

**MASTER SERVICES AGREEMENT**  
**for**  
**SERVICES RELATED TO BLUE BOX MATERIAL**  
**Number 2022 -●**

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This Master Services Agreement (this “MSA”) is entered into as of ●, 2022, (“Effective Date”)

Between

\_\_\_\_\_, a [corporation incorporated under the laws of ●], having a place of business at [insert address] (“Contractor”)

And RLG Systems Canada Inc., a corporation incorporated under the laws of Ontario, having a place of business at 250 University Avenue, Suite 228, Toronto, Ontario M5H 3E5 (“RLG”)

### **RECITALS**

WHEREAS, Circular Materials is a federal not-for-profit corporation having a place of business at 1 St. Clair Avenue West, Suite 700, Toronto ON M4V 1K6 (“CMO”) and administrator of the common collection system for Blue Box Material. CMO has contracted with RLG to perform work in connection with the collection of Blue Box Material, establishment and operation of Receiving Facilities and related services; and

WHEREAS, CMO and RLG jointly issued a Request for Proposals in connection with the establishment and operation of Receiving Facilities (RFs) and related services; and

WHEREAS, in connection with the Request for Proposals, Contractor and RLG (each a “Party”, and collectively the “Parties”) jointly desire to enter into this MSA respecting the establishment and operation of Receiving Facilities and related services for Eligible Communities within the Collection Catchment Area as set out in one or more Statements of Work which, once such Statements of Work are duly executed, shall form part of, and be subject to and governed by, this MSA; and

WHEREAS the Contractor agrees to provide the Work in accordance with the terms and conditions of this MSA;

NOW, THEREFORE, in consideration of the promises, mutual covenants, and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties acknowledge and agree to all covenants, terms and conditions as stipulated in this MSA, as follows:

## ARTICLE 1 INTERPRETATION

### 1.1 Definitions

“AODA” means the *Accessibility of Ontarians with Disabilities Act, 2005*, S. O. 2005, c. 11.

“APPLICABLE LAW” means any federal, provincial, municipal, local, domestic or foreign law, rule, statute, subordinate legislation, regulation, by-law, order, ordinance, protocol, code, guideline, treaty, policy, notice, direction or judicial, arbitral, administrative, ministerial or departmental judgment, award, decree, treaty, directive, or other requirement or guideline published or in force at any time which applies to or is otherwise intended to govern or regulate any Person (including any Party), property, transaction, activity, event or other matter, which in any way applies to the Work under this MSA or any Party, including any rule, order, judgment, guideline, directive or other requirement or guideline issued by any governmental or regulatory authority. Applicable Law shall include all legislation relating to privacy, confidentiality, security, and anti-spam in Canada (including (Canada) *Personal Information Protection and Electronic Documents Act* and applicable provincial privacy laws), the (Canada) Competition Act, the (Ontario) Environmental Protection Act, the *Ontario Water Resources Act*, the (Ontario) *Dangerous Goods Transportation Act*, the (Ontario) *Occupational Health and Safety Act*, the (Ontario) Resource Recovery and Circular Economy Act, 2016 and the Regulation.

“BLUE BOX MATERIAL” has the meaning set out in the Regulation, except in the context of a Statement of Work it has the meaning set out in such Statement of Work to the extent expressly set out otherwise in such Statement of Work.

“BUSINESS DAY” means any day from Monday to Friday inclusive, excluding statutory holidays in the province of Ontario.

“CHANGE NOTICE” has the meaning set out in Section 8.9(a) of this MSA.

“CHANGE ORDER” has the meaning set out in Section 8.9(f) of this MSA.

“COLLECTION CATCHMENT AREA” means any one of the following collection catchment areas ●.

“CONTRACT PRICE” means the total price payable under this MSA, as set forth in the Statements of Work.

“CONTRACTOR DEFAULT” means a failure of the Contractor to comply with the requirements of this MSA or non-performance of the Contractor’s obligations under this MSA, other than a Material Contractor Default.

“COST ESTIMATE” has the meaning set out in Section 8.9(b) of this MSA.

“CURRENT PANDEMIC CONDITIONS” means advice, guidelines, recommendations, instructions, requirements, restrictions, and laws of governmental authorities (including the Ontario Ministry of Labour, Training, and Skills Development, and Chief Medical Officer of Health / Provincial Health Officer) and industry associations relating to an epidemic or a pandemic, including, without limitation, COVID-19, which are in effect as of a Statement of Work Effective Date, including by way of example restrictions that may delay, reduce productivity, or increase the cost of performance of the Work, in respect of the Statement of Work applicable to such Statement of Work Effective Date, such as physical distancing, wearing task-appropriate levels of personal protective equipment and cleaning or disinfecting.

“EARLY TERMINATION FEES” means the cost listed in Table 1 of the Contractor’s response to the RFP, as included in Schedule D to this MSA, prorated to the month end closest to the termination date.

“EFFECTIVE DATE” has the meaning set out above in this MSA.

“ELIGIBLE COMMUNITY” has the meaning set out in the Regulation.

“ELIGIBLE SOURCE” has the meaning set out in the Regulation.

“EQUIPMENT” means all vehicles, machinery and equipment used in completing the Work.

“INTELLECTUAL PROPERTY RIGHTS” means all intellectual property rights as recognized under any Applicable Law, including rights in and to patents, trade secrets, Confidential Information, copyright, trademarks, industrial designs, and design patents whether or not registered or registrable and other rights in intellectual property of the same or similar effect or nature relating to the foregoing and any component thereof throughout the world.

“KEY INDIVIDUALS” shall have the meaning given in Section 5.2(b).

“LEGISLATIVE CHANGE” means changes in Applicable Law, including repeal, replacement or amendment of an Applicable Law, including the Regulation, that may change or alter this MSA in such a manner that in the sole and absolute discretion of RLG the Work (or any part thereof) is no longer required or necessary.

“LOSSES AND CLAIMS” means liabilities, claims, demands, losses, costs, expenses, damages, orders, penalties, actions, suits and other proceedings (including legal fees and disbursements).

“MATERIAL CONTRACTOR DEFAULT” means the Contractor has committed any of the following acts or omissions:

- (i) commencing Work before executing this MSA;
- (ii) failing to commence Work on a Statement of Work Effective Date;
- (iii) failing to commence Work on a Statement of Work Eligible Community Service Commencement Date;
- (iv) disposing of any Blue Box Material that was received as part of this MSA at any alternate fuel facility, landfill, energy from waste facility or other disposal location or with a Person not expressly permitted by this MSA;
- (v) declaring its inability to pay its debts as they generally become due;
- (vi) being judged or adjudicated to be bankrupt or insolvent;
- (vii) becoming subject to, or requesting any benefits or exemptions relating to any provisions or enactments concerning bankruptcy or insolvency;
- (viii) failing to comply with any of the health and safety requirements set out in Section 5.4;
- (ix) failing to make payments due to its Subcontractors in accordance with the requirements of the applicable subcontract;

- (x) failing to comply with the supplier code of conduct set out in Schedule B;
- (xi) falsifying data in relation to any documentation provided to RLG;
- (xii) failing to ensure CMO and Producers remain in compliance with the Regulation, in respect of any material matters relating to the Work;
- (xiii) breaching any material term of this MSA, including the confidentiality provisions; or
- (xiv) abandoning the Work.

“PERFORMANCE SECURITY” has the meaning set out in Section 7.1(a) of this MSA.

“PERSON” means any individual, partnership, limited partnership, joint venture, syndicate, company or corporation with or without share capital, trust, trustee, executor, administrator or other legal personal representative, and any federal, provincial or municipal government, regulatory authority, agency, tribunal, commission, board or department of any such government or entity however designated or constituted.

“PRIME” means the Bank of Canada’s target for the overnight (interest) rate, as posted from time to time.

“PROCUREMENT PROCESS” means the process, or processes, employed by RLG to select a contractor to supply services related to Blue Box Material, including sole sourcing, requests for expressions of interest, requests for qualifications and standing offers, requests for tenders or requests for proposals.

“PRODUCER” has the meaning set out in the Regulation.

“PRODUCER RESPONSIBILITY ORGANIZATION” or “PRO” has the meaning set out in the Regulation.

“RECEIVING FACILITY” or “RF” means a facility at which Blue Box Material collected from Eligible Sources or from public space collection receptacles or at depots is first received.

“RECEIVING FACILITY DATA” means all data or information pertaining to Equipment or Blue Box Material or RFs or other aspects of the Work or activities involving any of the foregoing that is collected, generated or observed pursuant to this MSA, including any Statement of Work, or otherwise in the course of the Work. The Receiving Facility Data includes data and information in the Work Reports for the Month and data and information provided pursuant to Sections 3.1, 3.4, 3.7 and 4.1 of Exhibit 1 of the Statement of Work for Receiving Facilities for Blue Box Material and Section 5.10 of this MSA.

“REGULATION” means Ontario Regulation 391/21 under the (Ontario) *Resource Recovery and Circular Economy Act, 2016*.

“REQUEST FOR PROPOSAL” or “RFP” means the Request for Proposal Number 2022-● Establishment and Operation of Receiving Facilities for Collection Catchment Areas dated Tuesday, June 7, 2022, as amended.

“STATEMENT OF WORK” means a statement of work entered into between RLG and the Contractor in the form attached to Schedule A.

“STATEMENT OF WORK ELIGIBLE COMMUNITY SERVICE COMMENCEMENT DATE” means the applicable date on which the Work commences in an Eligible Community.

“SUBCONTRACTOR” means a subcontractor or supplier retained by Contractor.

“THIRD PARTY” means a Person who is not an Indemnitee or a Contractor Indemnitee.

“UNUSUALLY SEVERE ADVERSE WEATHER CONDITIONS” means unusually severe adverse weather conditions at the place of the Work which:

- (i) are different from those normally and customarily experienced at the place of the Work (as documented by weather data from Environment Canada) over the past twenty (20) years taking into consideration severity, duration and time of year conditions; and
- (ii) preclude the safe performance of the Work.

“VALUE ADDED TAXES” means such sum as shall be levied upon the Contract Price by the federal or any provincial government and is computed as a percentage of the Contract Price and includes the Goods and Services Tax, the Harmonized Sales Tax, and any similar tax, the collection and payment of which have been imposed on the Contractor by Canadian or provincial tax legislation

“WORK” means the performance of services including the supply of all materials, Equipment, labour, facilities, supervision, services, permits, licenses, or approvals required to complete the Contractor’s obligations under this MSA, including the Statements of Work and any changes to the Work which may be ordered by RLG or agreed to by the Parties, as provided herein.

“WORK REPORTS FOR THE MONTH” has the meaning set forth in Section 6.2(c).

## 1.2 Interpretation

- (a) Whenever inconsistent in the context, words used in the present tense include the future tense, words in the plural include the singular, words in the singular include the plural, and the use of any gender shall be applicable to all genders whenever the sense requires. Words not defined in Section 1.1 or elsewhere in this MSA shall be given their common and ordinary meaning.
- (b) The words authorized, directed, required, requested, approved, ordered, sanctioned, and satisfactory, unless some other meaning is obvious from the context, shall mean respectively authorized, directed, required, requested, approved, or sanctioned by or satisfactory to RLG or its appointed representative.
- (c) Where the word “including” or “includes” is used, it means “including (or includes) without limitation”.
- (d) The word may in this MSA denotes permissive.
- (e) The words shall and will in this MSA denote imperative.
- (f) Any capitalized term used in this MSA that is not defined in Section 1.1 or elsewhere in this MSA will, if applicable, have the meaning set out in the Regulation or otherwise will have the generally accepted industry or technical meaning given to such term.
- (g) Words importing the singular number will include the plural and vice versa, and words importing the use of any gender will include the masculine, feminine and neuter genders.



- (h) The headings in this MSA are solely for convenience of reference and will not be used for purposes of interpreting or construing the provisions hereof.
- (i) Unless otherwise provided for herein, all monetary amounts referred to herein will refer to the lawful money of Canada.
- (j) When calculating the period of time within which or following which any act is to be done or step taken pursuant to this MSA, the date which is the reference date in calculating such period will be excluded. If the last day of such period is not a Business Day, then the time period in question will end on the first Business Day following such non-Business Day.
- (k) Any references in this MSA to any law, by-law, rule, regulation, order or act of any government, governmental body or other regulatory body, including any Applicable Law, will be construed as a reference thereto as amended or re-enacted from time to time or as a reference to any successor thereto.
- (l) Attached to and forming an integral part of this MSA are the following schedules (including exhibits to the Schedules):
  - (i) Schedule A – Statements of Work;
  - (ii) Schedule B – Supplier Code of Conduct;
  - (iii) Schedule C – RFP; and
  - (iv) Schedule D – Contractor’s Response to the RFP.
- (m) This MSA shall constitute the entire agreement between the Parties and shall supersede all prior agreements, understandings, negotiations, and discussions, oral or written, between the Parties. In the event of any inconsistency between any of the provisions of this MSA, the inconsistency will be resolved by reference to the following in descending order of priority:
  - (i) Amendments to the Statements of Work;
  - (ii) Statements of Work;
  - (iii) Amendment to the other portions of this MSA (except the RFP and the Contractor’s Response to the RFP) made in accordance with the requirement of this MSA, including Change Orders and Change Directives;
  - (iv) Other portions of this MSA (except the RFP and the Contractor’s Response to the RFP);
  - (v) The RFP; and
  - (vi) The Contractor’s Response to the RFP.
- (n) Except for Change Directives unilaterally signed by RLG or other written notices from RLG provided for in this MSA, no change or modification to this MSA shall be valid unless it is in writing and signed by the Contractor and RLG.

## ARTICLE 2 TERM

### 2.1 Term

- (a) This MSA shall remain in effect from the Effective Date until all Statements of Work have expired or been terminated, unless this MSA is terminated as described in Sections 7.5 and 7.6, or as otherwise provided for in this MSA.
- (b) RLG and the Contractor may, by Change Order, extend a Statement of Work. Any such extension shall be under the terms and conditions of this MSA and the Statement of Work, as amended by RLG and Contractor from time to time.
- (c) RLG reserves the right to terminate this MSA or a Statement of Work in accordance with Section 7.7, or as otherwise provided for in this MSA. Termination shall not affect RLG's right to make a claim against Contractor or applicable Performance Security for the damages on account of such a breach.

## ARTICLE 3 SCOPE OF WORK

### 3.1 Work Not Guaranteed

The Contractor acknowledges and agrees that:

- (a) RLG has a non-exclusive arrangement with the Contractor for the matters contemplated by this MSA, and RLG may have the same or other arrangements with other Persons for such matters;
- (b) RLG has the right to perform and procure work or services similar to the Work with its own forces and/or by contracting in whole or in part with any other Persons; and
- (c) There is no minimum or maximum number of Statements of Work and/or amount or cost of work or services which may be awarded to the Contractor.

### 3.2 Service Provision

- (a) The Contractor shall provide, at its own expense, all materials, personnel, and Equipment as required to provide the Work.
- (b) All Applicable Laws shall be complied with by the Contractor in the performance of all portions of the Work. The Contractor is familiar with all Applicable Laws, which in any manner affect the Work, those engaged or employed in the Work, or in the facilities or Equipment used in the Work, and no plea of misunderstanding will be considered on account of ignorance.
- (c) If, during the term of this MSA, there is a change in Applicable Law which is in effect as of a Statement of Work Effective Date that results in a material impact on the performance of any act required by the Statement of Work applicable to such Statement of Work Effective Date, the Parties shall renegotiate the provisions of this MSA, including the Statement of Work, using a Change Order pursuant to Section 8.9. If the Parties are unable to agree on the revised terms and conditions either Party may submit the dispute to arbitration in accordance with the provisions of this MSA.
- (d) RLG is committed to diverting Blue Box Material from disposal and achieving efficiencies in the Work. To this end, RLG will continue to explore new methods and technologies and, as a proposed change in the Work, RLG may issue a Change Notice to the Contractor in respect of such new methods and technologies. If RLG chooses to proceed with such new methods and technologies RLG will issue a Change Order or Change Directive to the Contractor in accordance with Section 8.9.

### 3.3 Environmental Attributes

- (a) Environmental Attributes means the interests or rights arising out of attributes or characteristics relating to the environmental impacts associated with the performance of the Work under this MSA, and includes:
  - (i) rights to any fungible or non-fungible attributes attributable to the generation or creation of energy from sources recognized as renewable, or generated from otherwise wasted resources, directly or indirectly arising out of the production, use, sale, capture, flaring, burning, destruction, processing, conversion, utilization,

- fueling, storage or sequestration that now or hereafter qualifies for recognition under any domestic, international, or foreign emissions reduction or emissions program, scheme or organization or law or governmental authorization;
- (ii) any credits, benefits, offsets, reductions, rights, or indicia relating to the reduction, mitigation, or control of greenhouse gas emissions, including carbon dioxide, methane, nitrous oxide, hydro fluorocarbons, or any other gas, matter, or substance;
  - (iii) any and all rights relating to the performance of the Work as may be defined and awarded through applicable legislation or voluntary programs; and
  - (iv) all revenues, entitlements, benefits and other proceeds arising from or related to the foregoing.
- (b) Any Environmental Attributes resulting from the Work performed under this MSA shall be and remain the sole property of RLG for its exclusive use. The Contractor hereby transfers and assigns to, or to the extent transfer or assignment is not permitted, holds in trust for, RLG who thereafter shall retain, all rights, title, and interest in all Environmental Attributes associated with the Work during the term of this MSA, and Contractor shall do all acts necessary to effect the foregoing.
- (c) The Contractor shall from time to time, upon written direction of RLG, take all such actions and do all such things necessary to effect the transfer and assignment to, or holding in trust for, RLG, all rights, title, and interest in all Environmental Attributes as set out in Section 3.3(b).
- (d) For greater certainty, Section 3.3(a) does not include or apply to any Environmental Attributes arising from activities and operations facilitated by the Contractor's investment prior to the Effective Date or not associated with the Work. Ownership of such Environmental Attributes shall belong solely to the Contractor.

### **3.4 Labour Disruption**

- (a) If there is a lawful or legal strike, lockout or work slowdown or other lawful or legal labour disruption or job action during the term of this MSA (the "Lawful LD Period"), the Contractor shall, at the Contractor's cost and expense, during the Lawful LD Period:
- (i) use best efforts to continue performance of the Work pursuant to this MSA.
- (b) If there is unlawful or illegal strike, lockout or work slowdown or other unlawful or illegal labour disruption or job action during the term of this MSA (the "Unlawful LD Period"), the Contractor shall make such arrangements and take such actions as necessary, including:
- (i) the actions described in Section 3.4(a)(i); and
  - (ii) pursuit of all legal remedies under Applicable Laws, such as the obtaining of cease and desist orders if necessary, to end such unlawful or illegal strike, lockout, work slowdown or other unlawful or illegal labour disruption or job action as soon as possible to ensure continuation of Contractor's performance of the Work, the specifics of which are agreed by the Parties.

In no event shall Contractor be entitled to any increase in any pricing set out in this MSA as a result of, in connection with or arising out of any action it takes in order to comply this Section 3.4(b). If the Unlawful LD Period continues for more than fifteen (15) calendar days, RLG may terminate this MSA with no further obligations by either Party.

- (c) Notwithstanding any provision in this MSA to the contrary, during the Lawful LD Period or the Unlawful LD Period, the Contractor will not charge RLG for the cost of, or any compensation for, any Work that is not performed.

