving batteries.
 - Complete a Battery Return Form ("BRF") - BRF's are completed when customers return batteries to us for warranty consideration, consignments, new returns and rotates.

Materials



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The Region's Largest Independent Battery Distributor

Battery Recycling Program

The disposal of lead acid batteries is strictly regulated by state governments. Currently, most of the U.S. States have specific battery recycling legislation passed or pending. More and more, states and municipalities are restricting or have completely banned the disposal of lead-acid batteries with municipal solid waste. Government regulations deem spent batteries as hazardous waste unless they are properly reclaimed at a secondary lead smelter or battery recycler. Recent federal legislation requires that batteries sent for reclamation be managed in compliance with 40 CFR part 306, subpart C. Additionally, rigid Department of Transportation requirements exist for the transportation of batteries to the approved recycler.

As a service to our customers, Northeast Battery offers documented pickup and removal of spent lead-acid batteries sold or distributed by our company and our representatives. To return a lead-acid battery for reclamation, please contact a Customer Service Representative at (800)-441-8824, extension 2.

Upon receipt, a Battery Return Form with corresponding Claim Number will be completed on your behalf. The Northeast Battery representative will sign the completed document and present your copy. When properly returned, Northeast Battery accepts full ownership of the batteries, and ensures that they will be reclaimed and managed in full compliance with 40 CFR part 306, subpart C.

Battery Recycling - Environmental Benefits

Lead-acid batteries are the environmental success story of our time. Roughly ninety-six percent of all battery lead is recycled. When compared to household items, such as, newspapers, aluminum cans and glass bottles, lead-acid batteries top the list of the most highly recycled consumer products.

The lead-acid battery gains its environmental edge from its closed loop cycle life. The typical lead-acid battery contains sixty to eighty percent recycled lead and plastic. When a spent battery is collected, it is sent to a permitted recycler where, under strict environmental regulations, the lead and plastic are reclaimed and used to manufacture new lead-acid batteries. The recycling cycle goes on indefinitely.



Did you know? New batteries are 99% recyclable and comprised of previously recycled materials.

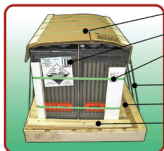


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Instructions for Packaging Flooded Cell (Wet Cell) Batteries on Pallets

Correctly Packaged Flooded Cell Batteries



- ✓ Multiple Layers of Cardboard on Top
- ✓ Proper Labeling
- ✓ Banded Together with High-Strength Banding
- ✓ Banded to Pallet
- ✓ Cardboard Below
- ✓ Wood Slats added to keep from moving on pallet
- ✓ Shrinkwrapped to pallet - MANY LAYERS OF SHRINKWRAP to avoid shifting during shipment

It is not possible to have too much shrinkwrap or banding to secure the material to the pallets. A general rule would be once you think you have it wrapped - add six more revolutions of wrap.

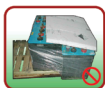
Incorrectly Packaged Flooded Cell Batteries



- ✗ Insufficient Cardboard on Top
- ✗ Exposed Terminals + Ripped Cardboard + Steel Banding = **SEE HAZARD**
- ✗ At least 3 layers of cardboard should have been used OR can also use non-conductive material such as plywood



- ✗ NOT Shrinkwrapped to Pallet to avoid shifting during shipment
- ✗ Not Banded to Pallet
- ✗ Insufficient Banding
- ✗ Missing bottom cardboard should have been used
- ✗ Not protected from sliding off pallet (no wooden slats)



- ✗ Not protected from sliding off pallet (no wooden slats)
- ✗ Not Banded to Pallet
- ✗ Insufficient Cardboard on top
- ✗ Missing Cardboard under batteries
- ✗ Not Labeled
- ✗ Insufficient amount of shrinkwrap



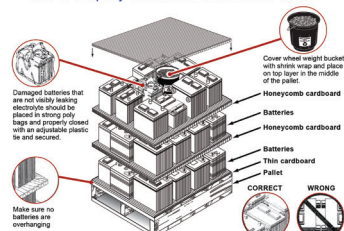
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BATTERY PREPARATION

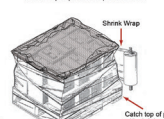
How to Properly Stack Used Batteries on Pallets



NOTE: Add top layer of batteries after shrink wrapping bottom 2 layers. WARNING: Arrange batteries so terminals do not touch. Terminals touching may cause a short and/or fire!

