



CUSTOMER-INITIATED ADJUSTMENT POLICY FOR AMS PRO

KEY FEATURES:

- To support your regulatory compliance, including the submission of your verified supply data to the Authority, and to support a level playing field amongst AMS' Customers, adjustment requests can be submitted up to 120 calendar days after the applicable report submission due date.

Background

1. Policies and procedures are developed to ensure fairness for all producers who have registered as customers with AMS ("Customers"), and to enable producers to remain in compliance with the Hazardous and Special Products ("HSP") Regulation¹ and any policies or procedures implemented by Resource Productivity and Recovery Authority (the "Authority"). Policies and procedures enable AMS to operate effectively and efficiently and to deliver the best value to its customers. This Adjustment Policy may be amended by AMS from time to time.
2. Under the HSP Regulation, producers are accountable to the Authority and to the Ministry of the Environment, Conservation and Parks to accurately report the HSP they supply in Ontario according to requirements outlined in the HSP Regulation.
3. In addition, accurate quarterly reports to AMS are critical for all Customers to enable the preparation of regulatory reports, plan for material recovery operations, and ensure fair pricing to Customers.
4. On occasion, Customers may need to request an adjustment to their Customer Report quantities submitted in a prior period (an "Adjustment Request").²
5. AMS reserves the right to exercise its discretion in applying this policy in a manner that supports the Customer's needs and the accuracy of their reports and may accept or reject (with reasons provided in writing) adjustment requests after assessing the accuracy and completeness of the Customer's Adjustment Request

¹ O. Reg. 449/21

² Potential reporting errors identified by AMS or potential error in the AMS Producer's report(s) the Authority (collectively, "Reporting Errors") are not covered by this policy. AMS Producer Reporting Errors identified by AMS or the Authority may require retroactive correction to the effective date Customer's obligation as a Producer under the HSP Regulation.

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Overview of Policy

5. This Policy addresses the following:
 - a. Good Standing requirement for Customers
 - b. Timeline for requesting an adjustment
 - c. Types of adjustments that may be allowed
 - d. Types of adjustments that are not allowed
 - e. Process for Customers to request an adjustment
 - f. Timelines to process an Adjustment Request
 - g. Parties involved to validate a Customer's Adjustment Request
 - h. Timelines for credit or debit notifications
 - i. Definition of a third-party review
 - j. AMS contact information

Good Standing requirement for Customers

6. Only Customers who are in "Good Standing"³ may make an Adjustment Request to correct an error in a quarterly Customer Report.

Timelines for requesting an adjustment

7. Customers may request adjustments to their Customer Reports for a period of up to 120 calendar days from the associated report submission due date (regardless of the date the Customer submitted its report).
8. A completed Adjustment Request package must be submitted to AMS by the due date. Incomplete Adjustment Requests will not be processed.

Types of adjustments that may be allowed

9. Customers may submit an Adjustment Request to modify their previously submitted Customer Report in respect of the following:
 - a. Incorrect formula in a Customer's Excel spreadsheet or similar tool
 - b. Incorrect logic in Excel spreadsheet or similar tool
 - c. Material classification error

³ "Good Standing" is defined in the Customer Agreement as the Customer's compliance with its obligations under the Customer Agreement, including, but not limited to, the submission of reports to AMS and the payment of fees to AMS.

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- d. Material quantities input error (e.g., entered 1 instead of 10)
- e. Data entered in the wrong units (e.g., in gallons instead of litres)
- f. Exclusion of materials in error
- g. Inclusion of material that is not obligated or for which another producer is obligated; or
- h. Quantities were incorrectly calculated.

Types of adjustments that are **not** accepted

10. Customers may not submit an Adjustment Request to modify their previously submitted Customer Report if the **Adjustment Request** includes:

- a. **Reporting methodology changes** means any change to the process used by the Producer to determine its calculation of its supplied quantity of designated HSP, including, but not limited to, data sources, percentage allocation of data reported, data collection systems, and the use of commercial software, or mathematical formulae.
- b. **“Adjustments on adjustments”** - AMS cannot accept requests for changes to a report for which a previous adjustment was submitted, reviewed and either rejected or accepted. Customers can submit one adjustment request that addresses all affected materials per report.
- c. **to your business model** such as divestments, mergers or acquisitions.⁴ If you acquire or divest part of your business in a given calendar year, you will include the impact of those changes during the next reporting cycle and such changes will not require adjustments to prior period reports.
- d. **Adjustments** for which inadequate substantiation is provided.

