

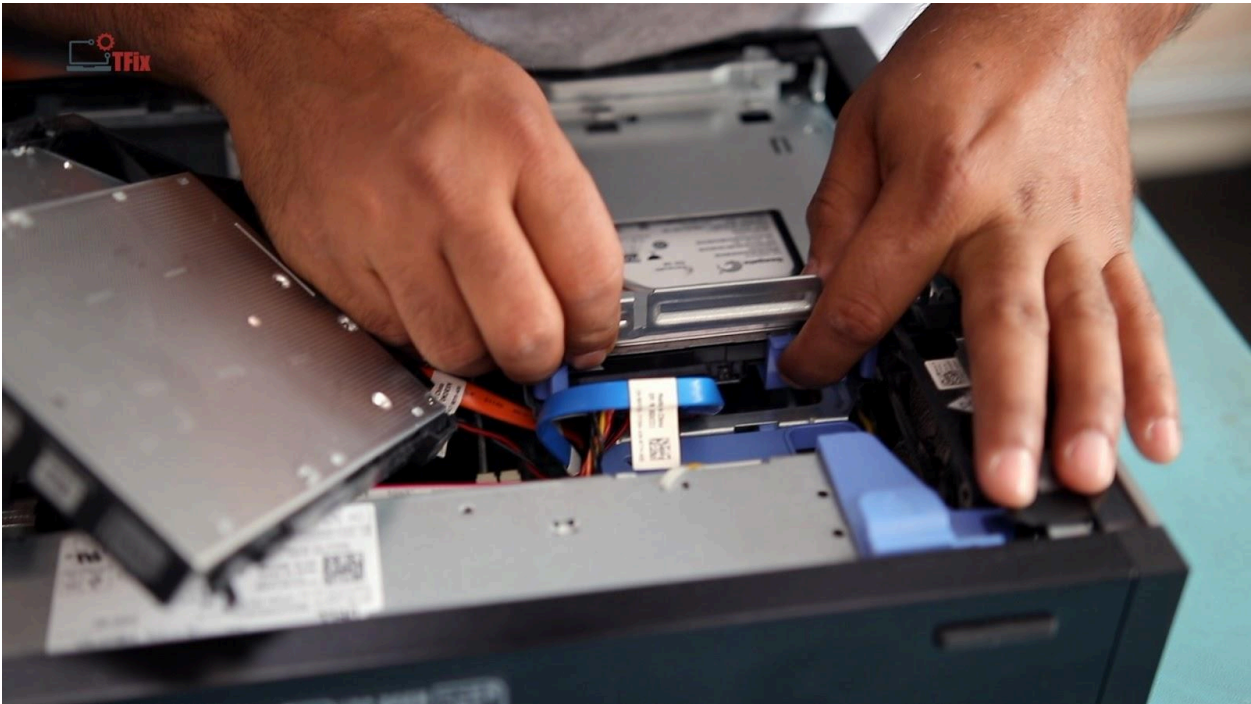
PROFIT SHARING IN WEEE RECYCLING: TURNING ELECTRONIC WASTE INTO REVENUE STREAMS



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Executive Summary/Abstract

by Tad Vaas

TFix's Profit Sharing Model offers a transparent, data-driven alternative to traditional WEEE recycling — enabling businesses to turn surplus IT equipment into a revenue stream, rather than a cost center.

The Problem

Traditional IT recycling typically offers:

- Minimal scrap value for high-potential assets
- Zero transparency on resale outcomes
- No incentive to maximize recovery value

This leads to lost revenue, poor ESG performance, and little control over asset disposition.

The TFix Solution

TFix collects, tests, refurbishes, and resells surplus IT assets. Net proceeds are shared transparently with the customer using a **tiered profit-sharing model**.



Key Features:

- **30% Retained Margin:** Covers all logistics, refurbishment, listing, and support costs.
 - **Tiered Customer Share:** Up to 50% of profits returned to the customer based on margin achieved.
 - **£10 Minimum Handling Fee:** Applied only to items that generate no revenue.
 - **Full Portal Access:** Customers see all sales, pricing, and payout data in real time.
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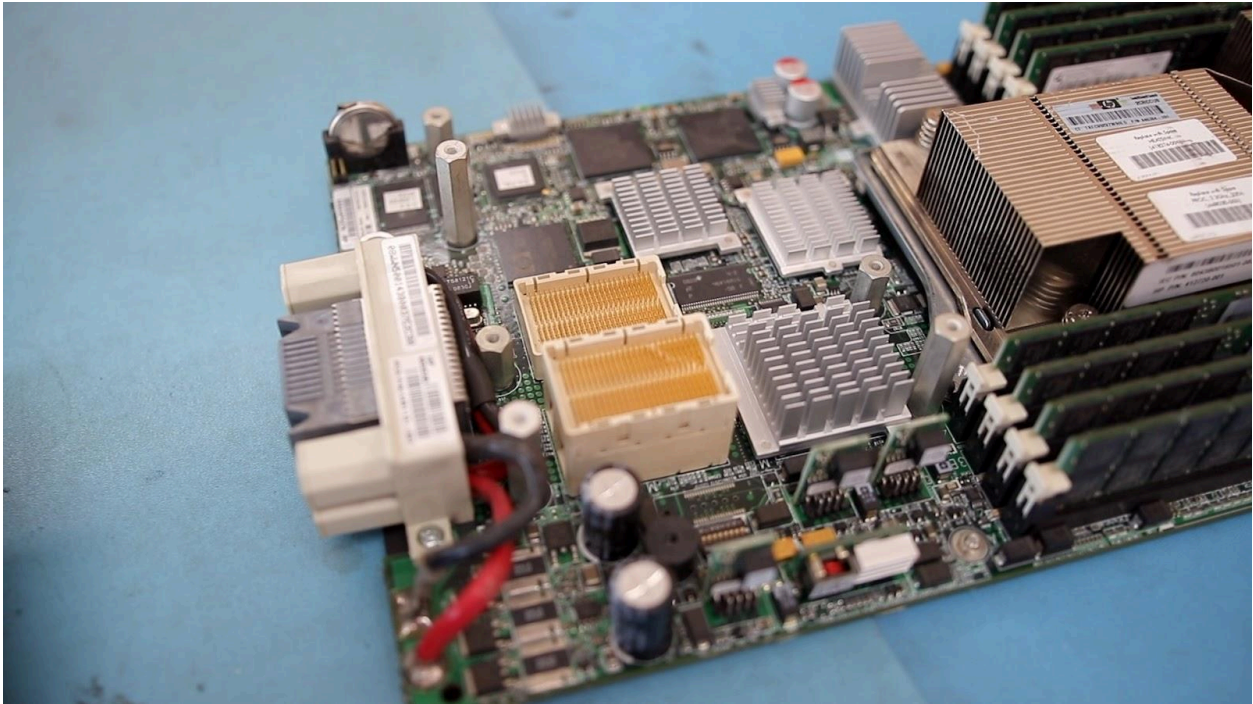
Returns & Chargebacks

In the case of refunds:

- TFix **does not refund its retained margin.**
 - The **loss is split** between TFix and the customer based on the original profit-share ratio (e.g. 65/35).
 - Both parties see a **proportional negative value** in the portal, maintaining fairness.
-

Outcomes

- **Higher Returns:** Items are sold through global channels like eBay and Shopify for real-world value.
- **Risk-Free Model:** No upfront costs. Revenue sharing is triggered only after sales.
- **Sustainable & Compliant:** Extends device life, reduces e-waste, and supports ESG goals.



Introduction

E-waste is the fastest-growing waste stream on the planet. Businesses continuously upgrade IT equipment, generating surplus devices that are often discarded or sold for scrap. Yet many of these items retain significant resale value if handled correctly.

TFix's mission is to capture that hidden value — turning waste into a revenue stream for businesses while ensuring responsible recycling of unusable items.



The Problem with Traditional WEEE Recycling

Low Financial Returns

Most recycling vendors pay only scrap value — pennies on the pound. Businesses miss out on the higher resale value available through refurbishment and proper remarketing.

Lack of Transparency

Once assets leave a company's premises, many recycling providers offer no visibility into:

- Resale prices achieved
- True market value
- How much profit is retained by the recycler

Environmental Impact

Prematurely scrapping usable items contributes to:

- Resource waste
- Increased carbon footprint
- Missed opportunities for reuse in the circular economy



The TFix Profit Sharing Solution

How It Works

TFix offers a four-step profit-sharing process:

- 1. Collection & Documentation**
 - We collect your surplus IT equipment
 - Items are logged into our proprietary inventory system (tSoft)
- 2. Refurbishment & Testing**
 - Equipment is tested, cleaned, repaired, and repackaged
- 3. Global Sales**
 - We sell items on platforms like eBay, Shopify, and B2B channels
- 4. Profit Sharing**
 - After costs and a retained margin, profits are shared with you

Digital Portal & Customer Visibility

A core advantage of TFix's Profit Sharing Program is **transparency**. Unlike traditional recyclers who provide little or no reporting, TFix offers customers **full visibility** into every stage of the process via our secure online portal.