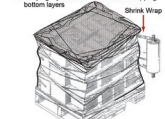
STEP 1

- Load batteries 2 layers high, then shrink wrap
- Wrap tightly 3 or 4 times around, making sure to catch top of pallet to help anchor load



STEP 2

- Load third layer, place cardboard on top, then shrink wrap entire load
- Wrap tightly 3 or 4 times around overlapping bottom layers



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Packaging and Securing Used Motive Batteries/Cells

INSTRUCTIONS FOR PREPARING USED MOTIVE BATTERIES FOR SHIPMENT

1. See "Important Skid/Pallet Specifications" Section.
2. Place all batteries upright and across the runners of the skid/pallet if possible.
3. Batteries must be free from leaks.
4. Multiple batteries can be banded together to consolidate a shipment to a standard skid/pallet size.
5. Adequate wooden cleats must be firmly nailed to the skid/pallet on all sides around the base of the battery(ies) perimeter, to prevent the battery from sliding off the skid/pallet during transport.

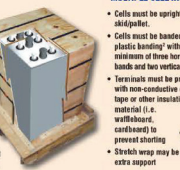
6. Batteries must be banded with steel or plastic banding and adequate insulation. See "General Handling Requirements" for details.
7. Metal banding CANNOT come in contact with the posts or terminals of the battery.



INSTRUCTIONS FOR PREPARING USED MOTIVE CELLS FOR SHIPMENT

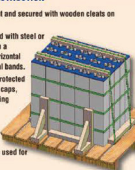
SUPPORT BRACING METHOD: MULTIPLE CELL INSTRUCTION

- Cells must be palletized using a skid/pallet (See "Skid/Pallet Specifications" for details).
- Cells must be upright and secured with wooden cleats on skid/pallet.
- Adequate reinforcement (i.e. plywood) must be placed on the top and sides of the cells to prevent shifting, cutting or distortion.
- Cells must be banded with steel or plastic banding with a minimum of three horizontal bands and two vertical bands.
- Metal banding CANNOT come in contact with the posts or terminals of the cells.



ALTERNATIVE SUPPORT BRACING METHOD: MULTIPLE CELL INSTRUCTION

- Cells must be upright and secured with wooden cleats on skid/pallet.
- Cells must be banded with steel or plastic banding with a minimum of three horizontal bands and two vertical bands.
- Terminals must be protected with non-conductive caps, tape or other insulating material (i.e. wallboard, cardboard) to prevent shorting.
- Shrink wrap may be used for extra support



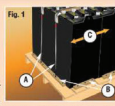
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Packaging and Securing Used Motive Batteries/Cells

THESE GUIDELINES ARE TO ASSIST IN COMPLIANCE WITH FEDERAL DEPARTMENT OF TRANSPORTATION (USDOT) REGULATIONS. PLEASE ASSIST THE DRIVER IN COMPLYING WITH THE LAW. FAILURE TO COMPLY WITH THESE GUIDELINES CAN RESULT IN FINES AND PENALTIES FROM FEDERAL, STATE, AND LOCAL AUTHORITIES.

8. Each battery should be secured to the skid/pallet by:
Banding in one direction (See A in Fig. 1) and wooden cleats nailed to skid/pallet on all four sides of the battery (See B in Fig. 1). Banding should be placed in the same direction as the runners of the skid/pallet (See C in Fig. 1). The banding should pass through the skid/pallet as close as possible to the base of the battery to keep the load from moving during transport.
9. Skid/pallets must be properly blocked, braced, or otherwise secured in the trailer to prevent shifting of the load during transport.



- NOTE: Do not pass banding around the outside edge of skid/pallet to avoid skid/pallet bottom during transport.

These Guidelines were developed by a committee of industry experts and are believed adequate to ensure compliance with USDOT requirements effective as of December 2011. However, especially if a incident occurs in transit, regulatory authorities may challenge the adequacy of your packaging and load securing. Consultation with your carrier and local regulatory authorities is recommended. See page 40 for any questions about these items.

Battery Council International
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www.batterycouncil.org
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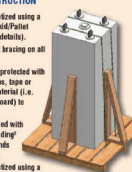
SUPPORT BRACING METHOD: SINGLE CELL INSTRUCTION

- Cells must be palletized using a skid/pallet (See "Skid/Pallet Specifications" for details).
- Cells must be upright and secured with wooden cleats on skid/pallet.
- Adequate reinforcement (i.e. plywood) must be placed on the top and sides of the cells to prevent shifting, cutting or distortion.
- Cells must be banded with steel or plastic banding with a minimum of three horizontal bands and two vertical bands.
- Metal banding CANNOT come in contact with the posts or terminals of the cells.

