

**DRAFT**

**AGREEMENT**

**for**

**PICK-UP AND PRECONDITION COLLECTED PPP RFP NUMBER CMAB2025-02**

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This Agreement is entered into as of \_\_\_\_\_ (the “**Effective Date**”), between:

[●] (“**Contractor**”), a corporation incorporated under the laws of the Province of [●] having a place of business at [●]

and

**CIRCULAR MATERIALS** (“**CM**” or “**Circular Materials**”), a federal not-for-profit corporation, having a place of business at 1 St. Clair Avenue West, Suite 700, Toronto ON M4V 1K6

### **RECITALS**

WHEREAS CM is a not-for-profit organization established with the purpose of operating as a Producer Responsibility Organization for discharging Producers’ obligations under the Regulation;

WHEREAS CM seeks to have PPP Preconditioned at the PCF for purposes of ensuring Producers who have retained CM as a PRO are able to meet their obligations under the Regulation;

WHEREAS Contractor operates a PCF that receives an Preconditions Collected Materials generated by Residential Premises in the City of Edmonton and environs;

WHEREAS Contractor and CM (each a “**Party**”, and collectively the “**Parties**”) wish to enter into this Agreement as of the Effective Date; and

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 Agreement, as follows:

### **ARTICLE 1 INTERPRETATION**

#### **1.1 Definitions**

“**AGREEMENT**” means this Agreement for Preconditioning of Collected PPPs at the Dumfries Preconditioning Facility, as may be amended from time to time in the manner set out in this Agreement.

“**AGREEMENT IP**” has the meaning set out in Section 8.3(a).

“**APPLICABLE LAW**” means any federal, provincial, municipal, local, domestic or foreign law, rule, statute, subordinate legislation, regulation, by-law, order, permit, 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 Agreement, including any rule, order, judgment, guideline, directive or other requirement or guideline issued by any governmental or regulatory authority having jurisdiction. For clarity, Applicable Law includes Environmental Laws.

“**AUDIT**” or “**AUDITING**” means to assay and identify the presence and amounts of PPP and Non-PPP Subcategories and Contamination in each sample of inbound material.

“AUDITING AND MONITORING PROTOCOL” means protocols and procedures for monitoring the composition of PPP as may be developed and implemented by CM from time-to-time, and the Material Audit Categories provided in Annex A.

“BEVERAGE CONTAINER” has the same meaning as set out in Alberta Regulation 101/97 Beverage Container Recycling Regulation under the *Environmental Protection and Enhancement Act*.

“BALED” means the compaction of Collected Material into bales with a sufficient number of ties to ensure bale integrity during transport such that a minimum of eighteen (18) tonnes of PPP is transported on a 53 foot transport trailer.

“BUSINESS DAY” means any day from Monday to Friday inclusive, excluding statutory holidays in the province of Alberta. “CHANGE IN LAW” means any of the following events occurring after the Effective Date: (1) a change in, modification or repeal of an existing Applicable Law, (2) an enactment, adoption, promulgation or making of a new Applicable Law, (3) a cancellation or non-renewal or other change in the conditions applicable to any Applicable Law, or (4) a change in the manner in which an Applicable Law is applied or in the application or interpretation thereof, but in any case a Change in Law shall not include a change, application, or interpretation that affects taxation of net income and/or net worth and similar amounts of any kind or nature for which the Contractor is responsible under this Agreement, taxes which are personal to the Contractor such as income taxes and taxes of like kind.

“CHANGE ORDER” means changes, alterations and/or amendments as mutually agreed to in writing by both Parties, to services, techniques, methods, procedures, or processes established under the Agreement, and, for certainty, includes General Change Orders.

“CHANGE NOTICE” has the meaning set out in Section 6.2(a).

“CM INDEMNITEES” has the meaning set out in Section 11.2(a).

“COLLECTED MATERIAL” means material that has been collected from Residential Premises and that has not, at the time of delivery to the PCF, been subjected to Preconditioning. For certainty, Collected Material includes PPP, Marketable Non-PPP and Contamination.