## ARTICLE 4 REPRESENTATIONS AND WARRANTIES

### 4.1 Representations and Warranties

Contractor represents and warrants to and covenants with RLG that:

- (a) it is duly incorporated, validly existing, and in good standing under the laws of its jurisdiction of incorporation, and is duly qualified to do business in all jurisdictions in which qualification is necessary in order to transact its business and perform its obligations set out in this MSA;
- (b) it has full power, authority, and right to execute and deliver this MSA, to make the representations, warranties, and covenants set out herein, and to perform its obligations under this MSA in accordance with its terms. This MSA has been validly executed by an authorized representative of Contractor, and constitutes a valid and legally binding and enforceable obligation of Contractor;
- (c) it has and will, at its own expense, procure all permits, certificates and licenses required by Applicable Law for the performance of the Work;
- (d) it has not given and will not give commissions, payments, kickbacks, gifts, lavish or extensive entertainment, or other inducements of more than minimal value to any officer, director, employee, agent or representative of RLG in connection with this MSA and, to the best of its knowledge, no officer, director, employee, agent or representative of Contractor has given any such commissions, payments, kickbacks, gifts, entertainment or other inducements to any officer, director, employee, agent or representative of RLG;
- (e) as of the Effective Date, and throughout the term of this MSA, the Contractor has no exclusivity arrangements with any Subcontractor that obligates the Contractor to utilize that Subcontractor in the performance of the Work except for those disclosed in writing to RLG; and
- (f) in performing its obligations under this MSA, the Contractor shall exercise the standard of care, skill, judgment and diligence that would normally be provided by an experienced and prudent contractor supplying similar services and work.

## ARTICLE 5 CONTRACTOR MANAGEMENT

### 5.1 Contractor's Personnel

- (a) The Contractor shall provide adequate workwear to its employees, agents, and Subcontractors in the performance of this MSA.
- (b) The Contractor shall provide a training program to ensure that its employees, agents, and Subcontractors are competent to perform the Work, including training that describes the Contractor's operations, complaint procedures, occupational health and safety legislation and policy, Workplace Hazardous Materials Information System (WHMIS), hazardous spills response (which need not include Transportation of Dangerous Goods training), all traffic laws (including municipal by-laws within the Collection Catchment Area), and the confidentiality and security policies and procedures (including, for clarity, the confidentiality obligations described in Section 8.13 of this MSA).
- (c) Without limiting Section 5.1(b), before allowing any Person (including, for clarity, any employee, agent, or Subcontractor) to access any Blue Box Material that has been received during the performance of the Work, the Contractor will provide such Person with training, and take any additional steps as needed, to ensure that such Person, with respect to the Blue Box Material or any portion or contents thereof, will not:
  - (i) scavenge;
  - (ii) take photographs, video recordings, or otherwise make copies of or record or retain any information derived from or relating to the Blue Box Material, except as may be required under the MSA or as otherwise permitted in writing by RLG;
  - (iii) access or use Blue Box Material for a purpose other than fulfilling Contractor's obligations under this MSA; or
  - (iv) otherwise compromise the confidentiality or security of any Blue Box Material containing Confidential Information, as described in Section 8.13 below.
- (d) The Contractor's employees, agents, and Subcontractors shall be required to be respectful, courteous, and shall perform all their duties under this MSA in a manner that promotes positive public relations and customer service excellence for the Contractor and RLG with the utmost regard for enhancing relations and maintaining a positive public image for RLG and the producers it represents.
- (e) The Contractor agrees that neither it, nor any of its employees, agents, or Subcontractors, shall solicit or accept any gratuity for Work performed under this MSA.
- (f) If any of the Contractor's employees, agents, or Subcontractors, acting on behalf of the Contractor in connection with the Work arising out of this MSA gives just cause for complaint, in the sole discretion of RLG acting reasonably, the Contractor upon notification by RLG shall not permit such Person to continue in any future work arising out of this MSA.
- (g) In the performance of this MSA, the Contractor shall be responsible for and agrees to discipline or discharge any of its employees, agents, or Subcontractors that breach any of

the terms and conditions of this MSA or any Applicable Law while engaged in the performance of this MSA.

## 5.2 Supervision

- (a) The Contractor will provide skilful and efficient supervisors and any necessary assistants to supervise the Work, subject to the approval of RLG, for the duration of this MSA.
- (b) The Contractor shall manage and perform the Work utilizing the key individuals referred to in Schedule D (each a “Key Individual” and collectively the “Key Individuals”). The Contractor shall use best efforts to maintain the Key Individuals in place for the duration of this MSA. The Key Individuals shall devote the necessary portion of their efforts to the Work on a timely basis as necessary and generally shall devote sufficient time, including during normal working hours, to the Work so as to provide in-depth guidance, supervision, analysis and decision making. If any of the Key Individuals become unavailable for the Work due to retirement, voluntary resignation, death, disability or incapacitation of such Key Individual, the Contractor, subject to the prior written approval of RLG which shall not be unreasonably withheld, shall appoint a suitably qualified and experienced replacement forthwith, but in no event later than would adversely impact the timely performance of the Work. RLG shall be entitled to complete information on each such replacement, including written job-specific qualification records.
- (c) RLG may, by written notice to the Contractor, reject or request substitution of any Key Individual at any time based on RLG’s assessment, acting reasonably, of such individual’s experience, qualifications and/or previous work or current performance of Work including any individuals previously approved or accepted by RLG. The Contractor, subject to the prior written approval of RLG, not to be unreasonably withheld, shall appoint a suitably qualified and experienced replacement forthwith, but in no event later than would adversely impact the timely performance of the Work. RLG shall be entitled to complete information on each such replacement, including written job-specific qualification records.
- (d) The supervisors must thoroughly understand this MSA and be fully experienced in the Work being performed. The supervisors will represent and oversee the operation of this MSA and are authorized to accept any notice, consent, order, decision, or other communication on behalf of the Contractor.
- (e) The supervisors shall monitor daily the Work performed under this MSA and the applicable Statement of Work and will be responsible to address all customer complaints, spills and accidents that occur during the performance of this MSA.
- (f) The Contractor shall, at its own expense, provide RLG with a cell phone number to be used to contact supervisors on all days when Work is performed, during the hours of 7:00 a.m. to 6:00 p.m.
- (g) The Contractor shall equip each supervisor with a cellular telephone capable of taking photographs, sending and receiving email, and receiving calls from RLG via the toll-free telephone number provided pursuant to Section 5.2(f).
- (h) The Contractor shall, upon the written request of RLG, remove any supervisor or employee who is determined to be incompetent or to have been conducting him/herself improperly, in the sole discretion of RLG acting reasonably, and will forthwith designate another



supervisor or employee acceptable to RLG. The Contractor shall not substitute a supervisor without first notifying RLG.

- (i) When the Contractor observes that the Work is not being performed in compliance with this MSA, including a Statement of Work, and/or Applicable Law, the Contractor shall promptly notify RLG of the non-compliance and the corrective measures that will be taken to remedy the situation.

### **5.3 Workplace Safety and Insurance Board**

At all times during this MSA, the Contractor agrees to maintain, and to ensure its Subcontractors maintain, its Workplace Safety Insurance Board (“WSIB”) account in good standing.

### **5.4 Health and Safety**

- (a) The Contractor shall:
  - (i) comply with all Applicable Laws relating to the Work being provided, including the Occupational Health and Safety Act, R.S.O. 1990, c. O.1 (“OHSA”), as amended from time to time;
  - (ii) ensure all employees, agents and Subcontractors are knowledgeable in and observe the Applicable Laws pertaining to their duties, including the OHSA, as amended, and obeying all traffic laws;
  - (iii) ensure all employees wear the necessary personal protective equipment;
  - (iv) be responsible for the safety of all employees, agents and Subcontractors undertaking delivery of the Work, in accordance with all Applicable Laws;
  - (v) ensure that all of its supervisory personnel performing the Work under this MSA are “competent persons” within the meaning of the OHSA;
  - (vi) comply with RLG’s guidelines respecting employee, agent and Subcontractor conduct as may be set by RLG;
  - (vii) acknowledge and comply with the requirements of all Applicable Laws pertaining to the Workplace Hazardous Materials Information System (“WHMIS”) and provide the Work in accordance with the health and safety requirements of all Applicable Law and requirements of any government authorities;
  - (viii) assume full responsibility for the enforcement of the OHSA, and RLG’s health and safety policies and safe work practices, in relation to the Work; and
  - (ix) cooperate and participate in the reporting of safety events and the subsequent investigations of any events precipitated by the Contractor as a result of a breach by the Contractor of an Applicable Law or the negligence of the Contractor. The Contractor shall deal with all such events and shall assist RLG in addressing such events, at the Contractor’s cost and shall not be entitled to be reimbursed therefor by RLG.

- (b) Within thirty (30) calendar days after the Effective Date and each Statement of Work Effective Date the Contractor shall submit to the satisfaction of RLG, in its sole discretion, a copy of the Contractor's corporate health and safety program (as accepted by RLG, the "Corporate Health and Safety Program") and the Contractor represents and warrants that Contractor's Corporate Health and Safety Program complies with Applicable Laws, including with the OSHA, and is consistent with, and complies with, the objectives and requirements of the Applicable Laws, RLG's health and safety policies and requirements and safe work practices.
- (c) At least thirty (30) calendar days prior to a Statement of Work Eligible Community Service Commencement Date, for all Eligible Communities that shall become part of the Work on such date the Contractor shall submit to the satisfaction of RLG, in its sole discretion, a copy of the Contractor's safety plan for the performance of the Work in such applicable Eligible Communities (as accepted by RLG an "Eligible Communities Safety Plan") and the Contractor represents and warrants that Contractor's Eligible Communities Safety Plan complies with Applicable Laws, including, without limitation, the OSHA and all applicable requirements of local fire marshals, which to the extent available shall be demonstrated by confirmatory letters from the local fire marshals included in the Eligible Communities Safety Plan, and is consistent with, and complies with, the objectives and requirements of the Applicable Laws, RLG's health and safety policies and requirements and safe work practices. The Contractor shall be responsible for establishing, coordinating, implementing, administering, and updating, as required, the Eligible Communities Safety Plan to address each Eligible Community within the Collection Catchment Area where the Contractor performs Work.
- (d) The Contractor shall maintain and comply with the Corporate Health and Safety Program and all Eligible Community Safety Plans during the performance of the Work.
- (e) The Contractor shall provide RLG with updates to the Contractor's Corporate Health and Safety Program and all Eligible Community Safety Plans each time a document is amended, provided that such amendments have been accepted by RLG.
- (f) The Contractor shall notify RLG of all accidents involving personal injury to the Contractor's personnel or the public, or damage to any property resulting from the Work, to RLG within four (4) hours or as soon as reasonably practical after the accident. The Contractor shall provide a report including accurate documentation of the accident to RLG within forty-eight (48) hours of the accident.
- (g) If the Contractor fails to comply with any of the requirements set out in this Section 5.4, RLG shall have the authority to stop any Work affected by such failure until the condition is remedied. The Contractor shall not be entitled to, or seek, reimbursement of any cost or an extension in time under this MSA as a result of such stop order.

## **5.5 Contingency Plan**

If the Work is not compliant with the terms of this MSA, RLG may direct the Contractor, at the Contractor's expense, to:

- (a) prepare and present to RLG, for review and approval, a contingency plan ("Contingency Plan") as soon as practical, but not later than three (3) Business Days after the earlier of the Contractor becoming aware of, or RLG notifying the Contractor of, Work that is not compliant with the terms of this MSA. Such Contingency Plan shall demonstrate how the

Contractor shall address the non-compliant Work and prevent similar non-compliant Work in the future; and

- (b) commence the implementation of the Contingency Plan approved by RLG as soon as practical, but not later than within two (2) Business Days of RLG approving the Contingency Plan; and
- (c) otherwise take all measures necessary to address the Work that is not compliant with the terms of this MSA.

**5.6 Compliance with the Accessibility for Ontarians with Disabilities Act, 2005**

The Contractor shall ensure that all its employees, agents, volunteers, or others for whom the Contractor is legally responsible receive training regarding the provision of the goods and services contemplated herein to persons with disabilities in accordance with Section 7 of Ontario Regulation 191/11 (“IAS Regulation”) made under the AODA. The Contractor shall ensure that such training includes a review of the purposes of the AODA and the requirements of the IAS Regulation, as well as instruction regarding all matters set out in Section 7 of the IAS Regulation. The Contractor shall submit to RLG, as required from time to time, documentation describing its customer service training policies, practices and procedures, and a summary of its training program, together with a record of the dates on which training was provided and a list of the employees, agents, volunteers, or others who received such training. RLG reserves the right to require the Contractor to amend its training policies to meet the requirements of the AODA and the IAS Regulation.

Further information on compliance can be found at the Ministry of Community and Social Services website: <http://www.mcscs.gov.on.ca/mcscs/english/pillars/accessibilityOntario/accession/compliance>.

**5.7 All Necessary Permits and Licenses**

- (a) The Contractor shall obtain, and the Contractor shall ensure Subcontractors obtain, all permits, permissions, licences, and approvals required to perform the Work prior to each Statement of Work Effective Date, if applicable.
- (b) The Contractor shall provide RLG with copies of all permits, permissions, licenses, and approvals at the frequency indicated in the table included below.

**Table 5.1:** Permits, Permissions, Licences and Approvals

Permit, Licences, etc.	Timing of Presentation
<b>Section 5.3:</b> Valid WSIB Clearance Certificate, indicating the WSIB firm number, account number and that the account is in good standing	(a) Within fourteen (14) calendar days after the Effective Date. (b) Every sixty (60) calendar days (or upon receipt of a Clearance Certificate from WSIB) throughout the term of this MSA.
<b>Section 5.6:</b> Completion of AODA training	(a) Within fourteen (14) calendar days after the Effective Date.
<b>Section 8.4:</b> Valid business licence	(a) Within fourteen (14) calendar days after the Effective Date. (b) On each anniversary of the Effective Date for the term of this MSA.

Permit, Licences, etc.	Timing of Presentation
<b>Section 8.8:</b> Valid insurance certificate	(a) Within fourteen (14) calendar days after the Effective Date. (b) On each policy renewal date for the term of this MSA.

- (c) The Contractor shall notify RLG within five (5) Business Days if there is a change to, or immediately if there is a cancellation of, any permits, permissions, licences, or approvals required to perform the Work.

**5.8 Record Keeping and Reporting Requirements**

- (a) Through the performance of the Work the Contractor shall prepare, maintain, and deliver records generated in accordance with the provisions of this MSA, including detailed reports of Blue Box Material collected, delivered, and received, comprehensive operations reports, and an annual emissions report. Such obligations shall apply to all Work, unless otherwise specified in this MSA.
- (b) RLG may at any time, and from time to time, waive the requirement to include any particular item in any report in connection with the Work or may reduce the frequency of any report, but in such event shall have the right to reinstate any item and increase the frequency of reporting to the times provided in this MSA.
- (c) For clarity, nothing in this Section 5.8 shall relieve the Contractor from its obligation to execute the Work to completion in accordance with the requirements of this MSA.

**5.9 Subcontractors**

- (a) The Contractor may, subject to this Section 5.9, subcontract portions of the Work to Subcontractors. The Contractor shall, and shall cause the Subcontractors to, perform the Work in accordance with the provisions of this MSA.
- (b) The Contractor may only employ a Subcontractor for the specific portion of the Work that RLG has approved the Subcontractor to perform in writing or as listed in Schedule D.
- (c) RLG may direct the Contractor to replace a Subcontractor where, at RLG’s sole discretion acting reasonably, the Subcontractor is found to be the cause of complaints and/or failing to deliver the Work and (1) the Contractor has not rectified the failure within three (3) Business Days of being notified by RLG of the complaints and/or failure or (2) the Subcontractor is the source of complaints or failures ten (10) times in any rolling two (2) calendar month period. All costs related to replacing a Subcontractor will be borne by the Contractor.
- (d) The Contractor shall, with respect to subcontracts between the Contractor and its Subcontractors:
  - (i) incorporate insofar as they are applicable, the terms and conditions of this MSA, including any Statements of Work, into all subcontracts or agreements with Subcontractors;

- (ii) provide RLG, upon request, with a copy of subcontracts entered into between the Contractor and its Subcontractors, and all applicable amendments and changes, redacted to prevent disclosure of commercial information, including information which would reveal in whole or in part the build-up of the Contract Price.
- (e) The Contractor shall in all cases be fully responsible to RLG for all of its obligations under this MSA that are subcontracted to a Subcontractor and for all acts and omissions of all Subcontractors even if such Subcontractor was preselected or approved by RLG.
- (f) RLG may provide to any Subcontractor information as to such Subcontractor's work that has been approved for payment.
- (g) The Contractor shall pay all Subcontractors in accordance with the terms of their subcontracts and Contractor shall advise RLG in writing, with reasonable particulars, of any material disputes with a Subcontractor or any material default by any Subcontractor under such subcontracts.
- (h) In the subcontracting of any part of the Work in accordance with this MSA, the Contractor shall, unless otherwise authorized by RLG, place subcontracts on terms that will enable the Contractor to terminate the same upon terms and conditions which are no more onerous to RLG than those provided for in Section 7.7 of this MSA, and generally the Contractor shall co-operate with RLG and do everything reasonably within its power to minimize the amount of RLG's obligations in the event of a termination under Section 7.7 of this MSA.

#### **5.10 Access to the Work**

- (a) Without limiting the generality of any other provision in this MSA, at all times requested by RLG with at least four (4) hours notice, the Contractor shall, at no expense to RLG, provide RLG and its professional advisors, auditors and consultants, and any Person authorized by RLG with access to the Work (including the staff performing the Work and the Equipment being used to perform the Work) to monitor, observe and inspect any Work (including the staff performing the Work and the Equipment being used to perform the Work) being performed provided that such access does not pose a health and safety risk to the Contractor's staff, or to RLG or RLG's respective personnel, and the Contractor shall, and shall cause the Subcontractors to, provide, and cooperate with RLG in providing, such access. The Contractor shall provide access to such Work (including the staff performing the Work and the Equipment being used to perform the Work) whenever and wherever it is in progress and the Contractor shall provide sufficient, safe and proper facilities in respect of such access. Without limiting the generality of the foregoing, during such access, RLG may monitor the Work (including the staff performing the Work and the Equipment being used to perform the Work) provided that such monitoring of the Work or Equipment shall not cause unreasonable delays to the Contractor's performance of the Work.
- (b) RLG may arrange for the periodic audits of the Contractor's performance throughout the term of this MSA to assist RLG with verifying that the Contractor is performing all Work and is in compliance with this MSA. The Contractor shall co-operate with the auditor and shall provide all reasonable access to the Work and records associated with this MSA. Such audits shall not cause unreasonable delays to the Contractor's performance of the Work. RLG may rely upon the results of any audit and may exercise any authority granted by this MSA to address any issue identified and the Contractor shall comply accordingly.

- (c) If any Work is found by RLG, at its sole discretion acting reasonably, not to be in accordance with the requirements of this MSA, the Contractor shall, at no expense to RLG, make good such defective Work.
- (d) RLG, and other parties identified by RLG, shall be entitled to use information obtained during monitoring, observation and inspection of the Work (including pursuant to this Section 5.10) for the administration of this MSA and any internal purposes.

## ARTICLE 6 COMPENSATION

### 6.1 Canadian Funds

All amounts in this MSA are, and all amounts in Invoices from the Contractor to RLG and all payments to the Contractor by RLG shall be, in Canadian funds.