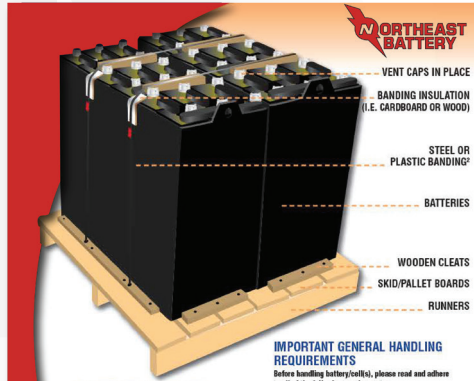


ALTERNATIVE SUPPORT BRACING METHOD: SINGLE CELL INSTRUCTION

- Cells must be palletized using a skid/pallet (See "Skid/Pallet Specifications" for details).
- Use greatest support bracing on all four sides
- Terminals must be protected with non-conductive caps, tape or other insulating material (i.e. wallboard, cardboard) to prevent shorting
- Cells must be banded with steel or plastic banding with a minimum of three horizontal bands and two vertical bands across tops of cells.
- Cells must be palletized using a skid/pallet (See "Skid/Pallet Specifications" for details).



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IMPORTANT SKID/PALLET SPECIFICATIONS

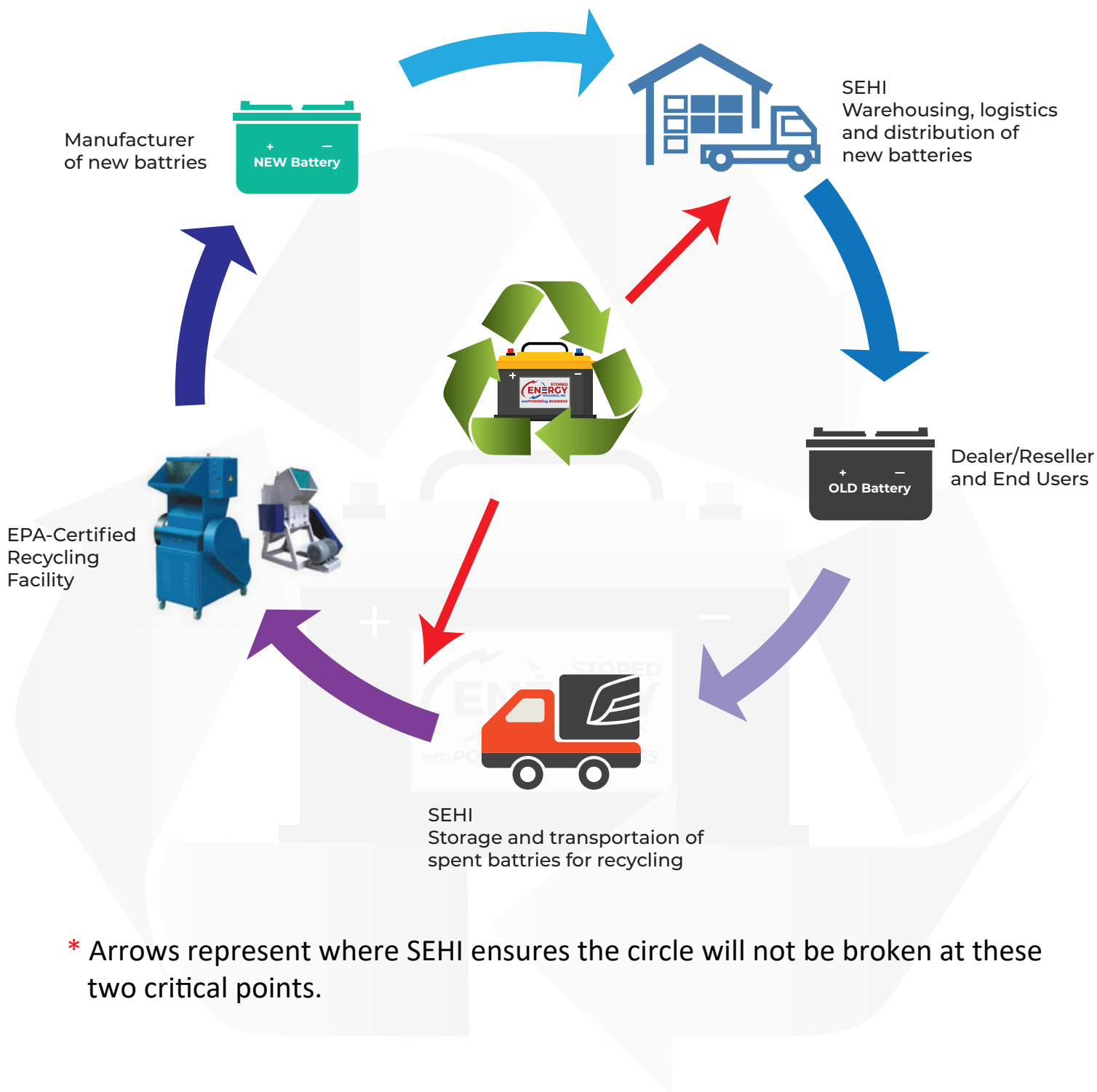
- Use a skid/pallet provided with a new shipment to return used motive batteries if possible
- Maximum skid/pallet size: 48" x 48" x 48"
- Skid/pallet boards: 5/8 inch thick minimum preferred
- Skid/pallet must be constructed with a minimum of three boards
- Skid/pallet sturdy and durable enough to handle the weight of battery load