“COLLECTION CATCHMENT AREA” or “CATCHMENT” means any collection catchment area listed in I Schedule A Scope of Work

“COMPACT” or “COMPACTED” means no more than 18 Tonnes of Collected Material as loaded onto a 53-foot trailer:

The above definition of “COMPACT” or “COMPACTED” shall be recalculated and pro-rated by Contractor in the event the trailer used is not a 53-foot trailer.

“CONFIDENTIAL INFORMATION” has the meaning set out in Section 13.9(a).

“CONTAMINATION” means any Collected Material that is not PPP and cannot be Preconditioned into a Marketable Non-PPP Material. For the avoidance of doubt, any Excluded Material contained in the Collected Material shall be considered Contamination.

“CONTINGENCY PLAN” has the meaning set out in Section 11.4(a).

“CONTRACT PRICE” means the total price payable under this Agreement.

“CONTRACTOR DEFAULT” means unless resulting from a Force Majeure Event, a failure of Contractor to comply with the material requirements of this Agreement or to perform any of Contractor’s material obligations under this Agreement, other than a Major Contractor Default. For clarity, and without limitation, any Contractor requirement or obligation on Contractor under this Agreement necessary for CM to be in compliance with the Regulation shall be considered material.

“CONTRACTOR INDEMNITEES” has the meaning set out in Section 11.2(c).

“CONTRACTOR LD CURE RIGHT” has the meaning set out in Section 7.2(e).

“CPI” means the Consumer Price Index for the Province of Alberta (All Items), established by Statistics Canada (or any successor entity) annually, provided that if Statistics Canada (or any successor entity) establishes a Consumer Price Index category specifically tracking the recycling/waste industries in Alberta, such category shall be subject to mutual agreement of the Parties.

“DESIGNATED QUANTITY” means, estimated total quantity of Collected Material as provided in the table in I.A.1 Schedule A Statement of Work.

“DESIGNATED RECEIVING FACILITY” means the facilities set out in Section I.A.6 of Schedule A.

“DISCLOSING PARTY” has the meaning set out in Section 13.9(a).

“DOWNCYCLING” has the meaning as set forth in the Regulation.

“RESIDENTIAL PREMISES” means single-family dwellings and multiple-family dwellings but does not include institutional accommodations or visitor accommodations in accordance with the Regulation.

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

“ENVIRONMENT” means the ambient air, all layers of the atmosphere, all water including surface water and underground water, all land, all living organisms and the interacting natural systems that include components of air, land, water, living organisms and organic and inorganic matter, and includes indoor spaces.

“ENVIRONMENTAL LAWS” means any Applicable Laws relating to the Environment and protection of the Environment, the regulation of Hazardous Substances or products, health and safety including occupational health and safety, and the transportation of dangerous goods.

“EXCLUDED MATERIAL” means:

- a) waste tires;
- b) Radioactive Material, volatile, corrosive, flammable, explosive, biomedical, infectious or bio-hazardous materials, wastes or substances;
- c) regulated medical materials, wastes or substances;
- d) toxic or hazardous wastes, substances or materials and contaminants, as defined by, characterized or listed under Applicable Laws;
- e) materials designated under the Regulation or managed through programs operated by the Alberta Recycling Management Authority; and

- f) any materials, wastes or substances that are capable of causing material damage or injury to any part of Contractor's property or its personnel, or to the public or the Environment;

provided that in all cases Excluded Material shall not include any PPP or Marketable Non-PPP.

"FACILITY LIMIT" has the meaning set out in Section 2.2(b)

"FORCE MAJEURE EVENT" has the meaning set out in Section 11.3(a).

"FLEXIBLE PLASTIC PACKAGING" or "FPP" means all PPP plastic film and other flexible (i.e. un moulded) plastic packaging categories as set out in Annex A.