### 6.2 Invoicing, Payment and Documentation

- (a) RLG may issue a purchase order in respect of each Statement of Work. Any such purchase order shall be solely for the convenience of RLG and, notwithstanding any of the provisions set out in such purchase order, shall not create any binding obligations of either RLG or the Contractor or in any way be deemed to supersede or amend this MSA or any Statement of Work or be considered to form part of this MSA or any Statement of Work.
- (b) On or before the fourteenth (14th) calendar day after the start of each calendar month, the Contractor may invoice RLG for the Contract Price of the Work performed during the immediately prior calendar month in accordance with the following requirements:
  - (i) the Contractor shall submit to RLG a single, consolidated invoice and complete billing details (“Invoice”) to:  
  
250 University Avenue, Suite 228, Toronto, Ontario M5H 3E5  
  
Attention: **Catherine McCausland**
  - (ii) the format of the Invoice shall be subject to the review and acceptance by RLG; and
  - (iii) the amount applied for in the Invoice shall be the sum of the amounts the Contractor is permitted to invoice RLG for Work performed under the Statements of Work. For clarity, the Contractor may only include an amount in an Invoice for Work performed under a Statement of Work if such amount is payable pursuant to such Statement of Work and the Contractor may only submit one Invoice each calendar month.
- (c) For clarity, an Invoice shall be deemed not to have been received by RLG, payment shall be withheld by RLG, and RLG shall have no obligation to make any payments in respect of such Invoice until RLG has received all items required from the Contractor, pursuant to the provisions of this MSA, including the applicable Statements of Work, and the items are deemed acceptable to RLG, at its sole discretion acting reasonably. The items required include all reports related to the Work performed in the immediately prior calendar month (collectively, the “Work Reports for the Month”) to be provided by the Contractor in compliance with the requirements of this MSA, including Sections 4.1 and 5.1 of Exhibit 1 to a Statement of Work.
- (d) Where RLG disputes the amount of an Invoice, RLG shall make payment of the undisputed amounts pursuant to Section 6.2(e) and issue a written notice to the Contractor describing the reasons for the disputed amount.
- (e) RLG shall make payment of undisputed amounts within thirty (30) calendar days from the date of receipt of an Invoice.

- (f) Price adjustments may be made pursuant to Section 6.4.
- (g) Any damages or fines assessed against RLG by reason of breach or breaches of the OHSA by the Contractor and any service level failure credits determined pursuant to this MSA, including any Statements of Work, will entitle RLG to off-set any such damages, fines or service level failure credits against any monies RLG may, from time to time, owe the Contractor under this MSA or under any other contract whatsoever.
- (h) The Contractor shall correct any billing errors which result in overpayment by RLG in a timely manner by issuing a credit against the Contract Price in the amount necessary to correct such error in the next Invoice, if any, or by issuing a refund to RLG within twenty (20) calendar days.

### **6.3 Taxes**

- (a) Except for the applicable Value Added Taxes payable by RLG pursuant to any Statements of Work, all taxes, including any sales, use, excise and similar value added taxes, however denominated or measured, imposed upon the price or compensation under this MSA or any Statements of Work, or upon the Work provided hereunder or thereunder, or based on or measured by gross receipts or net income, or measured by wages, salaries or other remuneration of the Contractor's employees, will be solely the responsibility of the Contractor. The Contractor will deposit, or cause to be deposited, in a timely manner with the appropriate taxing authorities all amounts required to be withheld. If RLG is required to pay any such applicable Value Added Taxes to any taxing jurisdiction, the Contractor will remit the amount of any such tax to RLG upon demand thereof.
- (b) The Contractor represents and warrants that, as of the Effective Date and continuing in force and effect for the term of this MSA, it is not a non-resident of Canada for the purposes of the *Income Tax Act* (Canada).

### **6.4 Price Adjustment**

Price adjustments may be specified in a Statement of Work.

### **6.5 Monies Due to RLG**

In the event there are any monies payable to RLG by the Contractor under the terms of this MSA, such monies shall be deducted from and retained by RLG from the amounts due to the Contractor or may be recovered from the Contractor or the Contractor's surety, if any, pursuant to applicable Performance Security as a debt due to RLG.

### **6.6 Other Requirements**

- (a) The Contractor is not eligible for any payment until after the performance of Work under a Statement of Work.
- (b) When payment is made to the Contractor, the Contractor shall promptly pay to every Subcontractor employed any amount properly due such Subcontractor on account of Work covered by this MSA and the applicable Statement of Work. RLG shall not be liable for, or be held to pay, any money to the Contractor except as provided above.



## 6.7 Interest

The Contractor shall be entitled to interest upon any amounts owing for more than thirty (30) calendar days on account of delay in payment by RLG, until payment of the unpaid amount. The interest shall be simple interest payable monthly at a rate of one percent (1%) per annum plus Prime.

## 6.8 Limited Liabilities

- (a) Subject to Section 6.8(b), the total cumulative liability of the Contractor to RLG for all Losses and Claims of any kind with respect to this MSA, whether based on tort, negligence, contract, warranty, strict liability or otherwise shall be the total amount of the Contract Price paid to the Contractor for the Work, provided that in the first twelve (12) months after the Effective Date, such total cumulative liability shall be the greater of (i) the total amount of the Contract Price paid to the Contractor for the Work and (ii) RLG's reasonable estimate of the Contract Price expected to be paid to the Contractor for the Work during the first twelve (12) months after the Effective Date (the "Contractor Liability Threshold").
- (b) The Contractor Liability Threshold and Section 6.8(a) shall not apply to any Losses and Claims arising out of, or in consequence of, any one or more of the following for which there shall be no limit of liability:
  - (i) all costs to complete the Work, in accordance with this MSA, including the applicable Statements of Work, that are in excess of Contract Price;
  - (ii) indemnification by the Contractor in respect of any Losses and Claims pursuant to Section 7.3(a) made, brought, sustained or incurred by a Third Party;
  - (iii) any criminal, fraudulent or other wilful misconduct on the part of one of the Contractor Indemnitees;
  - (iv) a breach by the Contractor of its obligations under Section 8.13; and
  - (v) the Contractor's failure to withhold or remit when due to the applicable governmental authority all taxes for which it is liable in accordance with Applicable Law.
- (c) Subject to 6.8(d), the total cumulative liability of RLG to the Contractor for all Losses and Claims of any kind with respect to this MSA, whether based on tort, negligence, contract, warranty, strict liability or otherwise shall be the total amount of the Contract Price paid to the Contractor for the Work, provided that in the first twelve (12) months after the Effective Date, such total cumulative liability shall be the greater of (i) the total amount of the Contract Price paid to the Contractor for the Work and (ii) RLG's reasonable estimate of the Contract Price expected to be paid to the Contractor for the Work during the first twelve (12) months after the Effective Date (the "RLG Liability Threshold").
- (d) The RLG Liability Threshold and Section 6.8(c) shall not apply to any Losses and Claims arising out of, or in consequence of, any one or more of the following, for which there shall be no limit of liability.
  - (i) indemnification by RLG in respect of any Losses and Claims pursuant to Section 7.3(c) made, brought, sustained or incurred by a Third Party;

- (ii) any criminal, fraudulent or other wilful misconduct on the part of one of the Indemnitees; and
- (iii) a breach by RLG of its obligations under Section 8.13.

## ARTICLE 7 FAILURE TO PERFORM, REMEDIES AND TERMINATION

### 7.1 Performance Security

- (a) The Contractor, at its cost, shall maintain, for the entire term of this MSA, a single performance bond, letter of credit or certified cheque equal to the total of twenty-five per cent (25%) of the projected annual Contract Price for the Statements of Work (“Performance Security”), for clarity, starting on the Effective Date.
- (b) If the Performance Security is in the form of a:
  - (i) performance bond it shall be issued by a duly licensed surety company authorized to transact a business of suretyship in the province of Ontario;
  - (ii) letter of credit it shall be issued by a Canadian chartered bank listed in Schedule I to the *Bank Act* (Canada); or
  - (iii) certified cheque it shall be issued by a Canadian chartered bank listed in Schedule I to the *Bank Act* (Canada).
- (c) The Contractor shall provide the Performance Security to RLG on signing the first Statement of Work.
- (d) The Performance Security shall be updated, as applicable, each time the projected annual Contract Price of a Statement of Work is altered by the Parties to ensure the Performance Security continues to comply with the requirements established in Section 7.1(a).
- (e) If the Performance Security is a certified cheque, then RLG may deposit such cheque in a bank account and use such funds pursuant to this MSA, including Section 7.1(h).
- (f) If the Performance Security is a letter of credit then the following shall apply: if the letter of credit has an expiry date prior to the end of the term of this MSA, the Contractor shall, at least thirty (30) calendar days prior to such expiry date, either cause the expiry date to be extended for the lesser of an additional twelve (12) months or until the end of the term of this MSA, or deliver to RLG a replacement Performance Security that is acceptable to RLG, in its sole discretion. If the Contractor fails to deliver such replacement Performance Security, RLG shall be entitled to exercise its rights against the full amount of the expiring letter of credit and hold the proceeds thereof (“Cash Collateral”) as replacement security for the Contractor’s liabilities and obligations under this MSA, in which event RLG shall hold the Cash Collateral in a bank account. If the Contractor subsequently delivers to RLG such replacement Performance Security, RLG shall immediately return to the Contractor the Cash Collateral including any interest earned on the Cash Collateral less any amount used by RLG pursuant to this MSA.
- (g) If RLG holds any Cash Collateral, the Contractor hereby grants a security interest in favour of RLG in such Cash Collateral as security for the Contractor’s liabilities and obligations under this MSA. To the extent permitted by Applicable Laws, the Contractor waives all rights to receive from RLG a copy of any financing statement, financing change statement or verification statement filed or issued, as the case may be, at any time in respect of such Cash Collateral.

- (h) Without limiting Section 7.1(f), RLG may, without prejudice to any other right or remedy hereunder, exercise its rights against the Performance Security and use such funds or use any Cash Collateral in connection with:
  - (i) any claims brought against, or losses suffered, sustained or incurred, by RLG as a result of a Material Contractor Default or Contractor Default by the Contractor under the MSA; and/or
  - (ii) RLG exercising its right to correct a Material Contractor Default or Contractor Default in accordance with this MSA.
- (i) Subject to RLG exercising its right against the Performance Security or Cash Collateral pursuant to Section 7.1(h), upon the expiry of the term of this MSA, RLG shall, upon written request of the Contractor, return the Performance Security then in its possession to the Contractor; or, in the event that RLG is holding Cash Collateral, RLG shall deliver the balance of the Cash Collateral (with any interest earned on the Cash Collateral) to the Contractor and release and discharge its security interest therein.

## **7.2 Time of the Essence and Service Level Failure Credits**

- (a) Time shall be of the essence for the performance of the Contractor's obligations under this MSA, including the performance and completion of the Work. The Work shall be delivered within the time promised, failing which RLG reserves the right to terminate this MSA, or portion thereof including one or more Statements of Work, in accordance with Section 7.7 without prejudice to any other right or remedy available to RLG, including RLG's right to apply service level failure credits.
- (b) In a case that the Contractor fails to perform the Work in accordance with the terms, conditions and specifications of this MSA, including any Statements of Work, any written warning from RLG detailing the performance failure is without prejudice to the Contractor being assessed service level failure credits to the extent such failure is an Infraction, without prejudice to RLG's rights under Section 7.2(c).
- (c) If, at any time during the term of this MSA, RLG applies service level failure credits in accordance with this MSA in excess of \$25,000 during any rolling three (3) calendar month period, then in addition to the application of such service level failure credits and without prejudice to any other rights or remedies available to RLG, RLG may:
  - (i) immediately terminate this MSA or one or more Statements of Work pursuant to Section 7.6(b)(iii); and/or
  - (ii) claim damages for all liabilities suffered by RLG due to the Contractor's failure to fulfill its obligations under the provisions of this MSA.
- (d) The application of service level failure credits under this MSA, including any Statements of Work, shall be without prejudice to any other rights or remedies of RLG and RLG's ability to claim damages for breach of this MSA, pursuant to Section 7.2(c) of this MSA or otherwise, and shall not relieve the Contractor of its obligations under this MSA, including as a result of the event or cause which gave rise to RLG's application of service level failure credits or any other rights or remedies which may be available to RLG.

### 7.3 Responsibility for Damages/Indemnification

- (a) Without limiting the generality of any other provision of this MSA, the Contractor shall indemnify and hold harmless RLG, CMO and their respective officers, directors, employees, agents and representatives (collectively, the “Indemnitees”) from and against any and all Losses and Claims brought against, suffered, sustained or incurred by the Indemnitees, directly or indirectly arising out of this MSA attributable, wholly or in part, to:
- (i) any negligent acts or omissions, nuisance or misconduct of the Contractor, its officers, agents, servants, employees, licensees or Subcontractors (whether wilful or otherwise);
  - (ii) any failure to comply with, or breach of, any of the Contractor’s obligations under this MSA;
  - (iii) bodily injury, sickness, disease or death or damage to or destruction of tangible property as a result of activities of the Contractor, its officers, agents, servants, employees, licensees or Subcontractors under this MSA except to the extent such bodily injury, sickness, disease, death or damage is attributable to the negligence, wilful conduct or breach of this MSA by RLG;
  - (iv) any assessment (including compliance orders and administrative penalties) or allegations of non-compliance under the Regulation or the (Ontario) *Resource Recovery and Circular Economy Act, 2016* directly attributable, in whole or in part, to the acts or omissions of the Contractor, its officers, agents, servants, employees, licensees or Subcontractors, except to the extent such assessment is attributable to the negligence, wilful misconduct or breach of this MSA by RLG;
  - (v) any failure or delay by CMO to submit any required report or other information to the registry, as defined in the (Ontario) *Resource Recovery and Circular Economy Act, 2016* resulting from the acts or omissions of the Contractor, its officers, agents, servants, employees, licensees or Subcontractors;
  - (vi) any failure of the Contractor, its officers, agents, servants, employees, licensees or Subcontractors to comply with the (Ontario) *Occupational Health and Safety Act* (or the regulations thereunder);
  - (vii) any finding or declaration that an Indemnitee is an “employer” for the purposes of the (Ontario) *Occupational Health and Safety Act* in connection with a breach of the (Ontario) *Occupational Health and Safety Act* (or the regulations thereunder) by the Contractor, its officers, agents, servants, employees, licensees or Subcontractors in connection with the Work; or
  - (viii) any fines, penalties or orders of any kind that may be levied or made in connection therewith pursuant to the (Ontario) *Environmental Protection Act*, the Ontario *Water Resources Act*, the (Ontario) *Dangerous Goods Transportation Act* or other similar Applicable Law, whether federal or provincial, due to the presence of, or exposure to, or release of (including any spill discharge, escape, emission, leak, deposit, dispersion, or migration into the environment) any hazardous materials, contaminants or pollutants in, into or through the natural environment in relation to the Work.

- (b) The Contractor acknowledges that RLG holds the benefit of any provision in this MSA, including under this Section 7.3, that is expressly intended to extend to include CMO, as a third party beneficiary, as trustee and agent for CMO. RLG shall be entitled to enforce the rights of CMO, as a third party beneficiary, under such provisions.
- (c) RLG shall indemnify and hold harmless the Contractor and its respective officers, directors, employees, agents and representatives (collectively, the “Contractor Indemnitees”) from and against any and all Losses and Claims brought against, suffered, sustained or incurred by the Contractor Indemnitees, arising out of this MSA attributable, wholly or in part, to any negligent acts or omissions of RLG, or any of their respective officers, agents, servants, employees or licensees or any failure to comply with, or breach of, any of RLG’s obligations under this MSA.
- (d) Notwithstanding any other provision in this MSA, except for the matters provided for in Section 6.8(b), as applicable, any losses covered by insurance and the application of service level failure credits, RLG shall not be liable to the Contractor Indemnitees and Contractor shall not be liable to the Indemnitees for consequential, indirect, incidental, special, exemplary, punitive or aggravated damages, loss of profits or revenues or diminution in value arising from or relating to the MSA.

#### **7.4 COVID-19**

- (a) The Contractor’s duties shall include managing the effects of the Current Pandemic Conditions on the performance of the Work and performing the Work in compliance with the Current Pandemic Conditions.
- (b) The costs, expenses, and time of performing the Work in compliance with the Current Pandemic Conditions have been considered in setting the Contract Price and the schedule for completion of the Work and, notwithstanding any other provision in this MSA, the Current Pandemic Conditions shall not be the basis for an increase in the Contract Price or an extension of the schedule for completion of the Work.

#### **7.5 Force Majeure**

- (a) Subject to Section 7.5(b), “Force Majeure Event” means any event or circumstance beyond the reasonable control of either RLG or the Contractor (other than a lack of funds or other financial reason) including the following:
  - (i) Unusually Severe Adverse Weather Conditions; and
  - (ii) Fire, explosion, flood, earthquake, riots, war, rebellion, sabotage, epidemic or pandemic (except Current Pandemic Conditions) and atomic or nuclear incidents.
- (b) A Force Majeure Event shall not include the following events or circumstances:
  - (i) weather conditions that are not Unusually Severe Adverse Weather Conditions;
  - (ii) an electricity system outage, unless the electricity system outage affects an entire Eligible Community and persists for at least forty-eight (48) hours and is caused by a Force Majeure Event;

- (iii) unavailability of, or delays in delivery or breakage of, or shortage of, Equipment or materials, unless such unavailability, delays, breakage or shortage are caused by a Force Majeure Event;
  - (iv) the quantity of Blue Box Material collected or received differs from the Contractor's expectations;
  - (v) delay or other failure arising out of the nature of the Work to be done, or from any normal difficulties that may be encountered in the performance of the Work, having regard to the nature thereof;
  - (vi) if and to the extent the Party seeking to invoke the Force Majeure Event has caused the applicable Force Majeure Event by its (and, in the case of the Contractor, Subcontractor's) fault or negligence; or
  - (vii) if and to the extent the Party seeking to invoke the Force Majeure Event has failed to use reasonable efforts to prevent or remedy the Force Majeure Event, so far as possible and within a reasonable time period.
- (c) Circumstances relating to the COVID-19 pandemic shall not be regarded as a Force Majeure Event, unless circumstances arising in connection with the COVID-19 pandemic change materially from Current Pandemic Conditions in a manner that causes a new failure or delay in a Party's fulfillment or performance of any term of this MSA that would otherwise constitute a Force Majeure Event.
- (d) A Party that experiences a Force Majeure Event shall use all commercially reasonable efforts to end the Force Majeure Event, ensure the effects of the Force Majeure Event are minimized and resume full performance under this MSA.
- (e) In the event that either RLG or the Contractor shall be unable to fulfil, or shall be delayed, or shall be prevented from the fulfilment of, its obligation under this MSA by reason of a Force Majeure Event for a period of ten (10) consecutive Business Days, then either Party shall forthwith notify the other in writing and RLG shall:
- (i) terminate this MSA or any affected Statements of Work as soon as reasonably practicable in writing and without any further payments being made;
  - (ii) perform, or engage other to perform, the obligations under this MSA that are impacted by the Force Majeure Event; and/or
  - (iii) authorize the Contractor to continue the performance of this MSA in writing with such adjustments and/or amendments as required by the existence of the Force Majeure Event and as agreed upon by both Parties acting reasonably. If the Parties cannot agree upon the adjustments and/or amendments, it is agreed by the Parties that this MSA shall be immediately terminated pursuant to Section 7.6(b)(v) with no further obligations by either Party.

If an unlawful or illegal strike, lockout or work slowdown or other unlawful or illegal labour disruption or job action is a Force Majeure Event then the Parties may not terminate this MSA or any affected Statements of Work pursuant to this Section 7.5 until the Unlawful LD Period applicable to such labour disruption has continued for more than fifteen (15) calendar days.

For clarity, the Contractor shall not be entitled to be paid for obligations under this MSA that it does not perform as a result of a Force Majeure Event.