How the Digital Process Works

- 1. Collection & Intake**
 - Equipment is collected and transported to our secure facility.
- 2. Item Inspection and Logging**

- Each item is:
 - Physically inspected
 - Tested and graded
 - Assigned a unique inventory ID
- Logged into our tSoft platform, capturing:
 - Item description
 - Manufacturer & model
 - Serial numbers
 - Functional and cosmetic status
 - Estimated resale value

3. Customer Portal Access

- Once items are logged, customers receive portal access to:
 - View all inventory under their project
 - Track individual items by SKU or title

4. Real-Time Sales Data

- As items sell, sales data updates automatically, showing:
 - Sale date
 - Sale price
 - Profit share calculation

5. Historical Records & Payouts

- Customers can view:
 - All sold items
 - Sales timelines
 - Total quantities and values
 - Periodic profit share payouts

Sample Portal Dashboard View

Profit Sharing							
Sales Data							
Date: 1 Mar 2025 - 31 May 2025							
SKU	Item	First Sale	Last Sale	Qty	Total (£)	Ours (£)	Yours (£)
05382	Industrial RS-232 Serial Device Server 8-Port Moxa Rackmount ...	25 Jun 2025	25 Jun 2025	1	10.00	7.90	2.10
05733	Switched Metered PDU, APC AP7953 32A, Remote Mgmt, Rac...	20 Sep 2024	20 Jun 2025	14	0.00	0.00	0.00
05844	Dual-Sided Card Printer, Datacard SD360, Ribbons Compatible,...	25 Jun 2025	25 Jun 2025	1	2999.00	2369.21	629.79
06053	Enterprise Gigabit PoE+ Switch, Cisco Catalyst WS-C2960X-48...	31 May 2025	24 Jun 2025	5	0.00	0.00	0.00
06510	Professional Touring AV Flight Case, Padded Divider, 121x45x6...	18 Jun 2025	18 Jun 2025	1	30.00	23.70	6.30
06511	Professional AV Storage Flight Case 5 Star, Foam Compartment...	18 Jun 2025	18 Jun 2025	1	35.00	27.65	7.35
Items: 6							
Your share: £645.54 Total Qty: 23							

Benefits of the Portal

- **Full Transparency** — know exactly how much your equipment sold for and when
- **Real-Time Access** — check your inventory status at any time
- **Detailed Reporting** — ideal for ESG reporting, audits, and internal financial tracking
- **Data Security** — customer data is protected by robust security measures

Dynamic Price Optimization Strategy

At TFix, our goal is to ensure that your assets sell quickly and profitably. We achieve this through our Dynamic Price Optimization Strategy.

Why Price Optimization Matters

Electronic and IT products can rapidly lose market value. A device in demand today may become obsolete in weeks. Proactive pricing protects your profits and minimizes unsold inventory risk.

How We Manage Price Reductions

- No price reductions occur for at least **50 days** after an item is listed. This ensures every item has a fair chance to sell at full value.
- After 50 days, prices are reviewed every **14 days**. Items are never discounted multiple times in less than a 14-day window.
- Before any reduction, we check:
 - Recent price changes
 - Recent sales activity
 - Age of inventory

Controlled Price Reduction Steps

- For items over £100:
 - £100–£499 → ~8% reduction
 - £500–£999 → ~5% reduction
 - £1,000+ → ~3% reduction
- Items under £100 generally remain unchanged initially due to slim margins.

All price changes are documented in the portal:

- Original price vs. new price
- Date of adjustment

Impact on Profit Shares

Note that price reductions can lower the net sale value, which may impact your share of profits. We always aim to balance speed of sale with maximum value recovery.



Financial Model Explained

TFix's profit-sharing model is designed to be clear, fair, and sustainable.

How It Works

- **Net Sale Price**
 - All profit sharing is calculated on the net sale price, excluding VAT and marketplace fees. Figures shown in the TFix Portal reflect actual revenue received from marketplaces.

TFix Retained Margin (30%)

TFix retains 30% of the net sale price to cover:

- Collection and logistics
- Testing, refurbishment, cleaning
- Professional photography and listings
- Warranty handling and customer support
- Storage and inventory management
- Shipping, packaging, and price optimization

Minimum Handling Fee

If an item generates **no revenue**, TFix applies a minimum handling fee of **£10 per item**.