"HAZARDOUS SUBSTANCE" means any contaminant, underground or above-ground tanks, substance, waste, liquid, gaseous or solid matter, fuel, micro-organism, sound, vibration, ray, heat, odour, radiation, energy vector, plasma, organic or inorganic matter that is or is deemed to be, alone or in any combination, hazardous, hazardous waste, solid or liquid waste, toxic, a pollutant, a deleterious substance, a contaminant or a source of pollution or contamination, whether or not regulated by any Environmental Laws. For clarity, Hazardous Substance includes hazardous wastes, substances or materials and contaminants, as defined by, characterized or listed under Applicable Laws.

"HAULING VEHICLE" means a vehicle used to perform hauling services.

"HST" has the meaning set out in Section 5.2(b).

"INTELLECTUAL PROPERTY RIGHTS" means all intellectual property rights as recognized under any Applicable Law, including rights in and to patents, trade secrets, proprietary 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.

"LOOSE" means Collected Material that is not Compacted such that a minimum of fourteen (14) tonnes of PPP is transported on a 53 foot transport trailer.

"LAWFUL LD PERIOD" has the meaning given to it in Section 11.3(d).

"LD CAP" has the meaning given to it in Section 7.2(b).

"LOSSES AND CLAIMS" means liabilities, claims, demands, losses, costs, expenses, damages, orders, penalties, actions, suits and other proceedings (including reasonable and demonstrable out-of-pocket legal fees and disbursements).

"MAJOR CONTRACTOR DEFAULT" means, unless resulting from a Force Majeure Event, Contractor has committed any of the following:

- (a) subject to Section 11.3, abandoning substantially all of the Work for a period of three (3) consecutive days, where "abandoning" means that Contractor has shown through its conduct no intention of continuing the Work;
- (b) exhibiting a pattern of knowingly or recklessly providing false or misleading data, in relation to any documentation provided to CM;
- (c) exhibiting a pattern of knowingly, deliberately or recklessly disposing of any PPP (excluding Residue) that was delivered as part of this Agreement at any alternate fuel or

RDF facility or landfill or other disposal location or with a Person not expressly permitted by this Agreement or agreed-to in writing in advance by CM;

- (d) failing to comply with the Agreement and failing to rectify any such failure such that CM or Producers are determined by applicable authorities as being non-compliant with the Regulation in any material respect;
- (e) the Contractor accumulates more than fifty thousand dollars (\$50,000) in service level failure credits set out in Table 7.1(a) or liquidated damages associated with infraction No.2 and No. 3 as set out in Table 7.2(a) in the aggregate in any rolling three (3) month window;
- (f) Failure to achieve a Sorting Efficiency Rate listed in Schedule A II.G.5 of the same Marketable PPP conditional on the following;
  - (i) for Flexible Plastic Packaging, commencing on the first anniversary of the Operational Date, for any two (2) Measurement Periods in any six (6) month rolling period;
  - (ii) for all other Marketable Blue Box Material sub-categories, commencing on the Operational Date, for any two (2) Measurement Periods in any six (6) month rolling period; and
  - (iii) provided that such Major Contractor Default shall not be invoked while there is a period of Contractor LD Cure Right, in respect of the sub-category otherwise giving rise to the default, still in effect further to Section 7.2(e);
- (g) the Contractor exhibits a pattern of knowingly, deliberately or recklessly disposing of Marketable PPP without notification of and authorization by CM (as defined under infraction #3 of Table 7.2(a)); or
- (h) if Contractor becomes insolvent, has a receiver, administrative receiver, administrator or manager appointed of the whole or any material part of its assets or business, makes any composition or arrangement with its creditors, takes or suffers any similar action in consequence of debt or an order or resolution is made for its dissolution or liquidation (other than for the purpose of solvent amalgamation or reconstruction), or suffers any analogous or equivalent procedure in any other jurisdiction.

“MARKETABLE PPP” means PPP that has been Preconditioned as an outbound commodity as set forth in Annex A.

“MARKETABLE NON-PPP” means Non-PPP that is marketable as a commodity, as defined in Annex A.

“MATERIAL AUDIT CATEGORIES” means the material audit categories set out in Annex A and used for the purposes of the Auditing and Monitoring Protocol.

“MEASUREMENT PERIOD” has the meaning set out in Schedule A II.H.2.