- (f) For the purposes of clarification and notwithstanding any other provision in this MSA, the Contractor shall be solely responsible for maintaining all Work, including collection services, as applicable, in all circumstances that are not Force Majeure Events.

## 7.6 MSA Termination

- (a) Any termination of this MSA or termination of the Contractor's right to perform the Work (or any part thereof) by RLG shall be without prejudice to any other rights or remedies RLG may have.
- (b) Without prejudice to any other right or remedy RLG may have under this MSA, RLG may terminate this MSA, or any Statements of Work, or terminate the Contractor's right to perform the Work (or any part thereof) as follows:
  - (i) without cause at any time, upon twenty-four (24) months' written notice being provided to the Contractor;
  - (ii) notwithstanding any other Section of this MSA, if there is a Legislative Change to the *Resource Recovery and Circular Economy Act* or the Regulation that affects the Work, immediately, upon written notice being provided to the Contractor;
  - (iii) if there is a Material Contractor Default, immediately, upon written notice being provided to the Contractor;
  - (iv) if there is a Contractor Default and the Contractor has failed to cure such Contractor Default within fifteen (15) Business Days after receipt of notice of such Contractor Default, or within the time specified in a Contingency Plan approved by RLG in accordance with Section 5.5, or within such other time as mutually agreed between the Parties, immediately, upon written notice being provided to the Contractor; and
  - (v) if the Parties cannot agree upon a Change Order, immediately, upon written notice being provided to the Contractor. Without limiting the generality of the foregoing, RLG may exercise the right of termination provided for in this Section 7.6(b)(v), if the Parties cannot agree upon a Change Order in respect of (i) a Communications pursuant to Section 8.17 or (ii) a Force Majeure Event pursuant to Section 7.5. For clarity, this does not limit the right of RLG to issue a Change Directive.
- (c) If RLG terminates this MSA or any Statement of Work as noted above, RLG is entitled to:
  - (i) Take possession immediately of all the Blue Box Material and finish the Work by whatever means RLG may deem appropriate under the circumstances, including all actions necessary to ensure the Work continues to be performed and Persons with obligations under the Regulation are in compliance with those obligations;
  - (ii) Withhold any further payments to the Contractor until the completion of the Work; and



- (iii) Recover from the Contractor, any loss, damage, and expense incurred by RLG by reason of the Contractor's default which may be deducted from any monies due, or becoming due, to the Contractor.

In the event of any termination, the Contractor shall cooperate and work with RLG, and any contractor identified by RLG, to ensure a smooth and orderly transition.

- (d) For clarity, if RLG or the Contractor, as the case may be, terminates this MSA or any Statement of Work without cause pursuant to Section 7.6(b)(i), Section 7.6(b)(v) or Section 7.6(e)(i) or because of a Legislative Change as described in Section 7.6(b)(ii), then, subject to the other provisions of this MSA, RLG shall only be required to pay the Contractor for (i) the Work performed prior to the date of termination, less any amounts already paid for Work performed, plus (ii) Early Termination Fees, but not for lost profits.
- (e) The Contractor may terminate this MSA, or any Statements of Work, as follows:
  - (i) without cause at any time, upon twenty-four (24) months' written notice being provided to RLG;
  - (ii) for non-payment of amounts due and payable under this MSA, if RLG has failed to cure such non-payment within ten (10) Business Days after receipt of a notice of non-payment, the Contractor may terminate this MSA with thirty (30) Business Days' notice; and
  - (iii) for breach of RLG's confidentiality obligations under Section 8.13 of this MSA, if RLG has failed to cure such breach of confidentiality within ten (10) Business Days after receipt of a notice of such breach, the Contractor may terminate this MSA with thirty (30) Business Days' notice.

## 7.7 Remedies

- (a) The rights and remedies of RLG as set forth in any provision of this MSA, including Section 7.7, shall not be exclusive and are in addition to any other rights or remedies provided by law or in equity or otherwise.
- (b) The exercise of any remedy provided by this MSA does not relieve the Contractor or its sureties from any liability remaining under this MSA.
- (c) Without prejudice to any other right or remedy RLG may have under this MSA, if the Contractor fails to cure a Contractor Default within fifteen (15) Business Days after receipt of notice of such Contractor Default, or within the time specified in a Contingency Plan approved by RLG in accordance with Section 5.5, or within such other time as mutually agreed between the Parties, then, RLG may, at the cost of the Contractor, remedy the Contractor Default.
- (d) No waiver of any right or obligation of either Party hereto shall be effective unless in writing, specifying such waiver, and executed by the Party against whom such waiver is sought to be enforced. Except as otherwise set forth in this MSA, no failure to exercise, or delay in exercising, any rights, remedy, power or privilege arising from this MSA shall operate or be construed as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power, or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege. A waiver by either Party of

any of its rights under this MSA on any occasion shall not be a bar to the exercise of the same right on any subsequent occasion or of any other right at any time.

## **7.8 Disputes**

- (a) In cases of disputes as to whether the Work delivered meets the conditions in this MSA, the decision of RLG acting reasonably, shall be final and binding on all Parties.
- (b) If there is a dispute between RLG and the Contractor as to their respective rights and obligations, the Parties shall use the following dispute resolution procedures to resolve such dispute:
  - (i) The Parties shall attempt to resolve the dispute through informal discussions;
  - (ii) If, after a period of ten (10) Business Days, either Party believes the dispute will not be resolved through informal discussion, the dispute shall be referred by the Parties to non-binding mediation whereby the fees and expenses of the mediator will be divided equally (i.e., 50/50) between RLG and the Contractor. The mediator will be appointed jointly by the Parties; and
  - (iii) If the Parties are unable to resolve the dispute within a period of thirty (30) calendar days after the first mediation session, the dispute shall be resolved through binding arbitration in accordance with Section 7.10.

## **7.9 RLG's Ruling**

- (a) If the Contractor has any misunderstanding or difference of opinion with respect to the interpretation, application, administration or alleged breach of this MSA, or the Contractor disputes any decision of RLG required by this MSA, the Contractor shall submit a written request for a ruling to RLG with respect to the matter not later than thirty (30) calendar days after the day the matter arose. The Contractor's request shall identify the MSA terms in respect of which the matter arose, state the grounds for the Contractor's position on the matter and submit the records which support its position.
- (b) RLG shall, within thirty (30) calendar days of receipt of the Contractor's request either:
  - (i) Request the Contractor to submit such further and other particulars with respect to the matter as required in which case the Contractor shall submit the required particulars within thirty (30) calendar days of receipt of RLG's request. Following RLG's receipt of the particulars, the Contractor's request with particulars shall be dealt with in the same way as a request for ruling; or
  - (ii) Notify the Contractor of its decision.
- (c) The Contractor shall be entitled to an arbitration of the matter pursuant to Section 7.10, if:
  - (i) RLG fails to respond to the request for ruling, and the Contractor gives notice to RLG that it requires an arbitration within fifteen (15) Business Days of the date by which RLG was required to give its ruling;

- (ii) the Contractor objects to RLG's request for particulars and the Contractor gives notice to RLG that it requires an arbitration within the time prescribed for the delivery of particulars; or
- (iii) the Contractor disputes RLG's decision and gives notice to RLG that it requires arbitration within fifteen (15) Business Days of receipt of RLG's decision.
- (d) The Contractor shall be deemed to have abandoned the matter if it fails to observe any time limit specified in the paragraphs above unless RLG has extended the time limit in writing.

## 7.10 Arbitration

- (a) As provided for in Section 7.8(b)(iii) and Section 7.9(c), disputes shall be resolved through binding arbitration in accordance with the *Arbitration Act*, 1991, S.O. 1991, c.17 ("Arbitration Act"), as amended from time to time.
- (b) RLG and the Contractor shall agree on an arbitrator within ten (10) Business Days after either Party receives notice from the other Party. If the Parties fail to agree, either Party may apply to a court of competent jurisdiction for the appointment of an arbitrator in accordance with the Arbitrations Act, as amended.
- (c) No one shall be named or act as an arbitrator who is interested in any way financially in this MSA or in the business affairs of either Party or has been directly or indirectly involved to settle the matter.
- (d) The arbitrator is not authorized to make any decision inconsistent with this MSA or any Statement of Work, nor shall the arbitrator modify or amend any of this MSA terms.
- (e) The Parties agree that the award made by the Arbitrator shall be final and binding and shall in all respect be kept and observed.
- (f) The arbitrator, or arbitral tribunal, will apportion the costs of the arbitration to the Parties.
- (g) The Contractor shall be deemed to abandon the matter if no arbitrator has been appointed within six (6) months of RLG's receipt of the notice specified in Section 7.9(c).
- (h) No matter may be submitted to arbitration except in accordance with the above provisions.

## 7.11 Choice of Forum

Any legal suit, action, litigation, or proceeding of any kind whatsoever in any way arising out of, from or relating to this MSA shall be instituted in the courts of the City of Toronto, Ontario, and each Party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action, litigation or proceeding. Service of process, summons, notice, or other document by mail or personal service to such Party's address set forth herein shall be effective service of process for any suit, action, litigation or other proceeding brought in any such court. Each Party agrees that a final judgment in any such suit, action, litigation, or proceeding is conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. The Parties irrevocably and unconditionally waive any objection to the venue of any action or proceeding in such courts and irrevocably waive and agree not to plead or claim in any such court that any such action or proceeding brought in any such court has been brought in an inconvenient forum.

## ARTICLE 8 STANDARD CONDITIONS

### 8.1 Governing Laws

This MSA will be interpreted and governed by the laws of the Province of Ontario.

### 8.2 Compliance with Laws and Permits

- (a) The Contractor shall comply in all material respects with Applicable Laws and shall perform and complete the Work, and cause the Work to be performed and completed, in accordance with and in compliance with all Applicable Laws, including all Applicable Laws related to the environment and health and safety. If there is a conflict between the standards required by Applicable Laws, then Contractor shall perform and complete the Work in compliance with the higher or more rigorous standard. For avoidance of doubt, the Contractor shall be solely responsible for complying with all federal, provincial and municipal laws, regulations, policies and procedures governing the performance of the Work, as may be amended and replaced from time to time.
- (b) Prior to the Statement of Work Effective Date, the Contractor shall obtain and pay for all permits, permissions, licences, and approvals required to perform the Work. The Contractor shall obtain at its own expense, and shall remain in compliance with during the term of this MSA, all licences, permissions, approvals and permits required to perform the Work, and shall provide, at the request of RLG, proof of all licences, approvals and permits required by governmental authorities, having jurisdiction over the Work. Further, the Contractor shall comply with all orders that may be issued by governmental authorities. These approvals or orders are incorporated by reference into the MSA and shall become part of the MSA, such that a breach of an approval or work order shall be deemed to be a breach of the MSA.

### 8.3 Assignment

This MSA enures to the benefit of and is binding upon the Contractor and RLG and their successors and permitted assigns. The Contractor shall not assign, transfer (including a change in control of Contractor), convey or otherwise dispose of this MSA, including any rights or obligations under this MSA, or its power to execute such MSA, without the prior written consent of RLG.

### 8.4 Business License

The Contractor shall be solely responsible for obtaining a business licence, at its own cost, for the Work under this MSA.

### 8.5 Contractor to Make Examinations

- (a) The Contractor has made its own examination, investigation, and research regarding proper methods of providing the Work and all conditions affecting the Work under this MSA, and the labour, equipment and materials needed thereon, and the quantity of the work to be performed. The Contractor agrees that it has satisfied itself based on its own investigation and research regarding all such conditions, that its conclusion to enter into this MSA was based upon such investigation and research, and that it shall make no claim against RLG because of any of the estimates, statements or interpretations made by any officer or agent of RLG that may be erroneous.

- (b) With the exception of Force Majeure events or as otherwise provided in this MSA, the Contractor assumes the risk of all conditions, foreseen and unforeseen, and agrees to continue to provide the Work without additional compensation under whatever circumstances may develop other than as provided herein.

## **8.6 Access to Records**

- (a) The Contractor shall maintain in its designated local office full and complete operations, customer, financial and service accounts, books and records, as applicable to the Work, including records related to arranging, establishing or operating a Receiving Facility, in each case in accordance with the Regulation (collectively, the “Records”) that at any reasonable time shall be open for inspection and copying for any reasonable purpose by RLG. In addition, the Contractor shall maintain in its head office reporting records and billing records pertaining to this MSA that are prepared in accordance with Generally Accepted Accounting Principles (GAAP) reflecting the Work. The Records shall include such reporting records and billing records and all records, invoices, and payments under this MSA, as adjusted for additional and deleted services provided under this MSA. RLG shall be allowed access to the Records for audit (including, as applicable to the Work, for an audit of practices and procedures implemented in respect of Part VI of the Regulation in accordance with Section 67 of the Regulation) and review purposes.
- (b) The Contractor shall make available copies of certified weighscale records for Blue Box Material collected or distributed under this MSA on request within two (2) Business Days of the request by RLG. The weighscale records may be requested for any period during the term of this MSA.
- (c) All records related to this MSA, including the Records, shall be maintained, and access granted pursuant to this Section 8.6, throughout the term of this MSA and for at least five (5) years thereafter.

## **8.7 Insurance**

- (a) Without limiting the obligations of the Contractor in this MSA, the Contractor shall at its own expense obtain and maintain for the term of this MSA:
  - (i) Commercial general liability insurance on an occurrence basis for an amount not less than five million (\$5,000,000) dollars per each occurrence, five million (\$5,000,000) dollars general aggregate and a two million (\$2,000,000) dollars products-completed operations aggregate limit. The policy shall include RLG and CMO as additional insureds with respect to the Contractor’s operations, acts and omissions relating to its obligations under this MSA, such policy to include non-owned automobile liability, bodily injury, property damage, contractual liability, owners and contractors protective, products and completed operations, contingent employers liability, cross liability and severability of interest clauses;
  - (ii) Automobile liability insurance for an amount not less than five million (\$5,000,000) dollars per incident on forms meeting statutory requirements covering all owned, non-owned, hired, and leased vehicles used in the execution of this MSA;

- (iii) The Contractor shall insure all Equipment used for the performance of the Work under this MSA. Such insurance shall be in a form acceptable to RLG and shall not allow subrogation claims by the insurer against RLG or CMO;
  - (iv) Environmental impairment liability insurance covering the work and services described in this MSA including coverage for loss or claims arising from contamination to third party property damage, bodily injury, personal injury, cleanup costs, and legal defense during the execution of this MSA. Such policy shall provide coverage for an amount not less than two million (\$2,000,000) dollars and shall remain in force for twelve (12) months following completion of work; and
  - (v) “All risks” property insurance in amounts sufficient to fully cover, on a replacement cost basis without deduction for depreciation, any building in which the Work is being performed and the machinery, boilers and equipment contained therein and all other property owned by the Contractor or by others located therein including equipment, furniture and fixtures.
- (b) The Contractor shall not commence work until original certificates including, but not necessarily limited to, the additional insureds endorsement, evidencing the insurance requirements of the Contractor, have been filed and accepted by RLG.
  - (c) Any deductibles or self-insured retentions must be declared to and accepted by RLG. In the event the deductibles or self-insured retentions are not acceptable to RLG, RLG reserves the right to negotiate with the Contractor for changes in coverage deductibles or self-insured retentions; or alternatively, require the Contractor to provide evidence of other security guaranteeing payment of losses and related investigations, claim administration and defense expenses. For clarity, the Contractor shall pay all deductibles incurred during the term of this MSA at its own expense.
  - (d) The insurance policies are to contain, or be endorsed to contain, the following provisions for Automobile Liability, Commercial General Liability, and Contractor’s Pollution Liability coverage:
    - (i) The Contractor’s insurance coverage shall be the primary insurance with respect to RLG, CMO and their respective officers, directors, employees, agents and representatives. Any insurance, self-insurance, or insurance pool coverage maintained by RLG or CMO shall be more than the Contractor’s insurance and shall not contribute with it;
    - (ii) Coverage shall state that the Contractor’s insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer’s liability; and
    - (iii) Policies for the above must be kept continuous throughout the term of this MSA. If any of the above policies are being cancelled or expiring, the Contractor shall notify RLG and CMO in writing at least sixty (60) calendar days prior to the effective date of cancellation or expiry. The Contractor shall notify RLG and CMO in writing at least sixty (60) calendar days prior to the effective date of the new policy replacing another policy. RLG reserves the right to request such higher limits of insurance or other types of policies appropriate to the Work as RLG may reasonably require.

- (e) If the Contractor fails to provide or maintain insurance as required herein or elsewhere in this MSA, then RLG shall have the right but not the obligation to provide and maintain such insurance and give evidence thereof to the Contractor. RLG's cost thereof shall be payable by the Contractor to RLG on demand and RLG may recover this amount in accordance with Section 6.5.
- (f) The Contractor shall cause all Subcontractors to obtain and maintain the same insurance requirements as stated herein for the Contractor.

## **8.8 Changes to MSA**

- (a) Changes to this MSA, including any Statement of Work, may only be made in writing signed by duly authorized representatives of both Parties, except for a Change Directive.
- (b) No Party shall have any obligation with respect to the implementation of a Change Order unless or until the Parties have reached agreement in writing and the Parties have entered into a Statement of Work in respect of such change, except for a Change Directive.

## **8.9 Change Management**

- (a) RLG shall be entitled, in its sole discretion, to make changes, alterations and/or amendments to the Work including removing all or a portion of the Work under any Statements of Work. If RLG deems it prudent to require a change in the Work, RLG shall notify the Contractor of the proposed change in the Work in writing ("Change Notice").
- (b) A Change Notice shall describe the change in the Work in sufficient detail to enable the Contractor to calculate and provide a change in cost estimate (the "Cost Estimate"), if any. The Contractor agrees that the Cost Estimate shall be provided in writing to RLG within a period of fifteen (15) Business Days or other timeline agreed to with RLG in writing from the date of receipt of the Change Notice.
- (c) The Cost Estimate shall include but is not limited to the following as it relates to the change in Work:
  - (i) A comment on whether relief from compliance with Contractor's obligations under this MSA is required;
  - (ii) Any impact on Contractor's ability to meet its obligations and the terms and conditions set out in this MSA, including any requirements of this MSA that would apply to the change in the Work and for which there could be a breach if the change in the Work was implemented;
  - (iii) Any amendment that may be required to be made to the terms and/or conditions of this MSA; and
  - (iv) Any potential or actual change in the Contractor's costs.
- (d) As soon as practicable after RLG receives the Cost Estimate, the Parties shall act in good faith to resolve the issues set out in the Cost Estimate and Change Notice, including providing evidence that the Contractor has used commercially reasonable efforts, such as (where practicable) the use of competitive quotes with its subcontractors to minimize any increase in costs and maximize any reduction in costs, demonstrating that any expenditure

to be incurred or avoided has been determined in a cost effective manner, and any other evidence deemed appropriate by the Contractor and RLG.