- This fee covers costs already incurred (processing, storage, testing).
- It's deducted from profits generated by other sold items in the same reporting period.
- **Customers are never directly invoiced for this fee.**

Tiered Profit Sharing

Profits are shared based on the **net profit margin** achieved after TFix's retained margin:

Net Profit Margin	Customer Share
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0–20%	0%
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20–40%	20%
40–60%	35%
>60%	50%

Important Clarification

- Items generating net profit margins below **20%** do not qualify for a customer share, even if they sell. This prevents payouts where sales barely cover costs.
- Items with a net sale price under **£20** are excluded from profit sharing entirely, as TFix retains revenue to cover operational costs.

We recommend customers review which products are likely to yield higher margins for maximum benefit.

Example Calculation

Example for an item with a £200 net sale price:

- TFix retained margin (30%): £60
 - Remaining profit pool (70%): £140
 - Customer share (35% of profit pool): £49
 - TFix total share: £151
-

Handling Unsold Items

Despite our best efforts, some items may:

- Become obsolete
- Have no market demand
- Remain unsold after repeated listings

For such items:

- A £10 handling fee is deducted from the overall profit share of other sold items in the same period.
 - Customers are **never invoiced directly** for unsold items.
-

- Low-value items under £20 net sale price are retained by TFix.

This ensures our service remains sustainable for all partners.

Handling Refunds & Chargebacks

When a refund is issued (e.g. for defective or returned items), the **original TFix retained margin (30%) is not refunded**. Instead, the **total loss is distributed proportionally between TFix and the customer**, based on the **same profit-sharing percentage** that applied to the original sale.

This means:

- If the customer originally received 35% of the profit pool, they now absorb 35% of the refund.
- TFix absorbs the remaining 65%, representing its share of the previously retained profit pool.

In portal reporting:

- **The customer share appears as a negative amount**, reflecting their portion of the loss.
- **TFix's share also appears as a negative amount**, corresponding to its proportional share of the refunded profit pool.

This approach maintains fairness by ensuring both parties share the impact of refunds in the same ratio used during the original profit split.

What TFix Covers in Our Retained Margin

The retained margin ensures TFix covers **all costs** required to turn your surplus IT equipment into cash:

- Collection and secure logistics
- Inventory management and detailed reporting
- Professional testing and refurbishment
- Cleaning and repackaging
- High-quality photography and marketplace listings
- Handling buyer queries and customer support
- Storage until item sells
- Managing returns, warranties, and disputes
- Shipping and packaging costs
- Ongoing price optimization

Customers pay **nothing extra** for these services. All expenses are absorbed into TFix's retained margin, ensuring your revenue share remains **clear, predictable, and risk-free**.

TFix's retained margin also ensures:

- A minimum handling fee of £10 per item covers our operational costs if the item fails to sell.
- Extraordinary costs, like pallet shipping, may be deducted separately before profit-sharing calculations.

Benefits for Customers

Higher Returns

- Compared to scrap value, profit sharing generates significant revenue from items that still hold resale value.

Sustainability

- Extends equipment life
- Reduces e-waste
- Supports ESG goals

Transparency

- Full reporting for each asset sold, including:
 - sale price
 - costs deducted
 - profit split

No Upfront Costs

- Customers pay nothing unless items are sold.

Case Study

Client: London-based tech company

- Supplied 400 used IT devices
- Items included network switches, laptops, and test equipment
- Total revenue: £26,000
- Customer profit share: £9,100

Rather than recycling everything for scrap, the client unlocked significant value through TFix's profit-sharing model.

International Clients

TFix sells globally via marketplaces and B2B channels. For customers outside the UK:

- Customs, VAT, and export compliance are handled by TFix.
- Profit shares are transferred internationally, subject to local banking and tax regulations.

Contact us for details specific to your country or region.



Conclusion

E-waste doesn't have to be a cost center. TFix's profit-sharing model helps businesses turn surplus IT equipment into a new revenue stream — sustainably and transparently.

By partnering with TFix, businesses benefit financially and environmentally, contributing to the circular economy and ESG goals.

Checklist

Before engaging in profit sharing, ensure:

- Your surplus assets are logged and documented
- You understand how profit-sharing percentages apply
- You've reviewed the types of equipment eligible for resale
- You know your potential timelines for sales and payouts
- Understand that minimum handling fees apply for unsold items.
- Review which items may fall under the low-value threshold (£20).

Glossary

WEEE - Waste Electrical and Electronic Equipment

ITAD: IT Asset Disposition — secure and environmentally responsible recycling or resale of used IT equipment

ESG: Environmental, Social, and Governance — sustainability criteria for businesses