“MONITOR” or “MONITORING” means to assay and observe the presence and amounts of Contamination and PPP and Non-PPP Subcategories that are, and are not, desired in outbound bales of Marketable PPP and Marketable Non-PPP.

“OPERATIONAL CONTRACT YEAR” means a twelve (12) month period commencing on the Operational Date or any anniversary thereof during the Term, provided that the last Operational Contract

Year may be less than 12 months. In respect of any quantity or amount that is specified in this Agreement as being on a per Operational Contract Year basis, such quantity or amount shall automatically be prorated for any Operational Contract Year that is less than a full 12 months.

“OPERATIONAL DATE” is October 1<sup>st</sup> 2026.

“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.

“PPP” means single-use products, packaging, packaging-like products and paper products as designated materials for the purposes of sections 1 to 11 and Part 1 of the Regulation pursuant to section 13 of the Regulation.

“PPP AND NON-PPP SUBCATEGORIES” means the disaggregated material categories as provided in Annex A.

“PROHIBITIVE MATERIAL” or “PROHIBITIVES” means any material which by its presence in an outbound commodity as listed in Annex A, may make the outbound commodity unmarketable to a commodity market or unusable for Secondary Processing.

“PRECONDITIONING” or “PRECONDITIONED” means the sorting of Collected Material to produce Marketable PPP through the provision of the Preconditioning Services.

“PRECONDITIONING FACILITY” or “PCF” means the building(s) located at [●]

“PRECONDITIONING FEE” has the meaning set out in Section 4.2(a).

“PRECONDITIONING SERVICES” means the services in connection with sorting of Collected Material to produce Marketable PPP to be provided by Contractor to CM pursuant to this Agreement, as described in Schedule A (Statement of Work).

“PRIVACY LAWS” has the meaning set out in Section 13.9(e).

“PRODUCER RESPONSIBILITY ORGANIZATION” or “PRO” has the meaning of “producer responsibility organization” as set out in the Regulation.

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

“RADIOACTIVE MATERIAL” is Collected Material that produces a reading that is at least twice the background radiation level as measured by a radiation measuring device, certified by the Canadian Nuclear Safety Commission (CNSC), that is suitable for testing radiation emanating from Collected Materials loaded onto 53-foot trailers.

“RECEIVING FACILITY” means a facility at which Collected Materials are consolidated from Residential Premises or from public space collection receptacles or at depots is first received.

“RECEIVING PARTY” has the meaning set out in Section 13.9(a).

“RECORDS” has the meaning set out in Section 13.5(a).

“RECYCLING TARGETS” means the Material Management percentages set out in s. 19(1) of the Regulation.

“REGULATION” means the Extended Producer Responsibility Regulation (Alberta) under the *Environmental Protection and Enhancement Act* (Alberta).

“REGULATORY ENVIRONMENTAL ATTRIBUTES” has the meaning set out in Section 8.2(a).

“REJECTION PROTOCOL” means a procedure for identifying, removing, disposing and documenting the removal of Contamination (and the Excluded Material contained therein), whenever identified in the course of the Preconditioning Services from Collected Material.

“RELATED PARTY” means any party or entity related to or affiliated with the Contractor or in which the Contractor has direct or indirect ownership or control, including, without limitation (i) any entity owned in whole or in part by the Contractor, and (ii) any party or entity with more than a ten percent (10.0%) direct or indirect interest in the Contractor.

“REPORTS” means the reports to be delivered by Contractor to CM in accordance with Section 10.1, Section 13.8 (if applicable), and Sections I.B, I.C.2, III.A of Schedule A (Statement of Work).

“REPRESENTATIVES” has the meaning set out in Section 13.9(b)(iii).

“RESIDUE” means Collected Material (e.g., labels, fines, etc.) that (a) is not rendered into Marketable PPP; (b) is not rendered into Marketable Non-PPP; and (c) constitutes Contamination.

“SECONDARY PROCESSING” is any management of Preconditioned PPP for the purpose of rendering it into Marketable PPP.