- (e) If the Contractor does not intend to use its own resources to implement any change in the Work, subject to prior written approval of RLG, the Contractor may subcontract the required resources with the objective of ensuring that it obtains best value for money when procuring any Work, services, supplies, materials, or equipment required in relation to the change in the Work.
- (f) If the Parties agree to the Cost Estimate and Change Notice, as may be modified, amended or altered by the Parties, the Parties shall document the applicable changes to the Statement of Work (“Change Order”) in respect of such modified, amended or altered Cost Estimate and Change Notice within five (5) Business Days after the Contractor receives confirmation from RLG that such Cost Estimate and Change Notice are accepted. For clarity, the Cost Estimate and Change Notice shall not be implemented, unless and until, the Parties have entered into a Change Order in respect of such Cost Estimate and Change Notice or RLG has issued a Change Directive.
- (g) Unless the Parties agree to a different implementation timeframe, in writing, any Change Order shall be implemented within fifteen (15) Business Days after the Change Order is signed by both Parties.
- (h) Any change in the Work that causes, or is expected to cause, the Contractor’s costs or any subcontractor’s costs to decrease shall be treated as a benefit to the Contractor with the expectation and understanding that RLG will also realize a proportional financial benefit in an amount to be negotiated in good faith between the Parties. If such an understanding cannot be reached, the Parties agree to resolve the difference through the dispute resolution provisions set out in this MSA.
- (i) Contractor’s Proposed Change in the Work:
  - (i) If the Contractor seeks to propose a change in the Work in accordance with an express entitlement in this MSA, it must notify RLG in writing. The Contractor, in proposing a change in the Work, agrees to provide RLG with the following information and details in writing:
    - A description of the proposed change in the Work in sufficient detail, to enable RLG to evaluate it in full;
    - Reasons in support of the Contractor’s proposed change in Work;
    - Set out the details and implications of the change in the Work, including any anticipated change in the costs of providing the Work by the Contractor;
    - Indicate whether a variation to the Contract Price is proposed (and, if so, provide a detailed Cost Estimate of such proposed change);
    - Identify an appropriate timeframe for the implementation of the change in Work; and
    - Any other information RLG may request, acting reasonably.



- (ii) RLG agrees that it shall, in a timely manner, and in any event no later than fifteen (15) Business Days, evaluate the Contractor's proposed change in the Work, considering all relevant issues, including whether:
  - A reduction or increase in the Contract Price will occur;
  - The change affects the quality of the Work or the likelihood of successful delivery of the amended Work;
  - The change will interfere with any relationship of RLG with third parties;
  - The financial strength of the Contractor is sufficient to perform the change; and
  - The change materially affects the risks or costs to which RLG is exposed.
- (iii) If RLG accepts the Contractor's proposed change in the Work, the change in the Work shall be set out in a Change Order documenting all changes to the scope of Work and/or terms and conditions of this MSA, including an appropriate timeframe for the implementation of the change in the Work. Where RLG accepts the Contractor's change proposal RLG shall notify the Contractor in a timely manner.
- (iv) If RLG rejects the Contractor's change proposal, RLG shall provide written reasons outlining the basis upon which the change in Work is not accepted by RLG.
- (v) Unless RLG specifically agrees to an increase in the Contract Price in writing, there shall be no increase in price because of a change in the Work proposed by the Contractor.
- (vi) Any change in the Work proposed by the Contractor and accepted by RLG that causes or that is expected to cause the Contractor's costs or any subcontractor's costs to decrease shall be treated as a benefit with expectation that RLG will also realize a proportional financial benefit in an amount to be negotiated in good faith between the Parties. The Parties agree to take all reasonable steps to negotiate the proportional financial benefit in good faith, failing which the Parties agree to resolve the difference through the dispute resolution provisions set out in this MSA.
- (j) Except as specifically confirmed in writing by RLG in accordance with this Section 8.9, all Work shall remain unaltered and shall be performed in accordance with the terms and conditions of this MSA.
- (k) Change Directive:
  - (i) If RLG requires the Contractor to proceed with a change in the Work, including removing all or a portion of the Work under any Statements of Work, prior to RLG and the Contractor agreeing upon the related adjustment in this MSA, RLG may issue a written instruction authorizing and directing the Contractor to proceed with such change ("Change Directive").

- (ii) If RLG issues a Change Notice pursuant to Section 8.9(a), and the Contractor does not respond pursuant to Section 8.9(b), RLG may at any time issue a Change Directive pursuant to this Section 8.9(k) for such changes by providing notice to the Contractor that the Change Notice shall be deemed to be a Change Directive.
- (iii) Upon receipt of a Change Directive, the Contractor shall proceed promptly with performance of the change in the Work and the Contractor shall be paid the agreed costs resulting from the change in the Work.
- (iv) The Contractor shall promptly provide RLG with an estimate of the direct costs contemplated in the Change Directive, as well as the impact on the Work schedule, if applicable, but in no event later than fifteen (15) Business Days after receipt of the Change Directive. If the Contractor, acting reasonably, requires more time to provide such estimate and impact, it may say so and provide a date when such estimate and impact will be provided. Unless otherwise agreed to in writing by the Parties, the Contractor shall provide such estimate and impact within twenty (20) Business Days after the receipt of a Change Directive. RLG shall respond promptly to the Contractor's submission of such estimate and impact no later than ten (10) Business Days after the date of such submission. Thereafter, each Party shall respond promptly to the other Party's last submission, but in no event later than ten (10) Business Days after the date of such last submission.
- (v) If RLG and the Contractor do not agree on any proposed adjustment associated with a Change Directive, the Parties shall address the disagreement pursuant to Section 7.8.
- (vi) If at any time after the start of the Work directed by a Change Directive, RLG and the Contractor reach agreement on the direct costs and/or any other amendment to this MSA required to accommodate the change, such agreement shall be recorded in a Change Order.

#### **8.10 Conflicts and Omissions**

- (a) Neither Party to this MSA shall take advantage of any apparent error or omission in this MSA or any Statement of Work. Any Work not herein specified which is necessary for the proper performance and completion of any Work contemplated, which may be implied as included in this MSA, at the sole discretion of RLG acting reasonably, shall be done by the Contractor as if such Work had been specified and shall not be construed as a variation of the Work.
- (b) If the Contractor discovers any provision in this MSA which is contrary to, or inconsistent with any Applicable Law, the Contractor shall forthwith report the inconsistency or conflict to RLG in writing and shall not perform the Work impacted by such inconsistency or conflict until it receives instructions from RLG.

#### **8.11 Duty to Notify**

If the Contractor becomes aware of any problem and/or condition which may adversely affect the performance of the Work, or the ability of the Contractor to conform with any requirements for the term of this MSA, then the Contractor shall promptly, and in no event more than two (2) Business Days after becoming aware of same, notify RLG, in writing, of such occurrence and of the nature of the relevant problem or condition in sufficient detail to permit RLG to understand the nature and scope thereof. In any

event, the Contractor shall provide such written progress reports to RLG as reasonably requested by RLG but not less frequently than monthly unless otherwise agreed to in writing by RLG.

## **8.12 Intellectual Property**

- (a) Subject to Section 8.12(b) of this MSA, all Receiving Facility Data and other materials (including any Intellectual Property Rights residing therein) obtained by or made available to the Contractor in connection with this MSA (collectively, "Documentation") are the property of RLG or such other entity as identified by RLG.
- (b) RLG acknowledges and agrees that any Documentation, regardless of whether the property of RLG pursuant to Section 8.12(a), may be a record for which the Contractor may have record retention and record destruction obligations required by Applicable Laws or imposed by governmental authorities. Where such requirements imposed on the Contractor conflict with requirements that RLG may have with respect to the same Documentation, the Contractor shall not be considered to be breaching this MSA, and the Parties will cooperate fully in resolving the matter.
- (c) Contractor shall only use and copy the Documentation as is necessary to perform the Work in accordance with this MSA and for its own internal purposes (with the exception of any Personal Information (defined under Section 8.13(a) below), which will at all times be handled strictly in accordance with Section 8.13(e)). The issue or availability of the Documentation does not confer a licence or grant of any Intellectual Property Rights for any other purposes.
- (d) Title to and all property right, title and interest in the Documentation and all Intellectual Property Rights in the Work, including all Intellectual Property Rights and personal property rights in or to the foregoing, shall transfer and are hereby assigned to RLG free and clear of all encumbrances upon RLG making any payment in accordance with this MSA which is attributable, either in whole or in part, to the relevant Work.
- (e) The Contractor acknowledges and agrees that RLG shall have full ownership of all personal property rights and Intellectual Property Rights in any and all Documentation and all Intellectual Property Rights in the Work in accordance with the terms of this MSA. The Contractor shall, if so requested, at any time or times, execute such documents and perform such acts as may be required to fully and effectively assure RLG, or any third party, the rights referred to in this Section 8.12(e).
- (f) The Contractor hereby waives all rights, including any and all moral rights, in and to the Work and Documentation and shall obtain such waivers from all applicable personnel of the Contractor. Where applicable, the Contractor shall endeavour to obtain from all of the subcontractors and personnel of the Contractor the rights and waivers necessary to transfer the ownership of the Work and Documentation (including any Intellectual Property Rights therein or related thereto) to RLG.
- (g) The Contractor acknowledges and agrees that RLG shall be entitled to use and otherwise exploit the Documentation and all Intellectual Property Rights in the Work without restriction. To the extent the Contractor owns or possesses any Intellectual Property Rights required or useful for RLG to exploit the Documentation and all Intellectual Property Rights in the Work, the Contractor hereby grants to RLG an irrevocable, perpetual, worldwide, non-exclusive, royalty-free, fully paid-up, transferable, sublicensable license to use such Intellectual Property Rights to exploit the Documentation and all Intellectual

Property Rights in the Work. The Contractor shall enable RLG to exploit the Work and Documentation and any component thereof and to enjoy the full exercise of the rights conferred under this Section 8.12, including by, at RLG's request, making available or delivering to RLG such technology (including software and data) in the Contractor's possession, custody or control as is required for RLG to exploit the Documentation and all Intellectual Property Rights in the Work.

### 8.13 Confidentiality Covenant

- (a) "Confidential Information" means information of or relating to a party (the "Disclosing Party") that is designated as confidential or that reasonably should be understood to be confidential given the nature of the information and the circumstances of disclosure and has or will come into the possession or knowledge of the other party (the "Receiving Party") whether such information is or has been conveyed verbally or in written or other tangible form, and whether such information is acquired directly or indirectly such as in the course of discussions or other investigations by the Receiving Party. Without limiting the foregoing, Confidential Information includes all technical, financial, and business information, ideas, concepts or know-how, or relating to Work performance and Work delivery and the terms of this MSA. Notwithstanding the foregoing, except with respect to any information about an identifiable individual (including information that could, alone or in combination with other information, identify an individual) ("Personal Information"), Confidential Information does not include information that: (i) was already known to the Receiving Party, without obligation to keep it confidential, at the time of its receipt from the Disclosing Party; or (ii) is or becomes available to the public other than as a result of a breach hereof by the Receiving Party; provided that the foregoing exceptions will not apply with respect to any personal information that is subject to privacy laws.
- (b) The Receiving Party shall:
  - (i) take all measures reasonably required to maintain the confidentiality and security of the Confidential Information of the Disclosing Party;
  - (ii) only collect, use, disclose, store, retain, copy or reproduce Confidential Information for the purpose of exercising or performing its right or obligations under this MSA;
  - (iii) limit access to any Confidential Information to employees, authorized agents, affiliates, representatives or subcontractors of the Receiving Party (collectively, "Representatives") to the extent, and only to the extent, they have a need to know the Confidential Information in order for Receiving Party to exercise its rights or perform its obligations under this MSA and who are bound by a legal obligation to protect the received Confidential Information from unauthorized access, use or disclosure at a comparable level to what is required under Applicable Laws and this MSA; and
  - (iv) be responsible for any breach of this MSA by any of its Representatives.
- (c) Notwithstanding the above, the Receiving Party may disclose Confidential Information of the Disclosing Party to the extent required by a court of competent jurisdiction or other governmental authority or otherwise as required by Applicable Law, provided that, unless prohibited by Applicable Law, the Receiving Party gives the Disclosing Party an

opportunity to oppose the disclosure or to seek a protective order protecting such Confidential Information prior to any such disclosure.

- (d) Upon expiry or termination of this MSA, or upon request by the Disclosing Party, the Receiving Party will return to the Disclosing Party, or irrecoverably destroy, any Confidential Information of the Disclosing Party. However, the Parties may retain one (1) copy of the MSA and any Statements of Work under the MSA solely for their internal purposes, provided that the confidentiality obligations of the Receiving Party under this MSA shall continue to apply in respect of such documents retained by the Receiving Party.
- (e) Without limitation to this Section 8.13, the Parties acknowledge that the nature of the Work is not intended to grant Contractor direct access to Personal Information. In the event that Contractor has access to any Personal Information (with the exception of business contact information of RLG and its representatives), any such access would be incidental. To the extent that Contractor has incidental access to Personal Information, Contractor will ensure that such Personal Information will: (i) not be used or disclosed for any purpose; (ii) be handled in accordance with Applicable Laws relating to privacy, confidentiality, security, and anti-spam; and (iii) otherwise be treated as Confidential Information in accordance with the provisions of this Section 8.13.
- (f) Each Party agrees and acknowledges that any violation of this Section 8.13 may cause irreparable injury to the other Party and that, in addition to any other remedies that may be available (in law, in equity or otherwise), the injured Party shall be entitled to seek an injunction, specific performance or other equitable relief against the threatened breach of this Section 8.13 or the continuation of any such breach, without the necessity of proving actual damages or posting any bond or other security.

#### **8.14 Severability**

- (a) If, for any reason, any part, term, or provision of this MSA is held by a court of the Province of Ontario to be illegal, void or unenforceable, the validity of the remaining provisions shall not be affected, and the rights and obligations of the Parties shall be construed and enforced as if this MSA did not contain the particular provision held to be invalid.
- (b) If it should appear that any provision hereof conflicts with any statutory provision of the Province of Ontario or Government of Canada, said provision, which may conflict therewith, shall be deemed inoperative and null and void insofar as it may be in conflict therewith, and shall be deemed modified to conform to such statutory provisions.

#### **8.15 Survival**

All provisions of this MSA which expressly or by their nature survive the expiry or termination of this MSA shall survive the expiry or termination of this MSA, including the following: Section 3.1 (Work not Guaranteed), Section 6.8 (Limited Liabilities), Section 7.3 (Responsibility for Damages/Indemnification), Section 7.7 (MSA Termination), Section 8.12 (Intellectual Property) and Section 8.13 (Confidentiality Covenant).

#### **8.16 Further Assurances**

Each Party shall, at its expense, do, execute and deliver, or cause to be done, executed and delivered, such further acts and documents as the other Party may reasonably request from time to time for the purpose of

giving effect to this MSA or carrying out the intention or facilitating the performance of the terms of this MSA.

### **8.17 Revisions to this MSA**

Except as otherwise expressly stated in this MSA, no amendment, supplement, modification or waiver or termination of this MSA and, unless otherwise specified, no consent or approval by any Party, is binding unless executed in writing and signed by an authorized representative of each Party. Notwithstanding the foregoing, RLG may make any revisions to this MSA necessary to comply with amendments to the Regulation or other notices, interpretations, rulings, directives or other communications issued pursuant to the Regulation (collectively, “Communications”), and RLG will provide the Contractor with written notice of such revisions as soon as reasonably practicable. Such revision shall automatically have effect from the date specified in the notice, which date shall be the date RLG reasonably determines is necessary to comply with the Regulation, as so amended, or with such Communications. RLG shall make commercially reasonable efforts to consider and respond to (and, if appropriate, as reasonably determined by RLG, accommodate) reasonable written feedback related to such revisions received from the Contractor within thirty (30) calendar days of receiving such feedback.

### **8.18 Counterparts**

This MSA may be executed in counterparts, each of which shall be deemed an original and which, taken together, shall constitute one and the same instrument. Each counterpart of this MSA may be executed by electronic signature. RLG and the Contractor shall execute and deliver such further and other documents and do and perform such further and other acts or things as may be necessary or desirable to give full effect to this MSA.

### **8.19 Notice**

Unless expressly stated otherwise, any notice, request, consent, claim, demand, waiver or other communication required or permitted to be given in connection with this MSA must be given in writing and will be given by hand or sent by courier, or emailed, in each case addressed as follows, and will be deemed to have been received on the day of receipt if by hand or courier, or if given by email twenty-four (24) hours after confirmation of email transmission.

#### **To RLG:**

250 University Avenue, Suite 228, Toronto, Ontario M5H 3E5

Attention: ●

Email: ●

To Contractor:

**[Contractor]**

**[Address Line 1]**

**[Address Line 2]**

Attention: ●

Email: ●

## ARTICLE 9 MSA SCHEDULES

### 9.1 MSA Schedules

Attached to and forming an integral part of this MSA are the following Schedules:

- (a) Schedule A – Statement of Work;
- (b) Schedule B – Supplier Code of Conduct;
- (c) Schedule C – RFP; and
- (d) Schedule D – Contractor’s Response to RFP.

**IN WITNESS WHEREOF**, the terms and conditions of this Master Services Agreement are acknowledged and agreed to by the Parties as of the date first listed above.

**[Contractor]**

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

We have authority to bind the Contractor.

**RLG Systems Canada Inc.**

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

We have authority to bind RLG.



**ATTACHMENT TO SCHEDULE A**  
**STATEMENT OF WORK FOR RECEIVING FACILITIES FOR BLUE BOX MATERIAL**  
**for**  
**MASTER SERVICES AGREEMENT**  
**Number 2022 - ●**

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## STATEMENT OF WORK

### STATEMENT OF WORK NUMBER: ●

This statement of work (“Statement of Work”) is given pursuant to Section 3.1 of the Master Services Agreement (“MSA”), made as of ● BETWEEN ● (“Contractor”) and RLG Systems Canada Inc., a corporation incorporated under the laws of Ontario, having a place of business at 250 University Avenue, Suite 228, Toronto, Ontario M5H 3E5 (“RLG”, and with the Contractor, each a “Party” and collectively the “Parties”), with an effective date of ● (“Statement of Work Effective Date”).

NOW, THEREFORE, in consideration of the promises, mutual covenants, and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties acknowledge and agree to all covenants, terms and conditions as stipulated in the MSA, as follows:

1. Work required by this Statement of Work includes (i) receiving Inbound Vehicles containing Blue Box Materials from Eligible Sources, depots and public space receptacles located in the Collection Catchment Area and (ii) transferring Blue Box Material onto Outbound Vehicles for PROs, all beginning on the earliest Statement of Work Eligible Community Service Commencement Date.
2. Beginning on the applicable Statement of Work Eligible Community Service Commencement Date listed in Exhibit 2, the Contractor shall perform the Work required by this Statement of Work for each Eligible Community listed in Exhibit 2.
3. The Work under this Statement of Work shall include all the Contractor’s other obligations under the MSA.
4. The time period during which the Work required by this Statement of Work is to be performed is seven (7) years from the earliest Statement of Work Eligible Community Service Commencement Date listed in Exhibit 2. Pursuant to Section 2.1(b) of the MSA, RLG may extend this Statement of Work for up to three (3) further periods of one (1) year each by issuing a written notice to the Contractor not less than one hundred and eighty (180) calendar days before the expiration of the initial term or any such additional term or terms. The initial term and any such additional term or terms are herein referred to as the “SoW Term”.
5. The full compensation for the Work under this Statement of Work shall be as set forth in Exhibit 4, which excludes Value Added Taxes. Value Added Taxes are payable by RLG to the Contractor on the price of the Statement of Work.
6. Capitalized terms not defined in this Statement of Work shall have the meaning set out in the MSA.
7. This Statement of Work forms part of, and is subject to and governed by, the MSA.
8. Attached and forming an integral part of this Statement of Work are the following exhibits:  
  
Exhibit 1 – Scope of Work and Other Provisions;  
Exhibit 2 – Collection Catchment Area, Receiving Facility and Service Commencement Dates and Blue Box Material Streams by Eligible Community;  
Exhibit 3 – Inbound Blue Box Material Sampling Protocol; and  
Exhibit 4 – Compensation.

**[remainder of page intentionally left blank]**

**IN WITNESS WHEREOF**, the terms and conditions of this Statement of Work are acknowledged and agreed to by the Parties as of the date first listed above.

**[Contractor]**

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

We have authority to bind the Contractor.