Process for Customers to request an adjustment

11. Customers that wish to submit an adjustment request should:

- a. Review Appendix A “Steps to Complete an Adjustment Request” for step-by-step guidance on submitting an Adjustment Request.
- b. Email Adjustment Requests to adjustments@autostewardship.ca and include a complete adjustment package, including a signed **Adjustment Request Form** (available by emailing adjustments@autostewardship.ca). Include revised quantities by material, and explanations for the revisions. Adjustment Request packages must include documentation to support the

⁴ A producer’s exit from the market is treated differently from a change in the Customer’s structure arising from new product offerings, new lines of business, spin offs of part of the business, etc.



request [“substantiation”]⁵

- c. If there are multiple errors in a single Customer Report, Customers must include all relevant information for all the errors, as only one adjustment request will be allowed per Customer Report.
- d. If an incomplete package is submitted or additional substantiation is required by AMS, the Customer will be notified and is required to provide the additional documentation within 10 business days of notification in order to avoid closure of the adjustment request.

Parties involved to validate a Customer’s Adjustment Request

12. Some Adjustment Requests may require third-party review⁶. These are usually large and/or complex adjustments. AMS reserves the right to have a Customer’s Adjustment Request validated by an external third party (a “Third-Party Review”). Where this occurs:
 - a. The scope and cost of the Third-Party Review will be outlined and agreed upon prior to initiating the review in a contract between AMS and the Customer.
 - b. The professional services firm engaged to execute the Third-Party Review will be required to ensure its independence with respect to the performance of the process and controls assessment and validation work.
 - c. The Customer will be required to pay for the Third-Party Review.

Timelines to process an Adjustment Request

13. The amount of time it takes to process an Adjustment Request is a function of its complexity. AMS will conduct an initial assessment and notify the Customer within 30 days of receipt of an Adjustment Request whether the submitted package is complete and eligible for further review.

Timelines for credit or debit notifications

14. In the event that AMS approves some or all of an Adjustment Request, credits and debits will be due immediately after AMS’ decision is conveyed to the Customer. In the event of a significant credit to the Customer, AMS reserves the right to amortize the amount over several operating quarters.

AMS contact information

15. If you have any questions about the adjustment process, please call us at: 1 (888) 575-4870 or email your inquiry to adjustments@autostewardship.ca.

⁵ Supporting documentation (SKU level data) and narratives to explain the errors being corrected should be as clear and comprehensive as possible. The Customer must be able to provide AMS with an audit trail that, if followed, would confirm the legitimacy of the adjustment request.

⁶ For the purpose of this section, AMS’s administrative services provider is not a third party.

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Appendix A – Steps to Complete an Adjustment Request

Please follow all the steps below to complete your Adjustment Request:

1. Confirm your request meets the criteria for allowed adjustments.
2. Confirm your request will be made within the correct timeframe - 120 calendar days from the report due date or the Adjustment Due Date noted in the chart below in Appendix B.
3. Obtain the **Adjustment Request Form** by emailing adjustments@autostewardship.ca. In the Form, ensure you include your previously reported quantities material **AND** revised material quantities.
4. Explain the errors that led to the request and provide support for them (e.g. SKU level sales data, internal audit reports, data from suppliers, internal testing to validate your supplied quantities, etc. – the documentation should provide an audit trail sufficient to allow for verification of the request).
5. Email your completed Adjustment Request package (**Adjustment Request Form and Supporting Documentation**) to adjustments@autostewardship.ca. Please include your Steward ID, name and write “Adjustment Request” in the subject line of the email.
6. AMS will review your adjustment request package for completeness (including eligibility of adjustments and supporting documentation) and contact you to communicate the results of its review.
7. If additional documentation or clarification is required to support the Adjustment Request, the Customer will have 10 business days from the notification date to submit the additional documentation or to provide the clarification requested.
8. If the additional documentation requested by AMS to support the adjustment is not supplied by the Customer within 10 business days, AMS will close the request without AMS rendering a decision and notify the Customer.
9. Should an AMS Producer wish to re-open the request (with the complete package of documentation and all clarifications provided), it must do so before or by the end of 120 calendar days from the date on which the AMS report was due.



Appendix B – Timelines to Submit Adjustment Requests

Sales Data Period to Inform Customer Reports <i>(from the preceding quarter)</i>	Customer Reporting & Payment Obligation Period	Quarterly Report Submission Due Dates	Invoices Issued	Payment Due	Adjustment Request and Package Due¹
Q1 (Jan 1 – Mar 31)	Q2	April 30	May 1	May 30	August 31
Q2 (Apr 1 – June 30)	Q3	July 31	August 1	August 31	November 30
Q3 (July 1 – Sept 30)	Q4	October 31	November 1	November 30	February 28
Q4 (Oct 1 – Dec 31)	Q1	January 31	February 1	March 2	May 31

1 – To simplify the application of the 120-day period, AMS will accept Adjustment Requests and supporting materials up to and including the last day of the month in which the 120 days falls.