“SEVERE ADVERSE WEATHER CONDITIONS” means severe adverse weather conditions at or in the vicinity of the place of Work which: (i) prevent the minimum number of staff required to perform the Work from attending the place of Work, or travelling to the place of the Work by public or private transportation; or (ii) preclude the safe performance of the Work.

“SINGLE STREAM” means Collected Material that is commingled PPP that may be set out by residents in polyethylene film collection bags.

“SINGLE-USE PRODUCTS, PACKAGING AND PAPER PRODUCTS” or “PPP” has the meaning set out in sections 1 to 11 and Part 1 of the Regulation pursuant to section 13 of the Regulation.

“SORTING EFFICIENCY RATE” means the quantity, as measured through Monitoring, of a given PPP subcategory that has been rendered into Marketable PPP over a given period as a percentage of the total quantity of that PPP subcategory in Collected Material, as measured by Auditing, for the same period.

“SUBCONTRACTOR” means any subcontractor employed by Contractor for the purpose of performing any part of the Work.

“TECHNOLOGY IMPROVEMENT” means optical sorting technologies and/or other process or design changes at the PCF.

“TERM” has the meaning set out in Section 3.1(a).

“TERMINATION FEE(S)” means the costs listed in Annex B, which CM shall pay to Contractor in the circumstances set forth in Section 11.5(d)

“TONNE” means 1000 kilograms.

“TRIALS AND EVALUATION PERIOD” has the meaning set out in Schedule A II.F.

“UNLAWFUL LD PERIOD” has the meaning given to it in Section 11.3(e).

“VALUE ADDED TAXES” means such sum as shall be levied upon any portion or all of 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 Contractor by Canadian or provincial tax legislation.

“WORK” means the performance of Preconditioning Services and all other obligations of Contractor under this Agreement, including the supply of all materials, Equipment, labour, facilities, supervision, services, permits, licenses, or approvals required to complete Contractor’s obligations under this Agreement, including any Change Orders agreed to by the Parties.

“WORK REPORTS” means the reports to be delivered by Contractor to CM in accordance with Article 5.

## 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.
- (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, required, approved, or sanctioned by or satisfactory to CM or its appointed representative, acting reasonably.
- (c) Where the word “including” or “includes” is used, it means “including (or includes) without limitation”.
- (d) The word “may” in this Agreement denotes permissive.
- (e) The words “shall” and “will” in this Agreement denote imperative.
- (f) Any capitalized term used in this Agreement that is not defined in Section 1.1 or elsewhere in this Agreement 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 Agreement 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 Agreement, 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 Agreement 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 Agreement are the following Schedules (including exhibits to the Schedule) and Annexes:
  - (i) Annex A - Material Audit Categories
  - (ii) Annex B – Termination Fees
  - (iii) Schedule A – Statement of Work
  - (iv) Schedule B – Preconditioning Process Flow Diagram
  - (v) Schedule C – Input composition and acceptable tolerances
  - (vi) Schedule D – Supplier Code of Conduct
- (m) This Agreement, its Schedules and Annexes, and any Change Orders shall constitute the entire agreement between the Parties and shall supersede all prior agreements, understandings, negotiations, and discussions, oral or written, between the Parties regarding the matters covered herein. In the event of any inconsistency between any of the provisions of this Agreement, the inconsistency will be resolved by reference to the following in descending order of priority:
  - (i) Change Orders;
  - (ii) Schedule A – Statement of Work;
  - (iii) Schedule C – Input composition and acceptable tolerances; and,
  - (iv) Other portions of this Agreement.

For certainty, in the event that any provision of the Schedule A - Statement of Work is inconsistent with, or conflicts with the body of the Agreement, the Schedule A - Statement of Work governs.

## ARTICLE 2 SCOPE OF AGREEMENT

### 2.1 Scope of Preconditioning of Collected Material at the PCF

- (a) Contractor shall pick up Collected Material from Designated Receiving Facilities in accordance with Schedule A I.A and deliver it to the PCF, unless CM undertakes to deliver Collected Material directly to the PCF, or the PCF is designated as a Receiving Facility.
- (b) Contractor shall receive the Designated Quantity for Preconditioning at the PCF. For clarity, title to the Collected Material that is subject to Preconditioning by the Contractor

and the Marketable PPP and the Marketable Non-PPP resulting from such Preconditioning, as well as Excluded Materials, shall at all times stay with CM. The Collected Materials shall at all times remain at CM's risk, except for while such materials are in the care, custody and control of Contractor and its Subcontractors, during which time any loss to the Collected Materials shall be at the risk of the Contractor.