IMPORTANT GENERAL HANDLING REQUIREMENTS

- Before handling battery(ies), please read and adhere to all of the following requirements:
- Wear the appropriate personal protective equipment
- Handle all returned batteries with the same responsible care as new batteries
- Keep batteries upright at all times. Do not tip over on side or upside down
- Do not drop batteries. Put batteries carefully down on skid/pallet
- Only lead-acid batteries may be returned
- Do not double stack cells or batteries on skid/pallet
- Terminals must be protected with non-conductive caps, tape or other insulating material (i.e. wallboard, cardboard) to prevent shorting
- Total height of package not to exceed 1 1/2 times the skid/pallet width
- Any damaged or cracked cell must be free of electrolyte and placed in a clear heavyweight polyethylene plastic bag (min. 6 mil) that is securely closed.
- All vent caps must be in place

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PRICING

*Core-De posits	Non-Core (Scrap) Price per lb	Steelecase (Scrap) per lb.
\$18/Unit	Min. - .00C/ Mid. - .10C/ Max. - .20C/	.10C /
* over returns are recycled as a courtesy. \$0.00		

Contact Management:

- Non-Core pricing that needs to exceed the maximum.
- Core –Pricing to go below \$18Min.



Relevant Reference Guide

Below is a guide and “best in class” example on how to create a reference story.

Reference stories are quick, powerful examples of project stories that give your customers something to relate to, and will help them identify and share the issues that could be a potential opportunity!

Be sure to use a reference story that aligns with your current customers sector and /or circumstances.

Situation: (What is the situation?)

Large Company Example Wesco electric, Cooper Electric, Muni or Government.

Pain: (What is the biggest pain for the company?)

Violations and paperwork for disposal documentation. CYA applies at these large facilities that are safety oriented and not concerned with scrap prices.

Reasons: (What caused this pain?)

Fines and inspections from fire and DEP departments. Also they have their own internal protocol that must be followed. Paperwork

Capabilities: (What capabilities does the situation require?)

This requires our explanation of the battery world and how we as a distributor has been audited by feds and state governments for batteries out batteries in. They relate to this. We can also supply them with all disposal documentation and insurance coverage.

SEHI Provided (What was SEHI able to provide)

We pick up on our trucks (PTG). With documentation at the time of pick up. A paper trail to satisfy their bosses and liability. Sometime we can even charge for this service.

Result: (How did SEHI's solution benefit the customers?)

Easy disposal with all documentation. Confidence in knowing a battery company that services 14 states is equipped for the disposal job. Liability taken out of the situation.

Tips:

- No fluff, only facts .
- Use short statements 30 words or less.

Relevant Reference Guide

Below is a guide and “best in class” example on how to create a reference story.

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Be sure to use a reference story that aligns with your current customers sector and /or circumstances.

Situation: (What is the situation?)

Heavy Volume Golf customer Vic Gerard with a overweighted balance sheet. We are not a bank. They buy outright. Priced accordingly. Over 60 or 90?
This could apply to any high volume customer with outright purchases.

Pain: (What is the biggest pain for the company?)

He was placed on credit hold. He couldn't get product on a timely bases.
Our Pain cash Flow, His pain no deliveries or delays.

Reasons: (What caused this pain?)

Cash flow from his customers. Delays in payments from contracted accounts.

Capabilities: (What capabilities does the situation require?)

Payment in one way or another, creative terms that meet both our needs. We need to keep product flowing on both our ends.

SEHI Provided (What was SEHI able to provide)

We were able to work out a deal,lean as it was but a deal for scrap. Direct pick ups from the smelter. Full truck loads. All we do is paperwork coordinated trough Keith G, the TSM and Customer.

Result: (How did SEHI's solution benefit the customers?)

This solution provided the customer with a declining balance with NEB. We would apply what we offered for scrap directly to the outstanding balance. With this method we were able to get the days on the books down,so they were able to continue getting deliveries.

Tips:

- No fluff, only facts .
- Use short statements 30 words or less.