**RLG Systems Canada Inc.**

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

We have authority to bind RLG.

## EXHIBIT 1: SCOPE OF WORK AND OTHER PROVISIONS

### ARTICLE 1 DEFINITIONS

#### 1.1 Definitions

“BALED” means the compaction of Single Stream, Stream 1 or Stream 2 Blue Box Material into bales with a sufficient number of ties to ensure bale integrity during transport such that for every load a minimum of 18 tonnes of Blue Box Material can be transported on a 53 foot transport trailer.

“HAZARDOUS WASTE” means: (i) a hazardous and special product or HSP as defined by Ontario Regulation 449/21 under the (Ontario) Resource Recovery and Circular Economy Act, 2016; or (ii) a hazardous waste as defined in Revised Regulations of Ontario 1990, Regulation 347 under the (Ontario) Environmental Protection Act.

“INBOUND VEHICLE” means a vehicle directed by CMO or RLG to deliver Blue Box Material collected from Eligible Sources and from public space receptacles and at depots in the Collection Catchment Area to an RF.

“NON-BLUE BOX MATERIAL” means material that is not Blue Box Material.

“OUTBOUND VEHICLE” means a vehicle directed by a PRO to pick-up Blue Box Materials from an RF.

“SINGLE STREAM” means STREAM 1 and STREAM 2 materials combined.

“SOW TERM” has the meaning set out in Section 4 of this Statement of Work.

“STATEMENT OF WORK EFFECTIVE DATE” has the meaning set out in the recitals to this Statement of Work.

“STREAM 1” has the meaning set out in Section 3.3(c)(i) of Exhibit 1 to this Statement of Work.

“STREAM 2” has the meaning set out in Section 3.3(c)(ii) of Exhibit 1 to this Statement of Work.

“TWO STREAM” means STREAM 1 and STREAM 2 materials kept separate.

“VALUATION TYPE” or “VALTYPE” means the source of Blue Box Material including one of, or a combination of more than one of single-family residences, multi-family residences, long-term care homes, retirement homes, schools, depots and public space. The ValType shall be recorded on weighscale tickets at an RF.

## ARTICLE 2 SCOPE OF RECEIVING FACILITY SERVICES

### 2.1 Scope of Receiving Facility Services

- (a) The scope of RF services is broken into the following parts:
  - (i) Receive collected Blue Box Material from Inbound Vehicles;
  - (ii) Weigh each compartment of Inbound Vehicle and provide all inbound weight details;
  - (iii) Take samples of Blue Box Material delivered to RFs as directed by RLG and store the samples in a secure area;
  - (iv) Consolidate the Blue Box Material for pickup by one or more PROs, including in the following forms:
    - Single Stream – loose or Baled;
    - Stream 1 – loose or Baled; and/or
    - Stream 2 – loose or Baled.
  - (v) Load Blue Box Material into Outbound Vehicles, including loading loose materials into rolloffs or walking floor trailers and loading Baled materials onto trailers, and provide all outbound weight details.
- (b) The Contractor shall retain responsibility for, and control of, Blue Box Material from the point of receiving from an Inbound Vehicle through to loading onto an Outbound Vehicle. Should Blue Box Material be lost or damaged while located at the RF, the value of same shall be the responsibility of the Contractor. RLG will, acting reasonably, determine the value of such lost or damaged Blue Box Material and will deduct the value from payments due to the Contractor. For clarity, a reduction in moisture content caused by snow and rain does not constitute lost or damaged.
- (c) Ownership of the Blue Box Material received at an RF by the Contractor shall not transfer to the Contractor.
- (d) RLG shall not be obligated to join or instigate litigation to protect the right of the Contractor. The Contractor may independently enforce its rights under this Statement of Work against third party violators, including but not limited to seeking injunctive relief.

## ARTICLE 3 SERVICE PROVISION

### 3.1 Receiving Facility Services

- (a) The Contractor shall receive Blue Box Material from Inbound Vehicles at RFs in accordance with this Statement of Work beginning on the Statement of Work Eligible Community Service Commencement Date for each Eligible Community listed in Exhibit 2.
- (b) The Contractor shall provide the RFs listed in Exhibit 2, which shall not be changed without RLG approval.
- (c) The Contractor shall provide twenty-five per cent (25%) contingency receiving capacity at each RF to minimize delays in unloading Blue Box Material from Inbound Vehicles. The contingency receiving capacity shall be calculated by stream using an average of two days of incoming Blue Box Material. For clarity, the cost and expense of providing for such contingency receiving capacity shall be included in, and form part of, the Unit Prices set out in Section 1.2 of Exhibit 4.
- (d) All RFs shall be maintained in a clean and sanitary manner, as determined by RLG in its sole discretion, including maintaining work areas free of loose materials and slip and trip hazards and removing organic material from receiving, baling and loading areas.
- (e) All RFs shall be fenced to limit litter extending beyond the property line. The Contractor will ensure that RF grounds are cleaned daily to capture loose materials and litter. The Contractor shall monitor surrounding properties within 200 metres of the RF's boundary and pick up litter as required. The Contractor may be relieved of its obligation to pick up litter on surrounding properties upon written approval by RLG.
- (f) All RFs shall have appropriate safety markings, in accordance with Applicable Law and good industry practice.
- (g) All facilities and equipment used at RFs shall be maintained in a condition compliant with all Applicable Law, good industry practice, and in accordance with the MSA and Statement of Work.
- (h) The Contractor may be required to place signage on the exterior of an RF identifying the RF as such. Any such signage shall be provided by RLG and installed by the Contractor at no cost to RLG.
- (i) All RF weigh scales must be of sufficient length to accommodate the longest Inbound Vehicles or Outbound Vehicles delivering or receiving Blue Box Material (i.e., vehicles must position all axles on the weigh scale simultaneously). For the purposes of weigh scale length, the length of Inbound Vehicles and Outbound Vehicles will not exceed seventy-five (75) feet.
- (j) When receiving an Inbound Vehicle at an RF, the Contractor shall adhere to the following steps:



- (i) The Contractor shall direct an Inbound Vehicle to pass over the weighscale, without exception, and obtain all required information from the Inbound Vehicle operator such that a weighscale ticket with all required data can be generated;
- (ii) The Contractor shall direct an Inbound Vehicle operator go to the designated tipping floor area of an RF. Each of the Stream 1 materials and Stream 2 materials must be deposited into the appropriate tipping floor area. The Contractor's tipping floor supervisor shall instruct the Inbound Vehicle operator to only empty a compartment when permitted;
- (iii) The Contractor shall instruct selected Inbound Vehicles operators to return to the weighscale after emptying their first compartment to get a split weight (estimated 10% of Inbound Vehicles by Eligible Community will be directed to split weigh). After split weighing the Inbound Vehicle, the Contractor shall instruct the Inbound Vehicle operator to return to the tipping floor area to empty the contents of the second compartment of the Inbound Vehicle. The Contractor shall then instruct the Inbound Vehicle operator to return to the weighscale to obtain a tare weight;
- (iv) The Contractor shall ensure that Inbound Vehicle operators empty their Stream 1 and Stream 2 compartments on every trip to an RF. The Contractor must ensure each compartment of an Inbound Vehicle is completely emptied before an Inbound Vehicle moves to the next tipping floor area and before an Inbound Vehicle leaves an RF. The Contractor shall not permit an Inbound Vehicle operator to clean out an Inbound Vehicle in a manner that causes or may cause Stream 1 materials to be commingled with Stream 2 materials or vice versa;
- (v) If an Inbound Vehicle experiences a bulkhead failure, the Contractor's tipping floor supervisor shall work with the Inbound Vehicle operator to separate Stream 1 materials from Stream 2 materials; and
- (vi) Every Inbound Vehicle must have a tare weight taken once every two (2) calendar months without exception. To alleviate the potential for backup and delays on the weighscale, tare weight timing shall be staggered.
- (k) The Contractor shall weigh all Blue Box Material inbound to an RF and shall, without exception, record all required information as per Section 4.1(d).
- (l) The Contractor shall provide a copy of an Inbound Vehicle's weighscale ticket to the Inbound Vehicle operator.
- (m) The Contractor shall supply and maintain the equipment and personal necessary to unload and receive Blue Box Material from Inbound Vehicles servicing Eligible Sources, Inbound Vehicles transferring Blue Box Material from depots and Inbound Vehicles servicing public space receptacles. Inbound Vehicles can include but are not limited to: top loading, side loading, rear loading and front loading vehicles (all with or without compaction); rolloff containers; and five tonne trucks with carts (as may be used by depots).
- (n) The Contractor shall receive Single Stream Blue Box Material separately from Two Stream Blue Box Material. The Contractor shall provide tipping floors for Single Stream Blue Box Material and Two Stream Blue Box Material separated by a physical barrier of a semi-

permanent or permanent construction. The Contractor shall not mix Single Stream Blue Box Material with Two Stream Blue Box Material.

- (o) The Contractor may commingle Single Stream Blue Box Material from Eligible Sources, depots and public space receptacles on a tipping floor.
- (p) The Contractor may commingle Stream 1 Blue Box Material from Eligible Sources, depots and public space receptacles on a tipping floor. The Contractor may commingle Stream 2 Blue Box Material from Eligible Sources, depots and public space receptacles on a tipping floor. The Contractor shall provide tipping floors for Stream 1 Blue Box Material and Stream 2 Blue Box Material separated by a physical barrier of a semi-permanent or permanent construction. The Contractor shall not mix Stream 1 Blue Box Material with Stream 2 Blue Box Material.
- (q) The Contractor shall make best efforts to remove any Hazardous Waste from inbound Blue Box Material and shall manage it according to Applicable Law. The reasonable cost of disposal of such Hazardous Waste shall be borne by RLG when supported by evidence of such disposal.
- (r) The quantity of Blue Box Material received under this Statement of Work may fluctuate based on various factors, including but not limited to:
  - (i) an increase or decrease in the number of Eligible Sources in an Eligible Community listed in Exhibit 2;
  - (ii) an increase or decrease in the quantity of Blue Box Material available for collection; and/or
  - (iii) an increase or decrease in the quantity of Blue Box Material set out for collection by Eligible Sources.

and there shall be no increase in the Unit Prices or other compensation paid to the Contractor as a result of such fluctuations.

- (s) If any RF will exceed its permitted daily capacity as a result of an increases in the quantity of Blue Box Material received, the Contractor shall, at no additional cost to RLG, provide additional capacity or an alternative RF to manage the daily quantity of Blue Box Material. If an alternative RF is proposed, the Contractor shall continue to meet the maximum driving time required to reach an RF pursuant to Section 3.1(b).
- (t) Subject to written approval from RLG, the Contractor may reject inbound Blue Box Material. The Contractor shall segregate the Blue Box Material and, within four (4) hours of receiving the Blue Box Material, forward to RLG photos of the Blue Box Material together with the Contractor's reasons for rejecting the Blue Box Material. Where RLG authorizes rejection of the Blue Box Material in writing, RLG will direct the Contractor regarding handling of the Blue Box Material. No Blue Box Material may be rejected without RLG's written approval which shall not be unreasonably withheld. The reasonable costs incurred by Contractor to remove the rejected inbound Blue Box Material from the Receiving Facility and dispose of such rejected inbound Blue Box Material according to Applicable Law shall be borne by RLG when supported by evidence of such disposal.

- (u) The Contractor shall ensure that all RFs are equipped with a broom, shovel, and supply of absorbent agents for the purpose of cleaning up any spills and safely disposing of all spilled liquid or debris. The Contractor shall immediately clean up all spills of liquid or debris, at its own expense, except as set out below, and notify RLG within two (2) hours for regular spills, including Blue Box Material, and one (1) hour for spills of pollutants, including hydraulic oil, engine oil and any other type of oil or fuel, or as soon as reasonably practical. Contractor shall keep accurate and complete records of each occurrence of spillage and of its clean up, including photographs, and shall make such records available to RLG on request, and, if requested by RLG, as part of a regular report to be delivered with such frequency as requested by RLG (but not more frequently than weekly). Contractor expressly acknowledges it is solely responsible for any violations of Applicable Law that may result from such spillage. The Contractor shall pay all costs related to such clean up and safe disposal unless RLG determines a spill was caused by a collection contractor delivering Blue Box Material or a PRO picking up Blue Box Material. If RLG makes such a determination, the Contractor may invoice RLG for its reasonably incurred costs related to such clean up and safe disposal.
- (v) Without limiting Section 3.1(u) of this Exhibit 1, any discharge of liquid Hazardous Waste or oils that may occur will be promptly cleaned up and removed by Contractor and will be remediated by Contractor at its sole expense. Contractor will comply with all Applicable Laws in respect of ground water or drainage systems safety and standards. In the event of a reportable spill or the disposal of pollutants and spill clean up materials, the Contractor shall immediately notify the Ministry of the Environment, Conservation and Parks (MECP) Spills Action Centre (SAC) at Toll-free: 1-800-268-6060 (24 hrs).
- (w) The Contractor shall act, and shall ensure that all Persons involved in performing the Work act, courteously and appropriately, as determined by RLG acting reasonably, at all times during the performance of the Work.
- (x) The Contractor shall provide RLG with a copy of each claim for damage received, where damages have been sustained in relation to this Statement of Work, within two (2) Business Days of receipt of a claim and written confirmation that a claim for damage was resolved within thirty (30) calendar days of receipt.

### **3.2 Receiving Facility Working Days and Hours**

- (a) RFs shall be open to receive Inbound Vehicles and Outbound Vehicles on Business Days between the hours of 7:00 a.m. and 6:00 p.m. unless otherwise approved by RLG. RFs will remain open to accommodate delayed collection vehicles until 9:00 p.m. on an exceptional basis with payment at \$250 per hour in respect of each hour after 6:00 p.m. Partial hours exceeding thirty (30) minutes shall be rounded up. RLG reserves the right to alter the required hours of operation for RFs by Change Notice.
- (b) Statutory Holiday means:
  - (i) New Year's Day
  - (ii) Family Day
  - (iii) Good Friday

- (iv) Victoria Day
- (v) Canada Day
- (vi) Civic Holiday
- (vii) Labour Day
- (viii) Truth and Reconciliation Day
- (ix) Thanksgiving Day
- (x) Christmas Day
- (xi) Boxing Day
- (c) The Contractor need not receive Inbound Vehicles and Outbound Vehicles at RFs on Statutory Holidays unless the Contractor is otherwise directed by RLG in a Change Directive.
- (d) The Contractor shall bear, at its own expense, any additional or unforeseen costs including, but not limited to, overtime rates for extra forces, and cost for any additional requirement or services as may be necessary to ensure continuous and uninterrupted service in accordance with Contractor's obligations under the MSA.

### **3.3 Blue Box Material to be Received**

- (a) The Contractor shall receive Blue Box Material collected from Eligible Sources, public space receptacles and at depots delivered to an RF in Inbound Vehicles.
- (b) Without limitation to Section 5.1(c) of the MSA, the Contractor will not scavenge, or permit any Person (including, for clarity, its employees, agents, and Subcontractors) to scavenge any Blue Box Material that has been received during Contractor's performance of the Work.
- (c) Blue Box Material will be delivered to an RF by an Inbound Vehicle in a Single Stream or Two Streams, as set out in Exhibit 2 for each Eligible Community. An RF must be able to accommodate all of the types of Blue Box Material streams collected in the Eligible Communities the RF serves. Where Blue Box Material is delivered to an RF in Two Streams, the streams are as follows:
  - (i) Stream 1 – Paper Products and the following types of Paper Packaging:
    - paper laminates
    - kraft paper carry-out bags
    - kraft paper – non-laminated
    - corrugated cardboard; and
    - boxboard and other paper packaging.
  - (ii) Stream 2 – Plastic Packaging, Metal Packaging, Glass Packaging and the following types of Paper Packaging:

- gable top containers; and
  - aseptic containers.
- (d) RLG is not responsible for any differences between the anticipated quantities of Blue Box Material and the actual quantities of Blue Box Material received at the RFs. There shall be no increase in the Unit Prices or other compensation paid to the Contractor as a result of such differences.
- (e) The Contractor shall not mix Blue Box Material received at an RF from a source other than an Inbound Vehicle with Blue Box Material received at an RF from Inbound Vehicles and must ensure that Blue Box Material received from a source other than an Inbound Vehicle is not loaded onto an Outbound Vehicle.

### **3.4 Inbound Composition Audits**

- (a) The Contractor shall take samples of Blue Box Material received at RFs as follows:
- (i) Each month, RLG will provide each RF with a list of Inbound Vehicles delivering Blue Box Material from which samples will be taken;
  - (ii) When an Inbound Vehicle arrives at an RF, if it is identified as a Inbound Vehicle to be sampled, the Contractor's weighscale operator will direct the Inbound Vehicle operator to a separate tipping area. The Contractor shall not require an Inbound Vehicle to provide a sample of Stream 1 material and Stream 2 materials (i.e., only one material stream will be sampled from an Inbound Vehicle on any given date);
  - (iii) The Contractor shall ensure an Inbound Vehicle operator carefully empties the contents of the Inbound Vehicle into a pile such that the Blue Box Material does not touch any other Blue Box Material on the tipping floor;
  - (iv) The Contractor shall ensure an Inbound Vehicle operator carefully empties each compartment onto the appropriate area of the tipping floor;
  - (v) The Contractor shall not split weigh an Inbound Vehicle and take an audit sample of the same Inbound Vehicle on the same inbound trip; and
  - (vi) From the Blue Box Material on the tipping floor to be sampled, the Contractor shall take a one hundred (100) kilogram sample of Blue Box Material, place it into a special zippered supersac provided by RLG, seal the supersac with an RLG provided identifier seal and label it with the Inbound Vehicle number, date and time, all in accordance with the protocol described in Exhibit 3.
- (b) The Contractor shall provide secure on-site storage for samples of Blue Box Material until RLG, or its designate, removes the samples from the RF.
- (c) Sampling shall be performed without additional compensation to the Contractor.

### **3.5 Consolidation Operations**

- (a) The Contractor is responsible for consolidation and storage of Blue Box Material received from Inbound Vehicles at an RF, as required by RLG or its designate, at the Contractor's expense.
- (b) At every RF the form of consolidation can be either loose or Baled form, based on the preference of each PRO. Should a PRO wish to receive any alternative consolidation service (e.g., loading into compactor boxes) in preparation for pick-up, the Contractor shall coordinate the service and payment thereof directly with the PRO and RLG shall have no responsibility or liability for such service requested by such PRO.
- (c) The Contractor must not commingle Single Stream Blue Box Material with Two Stream Blue Box Material or Stream 1 Blue Box Material with Stream 2 Blue Box Material in the act of consolidation.
- (d) In the event of any equipment breakdown, the Contractor will supply, at its own expense and without any unreasonable delay, sufficient alternative equipment to complete the required Work. The Contractor will supply appropriate backup equipment to continuously consolidate Blue Box Material.

### **3.6 Pick-Up by Producer Responsibility Organizations**

- (a) At the direction of RLG or its designate, the Contractor shall accommodate and assist with pick-up of Blue Box Material by a PRO at an RF. Without limiting the generality of the foregoing, the Contractor shall ensure the RF can accommodate the various types of Outbound Vehicles and shall assist in guiding the Outbound Vehicles during pick-up of Blue Box Material.
- (b) RLG, or its designate, will instruct the Contractor on the following aspects of the arrangement for each PRO:
  - (i) Tonnes of Blue Box Material to be picked up;
  - (ii) Whether the Blue Box Material is Single Stream or Two Stream and, if both, the relative proportion of each;
  - (iii) The RF at which the pick-up will occur; and
  - (iv) The schedule for pick-up of Blue Box Material at each RF.