- (c) Contractor shall Precondition the Collected Material in accordance with the terms and conditions of this Agreement, to Sorting Efficiency Rates and Outbound Material Quality as set forth in Schedule A II.G.5 as established in accordance with this Agreement and from time-to-time as may be established or revised through a Change Order or Change Notice. Contractor shall provide all materials, personnel, and Equipment as required to perform the Work.
- (d) CM shall retain title to all Collected Material delivered to the PCF and shall market Preconditioned Marketable PPP and Marketable Non-PPP produced from Collected Material including arranging for the transportation of Marketable PPP and Marketable Non-PPP from the PCF to end markets.
- (e) In performing its obligations under this Agreement, Contractor shall at all times 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.

## 2.2 Quantities of Collected Material for Preconditioning

- (a) Beginning on the Operational Date, CM shall direct to the PCF for Preconditioning the tonnages it has assigned to Contractor under the Designated Quantity. Any reduction in quantities of Collected Material directed to the PCF below the Designated Quantity shall be solely the result of changes to CM's overall market share, should another PRO enter the Alberta market and not because of CM's redirection of Collected Material elsewhere (including the redirection of Collected Material to another PCF contractor).
- (b) The Contractor shall not be required to accept Collected Material in excess of its operating capacity as determined by Contractor, currently estimated to be [•] Tonnes (the "**Facility Limit**").

## ARTICLE 3 TERM

### 3.1 Term

- (a) The term of this Agreement shall commence on the Effective Date and continue until the day before the tenth (10<sup>th</sup>) annual anniversary of the Operational Date (the "**Expiration Date**"), unless this Agreement is terminated as described in Sections 11.3, and 11.5 or as otherwise provided for in this Agreement ("**Term**").
- (b) CM and the Contractor may, by Change Order, mutually agree to extend the Term of this Agreement by one five (5) year period. Any such extension shall be under the terms and

conditions of this Agreement, as amended by mutual written agreement of CM and Contractor from time to time.

## ARTICLE 4 PRICING OF SERVICES

### 4.1 Pricing and currency

- (a) All pricing of services will be in Canadian dollars.

### 4.2 Preconditioning Fee

- (a) CM shall pay Contractor a fee for the Work (the “**Preconditioning Fee**”) based on the Tonnes of Collected Material received at the PCF as of the Operational Date and during the Term as per the table below.

	<b>A</b>	<b>B</b>
Quantity (tonnes)	Fee \$/tonne for Preconditioning Loose and Compacted material	Fee \$/tonne surcharge for Preconditioning of Baled Collected Material
Minimum Tonnage	<b>[NOTE: See Pricing Form for details on how this table is to be populated]</b>	
+10,000		
+...		
+ ...		
Designated Quantity		
+10,000		
+...		
+...		
Facility Limit		

For clarity, the the surcharges associated with the Preconditioning of Baled Collected Material in column B is additional to the Preconditioning Fee in Column A.

- (b) Where Contamination in Collected Material has changed on average on an absolute basis over a calendar quarter by the threshold in Schedule C Table 1, as adjusted, the Parties will negotiate a General Change Order to adjust the amount of the Preconditioning Fee and Sorting Efficiency Rates.
- (c) For clarity, the Preconditioning Fee includes services for the disposal of Contamination and Residue. Contractor may, subject to Applicable Laws, dispose of Contamination and Residue in Canada in any manner deemed appropriate by Contractor, without consent or approval of CM. For clarity, Contractor shall use commercially reasonable efforts to dispose of any Contamination and Residue from the PCF within Canada, provided that Contractor may dispose of Contamination and Residue outside of Canada with advanced notice to CM. Title to any Contamination or Residue will be transferred to Contractor prior to export to the extent that they are exported outside of Canada.
- (d) Where CM identifies markets that will accept Contamination and Residue for Downcycling, CM may in it sole discretion elect to have Contractor ship Contamination and Residue for Downcycling.

- (i) Where Contractor can demonstrate that Downcycling of Contamination and Residue will cause it to incur a cost that exceeds Contractor's preferred method of disposal, the Parties will negotiate a Change Order that will set out a procedure to compensate Contractor for the discrepancy in cost between Contractor's preferred method of disposal and that of Downcycling when CM elects to send Contamination and Residue for Downcycling.

#### **4.3 Indexation**

- (a) On each annual anniversary of the Operational Date, the Preconditioning Fee under Section 4.2, and Change Orders where indexation is provided for, and the Transportation Fee (as defined in Schedule A Section I.A.6) for the pick up of Collected Material from Receiving Facilities under Schedule A Section I.A, will be revised by adjusting the rate for the preceding 12-month period by the 12-month average change in CPI.

#### **4.4 Rejected Material**

- (a) Where Collected Material is rejected according to the Rejection Protocol developed under I.C.1 of the Statement of Work:
  - (i) The Preconditioning Fee will not be paid to the Contractor for the quantity of rejected Collected Material; and
  - (ii) CM will pay all Contractor costs associated with the management of the rejected Collected Material including disposal, handling, transportation/freight and administration costs, and all such materials shall be excluded from the calculation of Designated Quantity.

#### **4.5 Redemption of deposit bearing Beverage Containers**

- (a) CM will arrange for the redemption of deposit bearing Beverage Containers that are Preconditioned pursuant to Section III.G in accordance with Applicable Laws.
- (b) The deposit value of any Beverage Container that is redeemed in (a) shall, accrue to CM.

### **ARTICLE 5 INVOICING AND PAYMENT**

#### **5.1 Documentation and Payment**

- (a) Circular Materials will calculate payments due to Contractor based on approved Work Report submissions. Contractor may be required to invoice CM surcharges or liquidated damages payable by CM hereunder monthly in arrears as agreed by the Parties.
- (b) Contractor shall submit Work Reports, at minimum, once weekly in an electronic format as defined by Circular Materials and in accordance with its data standards.
- (c) Work Reports shall be submitted by the Contractor for each defined material movement event including, but not limited to:
  - (i) Pick-up of Collected Material with reference to the weight scale ticket issued by the Receiving Facility as per Schedule A I.A,

- (ii) Delivery of Collected Material to the PCF with reference to the weight scale ticket generated at the PCF as per Schedule A I.B.1 and,
- (iii) Weighing of Marketable PPP and Marketable Non-PPP, including Beverage Containers, as per Schedule A III and shipment of Residue to disposal and/or Downcycling; with reference to the weigh scale ticket(s) generated at the PCF.
- (d) Upon receipt of each Work Report, Circular Materials will issue an acknowledgement of same to Contractor "Claim Submission".
- (e) Upon approval of "Claim Submission", Circular Materials will issue Contractor a purchase order within five (5) Business Days and generate an internal accounts payable invoice.
- (f) Accounts payable invoices will be payable to the Contractor on 30-day from CM's purchase order approval date
- (g) If CM disputes the quality of a Work Report or selects the Work Report for verification (e.g. demand for copy of weight scale ticket), CM shall deliver a written notice to Contractor within five (5) Business Days of receipt of the applicable Work Report, describing the reasons for the approval delay.
- (h) Any service level failure credits or liquidated damages determined pursuant to this Agreement will entitle CM to set off such amounts against any monies CM may, from time to time, owe Contractor under this Agreement.
- (i) Contractor shall inform CM of any payment errors that result in overpayment by CM as soon as practicable upon becoming aware of the error, by issuing a written notice informing CM of the credit necessary to correct such error in the next payment or, if the overpayment is in respect of the last payment, by issuing a refund to CM within thirty (30) days of Contractor becoming aware of the error.