### **3.7 Transfer Operations**

- (a) With the involvement of RLG, the Contractor shall coordinate (i.e., as per the pick-up schedule) with each PRO for the pick-up of their designated quantity of Blue Box Material based on the requirements of the applicable PRO.
- (b) The Contractor shall take a tare weight of each Outbound Vehicle for each pick up.
- (c) The Contractor shall be responsible for loading all Outbound Vehicles.

- (d) The Contractor shall not allow or cause any Outbound Vehicles to be loaded beyond the legal limits as specified in the manufacturer's specifications, (Ontario) *Highway Traffic Act* or in any other Applicable Law. The Contractor will be responsible for all consequences of Outbound Vehicle overloading.
- (e) The Contractor shall weigh all Blue Box Material outbound from an RF and shall, without exception, record all required information as per Section 4.1(e).
- (f) A copy of the Outbound Vehicle weighscale ticket shall be provided to the Outbound Vehicle operator.

### **3.8 Information**

- (a) The data, quantities and measurements provided in the MSA, including the data provided in Exhibit 2 is approximate only and is for the sole purpose of indicating to the Contractor the general magnitude of the Work to be performed. RLG expressly disclaims any liability whatsoever from the Contractor's reliance or non-reliance on such data, quantities and measurements. The Contractor is responsible for his/her own due diligence, including determining staffing and the exact number and location of RFs.
- (b) I Contractor shall not be entitled to any increase in the Contract Price or other compensation as a result of actual data, quantities and measurements differing from the data, quantities and measurements provided for in the RFP or on which this Statement of Work is based.
- (c) On an ongoing basis, the Contractor shall examine the scope of the Work, make inquiry of any details the Contractor is uncertain of and to conduct their own inspection deemed proper in order to understand any changes in the nature of the Work over time.

## ARTICLE 4 RECORD KEEPING AND REPORTING REQUIREMENTS

### 4.1 Record Keeping and Reporting Requirements

- (a) The Contractor shall record each inbound and outbound movement of Blue Box Material from each RF such that RLG's records and Contractor's records can be reconciled accurately. The Contractor shall ensure that detailed records are kept for Blue Box Material received and shipped.
- (b) The Contractor shall record each delivery of Blue Box Material received at an RF accurately as set out in Section 3.1(j) of this Exhibit 1.
- (c) The Contractor shall record the following information for each Inbound Vehicle delivering Blue Box Material to an RF:
  - (i) Date and time;
  - (ii) Originating Eligible Community ID number;
  - (iii) Valtype (i.e., the type or the majority fraction of combined loads from single-family residences, multi-family residences, long-term care homes, retirement homes, schools, depots, public space receptacles) as applicable to the load;
  - (iv) Blue Box Material onboard (e.g. Stream 1, Stream 2, or a Single Stream material type);
  - (v) RF Contractor ID number;
  - (vi) Collection Contractor ID number;
  - (vii) Inbound Vehicle number;
  - (viii) Scale ticket number;
  - (ix) Gross weight (tonnes);
  - (x) Tare weight (tonnes, including by split load if applicable); and
  - (xi) Net weight (tonnes; tonnes by compartment – Stream 1, Stream 2, where split-weighing occurs).
- (d) The Contractor shall record each transfer of Blue Box Material at an RF accurately as set out in Section 3.7 this Exhibit 1.
- (e) The Contractor shall collect the following information from each Outbound Vehicle transporting Blue Box Material outbound from an RF:
  - (i) Date and time;
  - (ii) RF Contractor ID number;
  - (iii) Blue Box Material onboard (e.g., Stream 1, Stream 2, or Single Stream material type);



- (iv) If Blue Box Material is Baled and the Outbound Vehicle contains more than one type of Single Stream, Stream 1 and/or Stream 2, the number of bales by type of Blue Box Material;
  - (v) Transfer contractor name;
  - (vi) Outbound Vehicle number;
  - (vii) Scale ticket number;
  - (viii) Gross weight (tonnes);
  - (ix) Tare weight (tonnes); and
  - (x) Net weight.
- (f) The Contractor shall maintain records and submit production reports to RLG as follows:

<b>Record / Report Title – Production</b>	<b>Due Date</b>
<b>Inbound Material Received at RF</b> Inbound materials by Valtype with weighscale ticket backup	Within three (3) calendar days of receipt
<b>Inbound Material Rejected at RF</b> Inbound materials by Valtype with weighscale ticket backup and documentation	Within one (1) hour of rejection
<b>Outbound Material from RF</b> Outbound materials by category with weighscale ticket backup	Within three (3) calendar days of shipment
<b>Material Inventory Report</b> Blue Box Material in inventory, including work-in-progress, by material stream	Weekly inventory reports due by 10:00 a.m. on the first Business Day in a week

- (g) The Contractor shall maintain records and submit operations reports to RLG as follows:

<b>Record / Report Title – Operations</b>	<b>Due Date</b>
<b>Accidents</b> All accidents must be accurately documented (whether minor or major) involving the public or damage to public or private property	Within one (1) hour of the occurrence
<b>Damage Claims</b> Provide written records and copies of claims (for each occurrence) where damages have been sustained as they apply to this Statement of Work	Within two (2) Business Days of receipt of the record or claim
<b>Spills (e.g., oil, fuel, etc.)</b>	Within one (1) hour of the incident

<b>Record / Report Title – Operations</b>	<b>Due Date</b>
Report any reportable spill to the Spills Action Centre of the Ministry of the Environment (1- 800-268-6060) and RLG	
<b>Spills (i.e., Blue Box Material)</b> Report any spill to RLG	Within two (2) hours of occurrence
<b>Routine Issues and Corrective Actions</b> Notify RLG of corrective measures taken to resolve routine issues such as down rolling stock, equipment failure with Work stoppage less than two (2) hours	End of each Business Day
<b>Non-Routine Processing Issues and Corrective Actions</b> Notify RLG of corrective measures taken to resolve non-routine issues such as catastrophic failure of a facility or equipment which results in Work stoppage greater than two (2) hours	Within three (3) hours of the Work stoppage
<b>Resolve Claim Notification</b> Provide written confirmation that all claims for damage to property from residents, Eligible Communities, RLG, contractors or other Persons were resolved within thirty (30) days of the receipt of the claim	Thirty (30) calendar days following the claim
<b>Carbon Emissions Report</b> Provide a carbon emissions report, in a form approved by RLG, outlining the fuel consumed in delivery of the Work under this Statement of Work	Within sixty (60) calendar days of the end of the calendar year

- (h) The Contractor shall provide the following information in an annual report for each Receiving Facility for the previous calendar year:
- (i) Quantity of fuel used in equipment (e.g. forklift and front end loader) by fuel type (if diesel in litres and if propane in litres or cubic metres);
  - (ii) Quantity of fuel used for space heating (if natural gas in cubic metre; if propane in litres or cubic metre; if heating oil in litres); and
  - (iii) Quantity of electricity consumed (kWh) for building and equipment.

For clarity, all of the quantities provided in the annual report for a Receiving Facility may be estimated if actual values cannot be obtained by the Contractor using commercially reasonable efforts.

- (i) The Contractor shall:
  - (i) electronically transfer all Receiving Facility Data to RLG; and
  - (ii) make all Receiving Facility Data available for transfer to, and access by, RLG,

via an Application Programming Interface or web-based portal, in a format, and in accordance with other requirements, established by RLG.

## **ARTICLE 5 DOCUMENTATION AND PAYMENT**

### **5.1 Documentation and Payment**

- (a) Starting in the first calendar month after the Statement of Work Effective Date the Contractor shall submit to RLG a monthly work report for the Work performed in the prior calendar month. The monthly work report must be submitted within the first fourteen (14) calendar days after the start of the calendar month.
- (b) Each monthly work report submitted by the Contractor shall be in a form acceptable to RLG and shall include the following in respect of the period covered by the applicable monthly work report:
  - (i) Blue Box Material summary production report that complies with the requirements of Section 4.1(f) of this Exhibit 1; and
  - (ii) Blue Box Material summary operations report that complies with the requirements of Section 4.1(g) of this Exhibit 1.
- (c) For clarity, the Contractor may only be paid for Work under this Statement of Work every calendar month provided the Contractor has submitted the monthly work report in accordance with Section 5.1(a) of this Exhibit 1 for such calendar month period.
- (d) For greater certainty, except as expressly set out in the MSA there shall be no increase to the prices set out in the Statement of Work for any changes to the Contractor's responsibilities.

**ARTICLE 6 SERVICE LEVEL FAILURE CREDITS**

**6.1 Service Level Failure Credits**

- (a) In view of the difficulty of ascertaining the losses which RLG will suffer by reason of the occurrence of one of the infractions described in Table 6.1 (each an “Infraction”), it is hereby agreed upon, fixed and determined by the Parties hereto, as a genuine pre-estimate of the amount of service level failure credits required to compensate RLG for an Infraction, and not as a penalty; and RLG may deduct and retain the amounts of such service level failure credits out of the monies which may be due or become due to the Contractor under the MSA in accordance with Table 6.1 below.
  
- (b) For the first five occurrences of each infraction # 2, # 3, # 4 in a Quarter and for the first three occurrences of each infraction # 5, # 8, # 9, # 11 and # 12, the Contractor will have two (2) Business Days to correct the infraction. If the infraction is remedied, no service level failure credit will be issued against the Contractor for such infractions.

**Table 6.1: Service Level Failure Credits**

<b>No.</b>	<b>Infraction</b>	<b>Amount</b>	<b>Unit</b>
1.	Failure to behave courteously or appropriately (Section 3.1(w) of this Exhibit 1)	\$500	Per incident
2.	Failure to resolve a claim of damage to property within thirty (30) calendar days (Section 3.1(x) of this Exhibit 1)	\$500	Per calendar day after the 30th calendar day until the claim is resolved
3.	Failure to record necessary information to complete weighscale tickets for all inbound and outbound movements of Blue Box Material (Sections 4.1(b) to 4.1(e) of this Exhibit 1)	\$500	Per incident
4.	Failure to submit a report in the required time (Section 4.1 of this Exhibit 1)	\$500	Per calendar day until the report is submitted
5.	Submission of inaccurate report (Section 4.1 of this Exhibit 1) unless, for items 4.1(c)(ii), 4.1(c)(iii), 4.1(c)(iv) and 4.1(c)(vi), the source of the inaccurate information is the collection contractor	\$500	Per calendar day until the report is correct
6.	Failure to clean up spillage of pollutants, including oil and fuel, within the time specified or promptly pay for clean up or disposal costs (Section 3.1(u) of this Exhibit 1)	\$2,500	Per incident
7.	Failure to clean up regular spills, including Blue Box Material within the time specified, or littering of Blue Box Material (Sections 3.1(e) and 3.1(u) of this Exhibit 1)	\$1,000	Per incident
8.	Failure to scale an Outbound Vehicle in and out of facility (Section 3.7 of this Exhibit 1)	\$500	Per incident

No.	Infraction	Amount	Unit
9.	Failure to split weigh an Inbound Vehicle as required (Section 3.1(j) of this Exhibit 1)	\$500	Per incident
10.	Failure to take audit sample as required (Section 3.4 of this Exhibit 1)	\$1,000	Per incident
11.	Failure to prevent material scavenging (Section 3.3(b) of this Exhibit 1)	\$1,000	Per incident
12.	Failure to prevent mixing of Blue Box Material from Eligible Communities with Blue Box Material from any other source (Section 3.3(e) of this Exhibit 1)	\$2,500	Per incident

**EXHIBIT 2: COLLECTION CATCHMENT AREA, RECEIVING FACILITY AND SERVICE  
COMMENCEMENT DATES AND BLUE BOX MATERIAL STREAMS BY ELIGIBLE  
COMMUNITY**

**\*NOTE:** The information is based on available data at the time of the preparation of the Statement of Work. RLG holds no responsibility or liability for actual information that is different from the information presented in this Exhibit. **[NTD: this Exhibit 2 will include only those Eligible Communities addressed by this Statement of Work as part of a Final MSA.]**

Collection Catchment Area	Receiving Facility	Service Commencement Date	Eligible Community	Type of Stream
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### **EXHIBIT 3: INBOUND BLUE BOX MATERIAL SAMPLING PROTOCOL**

1. The Contractor shall record a video of the sample-taking process that captures points 2 through 10 below using a trained individual and the Work includes the work and services required by this Exhibit 3.
2. The load (i.e., Single Stream, Stream 1 or Stream 2) from the Inbound Vehicle designated for sampling is discharged in the segregated area in one continuous pile to avoid gaps in the load to facilitate sample-taking.
3. The entire load is mixed thoroughly using a front-end loader (or skidsteer) and formed into a cone shaped pile approximately two (2) metres in height.
4. The front-end loader drives into the mid-way point of the pile, starting with the edge of the bucket scraping along the tip floor and as the bucket reaches the edge of the pile the bucket is gradually raised vertically to gather material from a cross-section of the entire height of the cone.
5. The full bucket should represent approximately one-sixth to one-eighth of the original discharged load by volume.
6. The material in the bucket is then emptied into a purpose-specific sample supersac by tipping the entire contents over top of the supersac. Excess material that falls over the edges of the sample supersac is not to be included in the sample. Staff taking the sample shall not pick up or place material in the sample supersac. The supersac should be shaken to settle material but no compaction by the loader is permitted.
7. For each sample, steps 4 to 6 are repeated until the sample supersac has a net weight of approximately 100 kg, but not less than 85 kg.
8. For Stream 2, one supersac may not meet the minimum 85 kg sample size. In this case, steps 4 to 6 are repeated until two sample supersacs have a combined target net weight of approximately 100 kg. No more than two sample supersacs should be used even if two sample supersacs do not total 85kg.
9. Each sample supersac shall be closed and sealed with an RLG zip tie which is are marked with a unique serial identification number.
10. Each supersac used to contain a sample will have attached to it a completed RLG audit sample tag (containing the date and time the sample was taken, RLG assigned tag number(s), the scale ticket #, the collector ID, the RF code, the Inbound Vehicle number, the Valtype and the material type sampled (i.e., Single Stream, Stream 1, Stream 2)).
11. Once the sample is taken and the supersac secured, the sample supersac will be set in a secure area until it is picked up by RLG.
12. The video recording of the sample-taking is to be saved and named using date of sample collection and the serial number on the assigned RLG zip tie(s) used. If the sample is made up of two supersacs and secured with RLG zip ties using serial numbers (e.g., 117001 and 117002), the saved video file will be labelled with the date and zip tie number(s). For example, for a sample taken on July 1, 2024 with two zip ties, the video file will be saved as 01July24-117001-02.

13. The Contractor will maintain the video file, and shall ensure that no more than six weeks following the end of a month, the sample-taking video recording files from that month are securely and irreversibly deleted. For example, samples taken in the month of July can be deleted on or after September 15th. RLG reserves the right to request a recorded video file at any time prior to six weeks following the end of a month in which the recorded video file was created.



**EXHIBIT 4: COMPENSATION**

1.1 For each calendar month during the SoW Term, after the earliest Service Commencement Date in respect of a Collection Catchment Area, the Contract Price for the Work performed under this Statement of Work in accordance with the requirements of the MSA in respect of such Collection Catchment Area shall be calculated for each Collection Catchment Area as:

- (a) the Receiving and Tracking Unit Price (as adjusted in accordance with this MSA) multiplied by the tonnes of Blue Box Material received from Inbound Vehicles at all RFs within such Collection Catchment Area during the applicable calendar month; plus
- (b) the sum of each of the Unit Prices listed in Table 1.1 (as adjusted in accordance with this MSA) multiplied by the corresponding tonnes of Blue Box Material consolidated in preparation for loading onto Outbound Vehicles for PROs at all RFs within such Collection Catchment Area during the applicable calendar month; plus
- (c) the sum of each of the Unit Prices listed in Table 1.2 (as adjusted in accordance with this MSA) multiplied by the corresponding tonnes of Blue Box Material loaded onto Outbound Vehicles for PROs at all RFs within such Collection Catchment Area during the applicable calendar month.

1.2 For the purposes of this Statement of Work:

- (a) “Receiving and Tracking Unit Price” means **\$XX.XX** per tonne **[NTD: Set out applicable price for the Collection Catchment Area.]**;
- (b) For consolidating Blue Box Material in preparation for loading onto Outbound Vehicles for PROs:

**Table 1.1: Unit Prices for Consolidating**

<b>Material Stream</b>	<b>Single Stream</b>	<b>Stream 1</b>	<b>Stream 2</b>
Consolidating Loose	<b>\$XX.XX</b> per tonne	<b>\$XX.XX</b> per tonne	<b>\$XX.XX</b> per tonne
Consolidating Baled	<b>\$XX.XX</b> per tonne	<b>\$XX.XX</b> per tonne	<b>\$XX.XX</b> per tonne

**[NTD: Set out applicable prices for the Collection Catchment Area.]**

- (c) For loading Blue Box Material onto Outbound Vehicles for PROs:

**Table 1.2: Unit Prices for Loading**

<b>Material Stream</b>	<b>Single Stream</b>	<b>Stream 1</b>	<b>Stream 2</b>
Loading Loose	<b>\$XX.XX</b> per tonne	<b>\$XX.XX</b> per tonne	<b>\$XX.XX</b> per tonne
Loading Baled	<b>\$XX.XX</b> per tonne	<b>\$XX.XX</b> per tonne	<b>\$XX.XX</b> per tonne

**[NTD: Set out applicable prices for the Collection Catchment Area.]**

For the purposes of this Statement of Work, “**Unit Prices**” means, collectively, the Receiving and Tracking Unit Price, the unit prices for consolidating in Table 1.1 and the unit prices for loading in Table 1.2, as adjusted in accordance with this MSA and each a “**Unit Price**”.

### 1.3 Total Unit Price Adjustment

- (a) The Unit Prices for each calendar month of the SoW Term shall be determined as follows:

Unit Price = Base Unit Price + Price Adjustment, where such price adjustment is applicable to the calendar month.

- (b) The “**Base Unit Price**” is the Unit Price at the Statement of Work Effective Date as set out in Section 1.2.

### 1.4 Price Adjustment

- (a) The “**Price Component**” is 100% of the Base Unit Price.

- (b) For the first calendar month immediately following the first annual anniversary of the Statement of Work Effective Date and for each subsequent annual anniversary, the “**Price Adjustment**” shall be (1) the Price Component multiplied by (2) the percentage change in the CPI Index, as most recently published, since the Statement of Work Effective Date. The Price Adjustment will be added to or subtracted from the Base Unit Price, as applicable, for such calendar month and for each of the subsequent eleven (11) calendar months.

- (c) For the purposes of this Section 1.4, “**CPI Index**” means the Consumer Price Index, monthly, not seasonally adjusted – Ontario (Table 18-10-0004-01)(Formerly CANSIM 326-0020) (<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1810000401>).

### 1.5 Changes to Index

The CPI Index shall be subject to revision as agreed by the Parties in the case the publisher materially changes such index or discontinues or replaces it.

**SCHEDULE B**  
**SUPPLIER CODE OF CONDUCT**  
**for**  
**MASTER SERVICES AGREEMENT**  
**Number 2022 - ●**

## **SUPPLIER CODE OF CONDUCT**

### **Introduction**

RLG is an organization under contract to CMO to perform work in connection with the collection of Blue Box Material, establishment and operation of Receiving Facilities and related services.

To deliver on this contractual obligation, RLG conducts its business ethically, honestly and with the utmost integrity. To preserve the integrity of the recycling system delivered under the Regulation, RLG expects its network of contractors with whom RLG does business, including vendors, manufacturers, markets, and agents and others to commit to and uphold RLG's high standards of integrity, values and operating principles.

RLG also recognizes its responsibility to respect and protect the human rights of all. As such, RLG expects its contractors to also uphold human rights within their operations. This Supplier Code of Conduct (the "Code") provides standards on protecting human rights, respecting applicable regulations, employment standards and providing safe working conditions for workers.

While this Code doesn't cover every situation, it should be used and applied for guidance on what is expected from contractors and their agents, subcontractors, and subagents, including any labour agencies ("Related Parties"). Recycling is a highly regulated industry. All parties to any contract must comply with all federal, provincial, and municipal laws and regulations that apply to the business. Every employee of every contractor and their Related Parties, along with every employee of RLG, is responsible for complying with this Code, and all applicable laws and regulations.

### **Application and Acceptance**

The Code applies to all members of the supply chain in the delivery of service under the Regulation who conduct business with RLG, its clients and/or its customers, including municipalities. Contractors must share this Code with their Related Parties who are engaged to assist with providing goods or performing services for the Contractor directly or RLG indirectly. Any reference to "workers" within this Code means the Contractor's workers and Related Parties' workers.

By entering into the MSA, the Contractor is accepting the terms of the Code (as amended from time to time) and affirming compliance with its requirements. The Code is not to be read in lieu of but in addition to your obligations as set out in the MSA.

### **Expectations**

The Code outlines RLG's expectations and guidelines with respect to responsible sourcing including RLG's commitments to human rights, the environment, health and safety, regulatory compliance, business ethics and the development of a diverse and sustainable supply chain. RLG expects its contractors to communicate these expectations to Related Parties to uphold the commitments set forth in this Code within their own business operations.

The Code sets out minimum standards that contractors must meet and nothing in the Code shall prevent contractors from exceeding these standards. Contractors are also expected to comply with the Governing Terms and with applicable local laws and regulations. Where such requirements conflict, contractors are expected to comply with the highest applicable standard.

RLG acknowledges that some Code infringements that are identified may take time to resolve. If appropriate and practicable in the circumstances, RLG will work with contractors to accommodate

reasonable time frames that allow contractors to make improvements in their operations to rectify the infringement. RLG will seek to maintain relationships with contractors that demonstrate their commitment to the Code by, among other things, promptly responding to, and resolving, RLG's concerns. However, violations of the Code may sometimes warrant an immediate resolution, failing which termination of RLG's relationship with certain contractors may be required.

## **Monitoring Compliance**

Contractors shall monitor the compliance of their operations with the terms of the Code. Further, contractors shall monitor Related Parties' compliance with the terms of the Code and immediately disclose any known violations to RLG.

While the requirements in the Code are the responsibility of the Contractor, RLG may wish to verify Contractor compliance with the Code through a variety of tools:

- Contractors' self-evaluation;
- Ongoing improvement programs; and/or
- Audits by RLG or a third-party company designated by RLG.

RLG expects cooperation and transparency during the compliance monitoring process. Specifically, RLG expects contractors to facilitate any communication with workers required for audits and not to dissuade workers from participating and not to discriminate or retaliate against any workers that take part in this process. RLG personnel or a third-party company designated by RLG may regularly visit Contractor locations, on- or off-route, to monitor progress with improvement programs.

Should a contractor fail to comply with the Code, RLG reserves the right to require corrective action.

## **Effective Date**

The Contractor is subject to this Code, as may be amended from time to time, from the Effective Date of the MSA.

## **Review**

This Code is reviewed annually or earlier as determined by RLG.

## **Concerns**

As a part of RLG's culture of integrity, it is important that non-compliant and unethical matters are reported. RLG encourages anyone that has knowledge of or suspects suspicious activity, unethical practices, non-compliance and suspected non-compliance with laws and regulations, the Code, MSA terms and conditions, or RLG policies and procedures shared with the Contractor to speak up by reporting any violations or potential violations through the following channels:

Email RLG at: [support@circularmaterials.ca](mailto:support@circularmaterials.ca); or  
Email Administrator at: [info@circularmaterials.ca](mailto:info@circularmaterials.ca)

RLG values contractors, Related Parties and workers who speak up as this fosters a culture of transparency and trust – and it's the right thing to do. RLG's ethics team will administer all complaints received and will objectively manage incidents to their resolution.

RLG respects confidentiality and protection against retaliation.

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All contractors and Related Parties should foster a speak-up environment based on trust and freedom from fear of retaliation. Everyone is expected to speak up immediately when a question, issue or concern arises. Employees must engage and take ownership of compliance and ethics. All parties must help their employees understand their compliance responsibilities.

RLG prohibits retaliation or reprisal against contractors and their workers and their Related Parties' workers who speak up in good faith, is committed to fair and appropriate treatment, and respects confidentiality for all parties involved. Reports to RLG may be made anonymously. The privacy of the person reporting will be respected, and Confidential Information will be shared only on a "need to know" basis, or if required by law.

### **Principles of Business Conduct**

RLG will strive to build a win-win model with contractors. Business relationships are more constructive when they are built on trust, mutual respect and common business and ethical values. Contractors who act illegally or unethically can expose RLG to legal action and significantly damage RLG's reputation and brand. As a result, RLG seeks relationships with contractors and their Related Parties who share a commitment to the following principles:

- **Compliance with Applicable Laws, Policies, and MSA Terms and Conditions:** Comply with applicable laws and regulations, applicable RLG policies, procedures, guidelines, standards and MSA terms and conditions.
- **Ethical Conduct and Behaviour:** Align your actions, decisions, and behaviour with ethical business practices.
- **Employment Standards:** Treat people with dignity and respect by adhering to applicable human rights and employment standards.
- **Quality:** Comply with quality standards regarding delivering services.
- **Health and Safety:** Protect the health and safety of your workers by complying with applicable health and safety laws.
- **Environmental Responsibility:** Remain committed to reducing the negative impact of your operations on the environment.

### **Compliance with Applicable Laws, Policies, and Governing Terms**

Comply with laws and regulations that apply to you in the areas in which you operate, applicable company policies, procedures, by-laws, guidelines and standards and MSA terms and conditions.

Understand the laws and regulations that are applicable to your location and operation as well as MSA terms and conditions and applicable policies, procedures and standards and diligently comply with them.

If the legal or regulatory requirements differ from this Code, contractors should adopt the more stringent requirements of the two.

Competition Laws: RLG maintains a competition law compliance program which includes guidance and standards for RLG contractors, to minimize the risk of non-compliance with competition laws. RLG

requires that you comply with competition law expectations and requirements that apply to your operations. It is ultimately the responsibility of contractors to comply with the Canadian Competition Act.

## **Ethical Conduct and Behaviour**

Align your actions, decisions and behaviour with ethical business practices.

RLG expects contractors to uphold a commitment to integrity and trust. This means contractors must be prudent in making good and ethical business decisions.

### **Anti-Bribery, Corruption and Anti-Money Laundering**

- Comply with all applicable anti-bribery, anti-corruption and anti-money laundering laws and regulations in the jurisdictions in which you operate;
- Adopt a zero-tolerance approach to bribery, corruption and money-laundering;
- Do not offer, pay, receive or solicit bribes, kick-backs, payments or gifts of any kind to obtain a favourable outcome;
- Do not make facilitation or “grease” payments, no matter how small, to public officials; and/or
- Upon the commencement of your relationship with RLG, disclose your ownership structure (specifically, ownership by a government or public official) to RLG and further disclose if your ownership structure changes.

### **Confidentiality**

- Comply with confidentiality requirements as outlined in the MSA terms and conditions.

### **Conflict of Interest**

- A conflict of interest arises when your personal interests actually, appear to or may influence your ability to conduct business with RLG.
- A conflict of interest may include:
  - Having a close personal relationship with an RLG employee;
  - Having a close personal relationship with an employee of a PRO that is RLG’s client;
  - A family relationship between a contractor or Related Parties employee and an RLG employee; or
  - the Contractor influencing recruitment of personnel at RLG or vice versa.
- Disclose to RLG any actual or perceived conflict of interest that you may have before conducting business with RLG.
- Do not enter into any transactions that create an actual or potential conflict of interest.

### **Gifts & Entertainment**

- Do not give gifts or entertainment that could be, or could be perceived by others to be, an attempt to influence a business decision, create an obligation to do something in return or a personal reward for making a business decision.
- Adhere to the following principles in deciding whether to give a gift or entertainment. Gifts or entertainment given or received should:
  - Not be extravagant, i.e., not carry a monetary value more than \$50;
  - Be infrequent (e.g., no more than once per year);
  - Be related to a reasonable business purpose and primarily benefit RLG;
  - Be consistent with acceptable business practices, given the industry and the geographic location;
  - Be permitted by law and the policies of RLG and the Contractor;
  - Not reflect or have the potential to reflect poorly on or embarrass RLG;

- Not be indecent, pornographic, racist, sexist, culturally insensitive, or otherwise seen as offensive; and/or
- Not be provided if a Procurement Process is ongoing involving the Contractor or RLG.
- Keep a record of the gifts, entertainment, or hospitality you provide to RLG.

**Information Security**

- Ensure you have sound security practices in place to protect RLG if you provide digital, online and support services and/or access sensitive information.
- Adhere to the relevant information security terms in your MSA terms and conditions with RLG.

**Fair Competition**

- Federal and provincial competition laws in Canada, promote fair and vigorous competition by prohibiting agreements and activities that unreasonably limit competition. All contractors, Related Parties and RLG must make pricing, bid and output decisions independently and conduct its business activities in compliance with RLG’s competition law compliance program.
- Contractors cannot agree with competitors on how, when, or where to compete. This includes any of:
  - Prices;
  - Terms;
  - Conditions;
  - Market, territory or customer allocations;
  - Bids; and/or
  - Boycotting a third party.
- Agreements can include written documents or verbal understandings and can even be inferred from the circumstances.
- Respect the proprietary information and trade secrets of others. Do not attempt to obtain information from another person where it is known that information is protected by a confidentiality or non-disclosure agreement. Never solicit or accept information that would violate that agreement, even if party to it.
- Never use illegal means to obtain confidential or proprietary information of others. Never disclose any customer or vendor proprietary information to third parties, unless the owner of the information properly authorizes its release or disclosure.
- Violating competition laws could result in severe legal penalties for any contractor or Related Party and criminal charges for the individuals involved.

**Employment Standards**

Treat people with dignity and respect by adhering to applicable human rights and employment standards.

RLG respects the human rights of its colleagues, customers, supply chain partners and members of its communities. RLG expects contractors to honour the same and that your conduct reflects a commitment to treating people with dignity and upholding their human rights. This applies not only to your own workers, but also to the workers of your Related Parties. The Code sets out minimum employment standards imposed by RLG. However, you must be aware of your obligations pursuant to applicable local laws and regulations and comply with the more stringent standards applicable to your operations.

**Employment Equity**

- Never make employment decisions or engage in harassment based on:
 

o Race	o Pregnancy	o Religion
o Colour	o Sexual orientation	o Marital status
o Sex	o Gender identification	o Age



- o Genetic information
  - o Visible or non-visible disability
  - o Any other characteristic protected by applicable federal, provincial or municipal laws
  - o Citizenship status
  - o Support for/against a union
  - o Veteran status
  - o National origin
  - o Ethnic origin
- Make reasonable accommodations for employees or applicants with a disability unless undue hardship would result.

### **Inclusion and Diversity**

- RLG is committed to fostering a diverse and inclusive work environment. RLG embraces and cultivates respect, trust, open communications and diversity of thought and people. RLG strives to attract, develop, and retain a workforce that is as diverse as the markets it serves. This ensures an inclusive work environment that embraces the strength of employees differences and allows employees to maximize their potential. A caring attitude plays an important role in creating a workplace where everyone treats each other with honesty, dignity and courtesy. This fosters an atmosphere of trust, openness, candor and belonging.

### **No Violence, Harassment & Discrimination**

- Do not subject workers to any form of verbal, physical or sexual abuse, aggression, hazing, harassment or intimidation in the workplace.
- Do not engage in any form of vandalism, intentional harm of property, or sabotage.
- Do not engage in discriminatory behaviour in the hiring and treatment of workers based on race, colour, age, gender, caste, social background, sexual orientation, ethnicity, national origin, disability, pregnancy, religion, political affiliation, union membership, marital status, medical condition or any other personal characteristic prohibited by law or regulation.

### **Alcohol and Drugs**

- To ensure the safety of RLG’s employees, customers and the communities in which RLG operates, RLG takes a zero-tolerance approach to drugs and alcohol in the workplace by any employee, Contractor employee or Related Party employee.
- No person may use, transfer, sell, possess, make, consume, handle, inhale, purchase, transport or otherwise be involved with alcohol or unlawful drugs while on RLG’s property, Contractor’s property, municipality’s property or while operating any vehicle or equipment.
- Employees are prohibited from undertaking any work while under the influence of alcohol, cannabis/marijuana or unlawful drugs.

### **Respect Employment Laws**

- Only employ workers that have a legal right to work in Canada and verify a worker’s legal eligibility to work prior to employment.
- Ensure that terms and conditions of your worker’s employment are in accordance with the employment contract if one exists, and that workers have access to their contract. Be transparent with workers about the details of their employment, including working conditions, legal rights, nature of work, wages, benefits, deductions from wages, regular working hours, overtime requirements, time-off and duration of the contract.
- Ensure all labour agencies engaged comply with the Code. The use of labour agencies will not relieve you of your obligations under this Code.
- Keep employment records of your workers accessible at all times.
- Workers must be permitted to terminate their employment without financial penalty.

### **No Forced or Child Labour**

- Do not engage in involuntary labour practices, including forced, bonded, trafficked, involuntary prison, or underage labour, in your operations and supply chain.

- Do not hire workers that are under 16 years of age.
- Ensure that workers between the age of 16 through 18 have the benefit of working hours, conditions and other benefits that are appropriate to their age and do not jeopardize their health or safety or compromise their education.
- Do not require workers to pay recruitment fees or costs, deposit funds, or their personal documents with the Contractor as a condition of their employment or pay fees as a form of discipline. Contractors shall ensure that labour agencies used by the Contractor do not engage in any of these prohibited practices.

### **Comply with laws and agreements regarding compensation and working hours**

- Workers' combined regular and overtime working hours shall not exceed the maximum hours of work per week pursuant to local laws and regulations or 72 hours per week, whichever standard is lower.
- Overtime must always be voluntary. Workers shall not be penalized for refusing overtime where they have the right to do so pursuant to local laws and/or their employment contract. Overtime must be paid at a premium where it is required by local law.
- Provide workers with, on average, at least one day off every 7-day period. Any exceptions to this time-off standard shall be at the discretion of the worker and shall comply with local laws.
- Pay workers regularly, on time and at least the minimum wage in the applicable jurisdiction.
- RLG encourages contractors to commit to the betterment of wage and benefit levels to address the basic needs of workers and their families and work towards closing the gap between current wages and objectively calculated living wages.

### **Respect Freedom of Association**

- Permit workers or their representatives to associate and bargain collectively or refrain from doing so, in accordance with local law. Allow these worker activities to take place in the workplace. Workers shall have the opportunity to freely communicate and engage with management to discuss working conditions without fear of unjust treatment.

### **Quality**

Comply with quality standards regarding delivering and the supply of products and or services.

Provide safe, high-quality services to protect public health. Services delivered must meet or exceed safety and quality standards required by applicable Canadian laws and regulations, as well as RLG quality standards.

### **Health and Safety**

Protect the health and safety of your workers by complying with applicable health and safety laws.

All workers deserve to be safe at work. RLG requires your commitment, and that of your Related Parties, to providing and maintaining a safe and healthy environment for workers.

Provide your workers with a safe and hygienic working environment.

Ensure that your rolling stock, equipment, buildings and facilities do not pose hazards to workers working within them and have the appropriate structural integrity for their purposes.

Provide sufficient potable drinking water at all times.

Ensure that safety and emergency prevention programs are in place to prevent accidents or injury. This includes the following:

- Regular appropriate, job-related training for all workers;
- Functional fire alarms, fire extinguishers, sprinklers, smoke detectors and relevant firefighting and prevention equipment is present and accessible at all facilities and for all rolling stock as applicable;
- Contact list for emergencies (must be answered 24/7); and
- Routes of egress for workers remain clear and emergency evacuation is possible at all times.

Any and all workers should always speak up if you:

- Are asked to do a job or task you consider unsafe;
- Are asked to be non-compliant with a rule, regulation or law;
- Are asked to do a job where you believe you have not been properly trained to perform;
- See someone performing a task you believe is unsafe or that the person is not properly trained to do;
- Suspect that a vehicle, truck or piece of equipment is not fit for service, not operating properly and may be unsafe; and/or
- Observe or are made aware of an unsafe condition or potential danger to others or yourself.

## **Environmental Responsibility**

Remain committed to reducing the negative impact of your operations on the environment.

RLG is committed to reducing the negative impact of procured operations on the environment by fostering sustainable practices and complying with applicable environmental laws and regulations. RLG expects contractors to align with this commitment and adhere to the following:

- Understand and conduct business operations in accordance with all national and local environmental laws, standards, regulations, administrative practices and policies. This includes, emissions released into the atmosphere and water bodies, the management of all recyclables and waste, and the handling and disposal of hazardous materials.
- In the event hazardous or polluting materials are discharged improperly, appropriate authorities are to be notified and action will be taken to correct and remediate the impact on the environment.

## **Public and Government Relations**

RLG can enhance its reputation when it works with government and the public in a timely, consistent and professional manner. RLG's employees and employees of contractors and Related Parties are the key to relationships between RLG, contractors, Related Parties, government representatives at the federal, provincial and municipal levels, the general public and other key stakeholders, including producers. Every day all parties must serve as ambassadors and help build the reputation of the parties and the Blue Box collection system.

## **Media Relations**

If you receive an inquiry from, or are approached by, the media, direct them to RLG.

## **Social Media**

Social media activity can include original posts, comments on someone else's post, re-posts, likes and emojis on someone else's posts, and private or public messages. RLG respects the legal rights of its employees and employees of the Contractor and Related Parties. Online posts may not be anonymous and must be reviewed as they may affect the reputation of RLG. When using social media to post information,

comment and exchange ideas related to RLG or its business, each employee of RLG, Contractor or Related Parties is individually responsible for the content. The following social media guidelines cover using social media to post information, comment or exchange ideas related to any element of the MSA by RLG, Contractor or Related Parties:

- Do not defame, harass, threaten, or discriminate against co-workers, customers, members of the public, contractors, Related Parties, RLG, or suppliers;
- Do not disclose RLG, Contractor or Related Party, or third-party confidential or proprietary information;
- Do not speak on behalf of RLG;
- Do not discredit RLG, Contractor or Related Party services or products; and/or
- Do not use any type of mobile device or computer to access social media while driving or operating a vehicle or piece of machinery or equipment.

### **Accuracy of Records or Fraud**

Business and financial records must be accurate and complete. Many people inside and outside of RLG rely on the accuracy of all records. This includes RLG's statements to government agencies, customers, vendors and the public. Each contractor and Related Party, in addition to RLG, has a responsibility to create records that properly document business transactions. All information must be complete, accurate, reliable and protected.

The Contractor and Related Parties must ensure that all transactions are properly authorized and accurately recorded in accordance with Generally Accepted Accounting Principles. All transactions must also comply with record keeping policies as outlined within the MSA. RLG, contractors and Related Parties must have internal controls to provide reasonable assurance of compliance with policies, procedures, laws and regulations. Falsifying information or coercing or asking others to submit false information or documentation is prohibited. This includes information or documentation that is stored in writing or electronically. Never intentionally delay recording transactions or events that are in violation of policies, laws or regulations. Never intentionally record incorrect, incomplete or misleading information about any transaction or event.