## 5.2 Taxes

- (a) Except for the applicable Value Added Taxes payable by CM, all taxes, including any sales, use, excise and similar taxes, however denominated or measured, imposed upon the price or compensation under this Agreement, or upon the Work provided hereunder, or based on or measured by gross receipts or net income, or measured by wages, salaries or other remuneration of Contractor's employees, will be solely the responsibility of Contractor. Contractor will deposit, or cause to be deposited, in a timely manner with the appropriate taxing authorities all amounts required to be withheld.
- (b) Contractor represents and warrants that, as of the Effective Date and continuing in force and effect for the Term, it is not a non-resident of Canada for purposes of the *Income Tax Act* (Canada). Contractor is a registrant within the meaning of Part IX of the *Excise Tax Act* (Canada) and shall provide CM with its harmonized sales tax ("HST") number on each invoice.
- (c) Where Contractor is obligated to collect the Value Added Taxes on charges to CM for services rendered under this Agreement, CM shall remit such Value Added Taxes on the payments it makes to Contractor.

### 5.3 Interest

Contractor shall be entitled to interest upon any undisputed amounts owing for more than thirty (30) days on account of delay in payment by CM, until payment of the unpaid amount. The interest shall be simple interest payable monthly at CRA prescribed interest rates.

## ARTICLE 6 CHANGE ORDERS AND CHANGE NOTICES

### 6.1 Change Orders

- (a) Except as specifically confirmed in writing by the Parties in accordance with this Article 6, all Work shall be performed in accordance with the terms and conditions of this Agreement.
- (b) Either Party may propose to the other Change Orders within the general scope of Work of the Agreement (including in response to a Change in Law). All Change Orders and Change Notices shall be priced in accordance with the “Pricing of Change Orders” under Section 6.3.
- (c) CM and Contractor shall negotiate each Change Order in good faith.
- (d) The Agreement will continue without modification or termination in the event CM and Contractor cannot mutually agree on a Change Order.
- (e) Any changes to Sorting Efficiency Rates listed in Schedule A II.G.5 or other Sorting Efficiency Rates agreed to by the Parties will be based on the Auditing and Monitoring Protocol carried out following implementation of a Change Order and subsequent Auditing and will be set out in an amendment to the Agreement. For certainty, a Change Order does not come into effect until the Parties have mutually reached agreement in writing and the Change Order is incorporated into this Agreement.

### 6.2 Change Notice

- (a) Notwithstanding Sections 6.1(d), if a Change Order is required in response to a Change in Law that requires immediate changes to the Agreement to avoid penalties, notices of violation or other enforcement actions, CM may in good faith make such changes, alterations or amendments to the Agreement by written notice to Contractor setting out in detail the nature of the changes and the basis for not pursuing such changes through a Change Order (a “**Change Notice**”).
- (b) Where CM has issued a Change Notice, Contractor shall diligently proceed to make the relevant changes, and the pricing (as set out in Section 6.3), applicable liquidated damages and any related terms and conditions with respect to the Change Notice will be determined in due course through the Change Order process, as applicable, and subject to dispute resolution.
- (c) Notwithstanding Section 6.2(b), where a Change Notice is issued that requires Technology Improvements that are estimated to require an expenditure of more than \$100,000, Contractor shall not be required to make such expenditure until the Parties have agreed to a Change Order.

### 6.3 Pricing of Change Orders

- (a) Upon delivery by either Party of a proposal for a Change Order, the Parties shall engage in good faith discussions regarding the feasibility of any proposed change subject to Schedule A IV.A.5. Within 30 days (or such period as is commercially practicable) following the Parties mutually confirming that a proposed change is feasible, Contractor will provide CM with a pricing proposal to deploy and operate the Technology Improvements and other Work described in the Change Order, as applicable.
- (b) The pricing proposal associated with a Change Order shall set out the net cost to Contractor to implement the Change Order, and will itemize the following costs, to the extent applicable:
  - (i) capital, operating, construction and maintenance costs,
  - (ii) Contractor's interest costs (cost of borrowing) over the Term,
  - (iii) retired asset costs,
  - (iv) adjustments for inflation, and
  - (v) a cumulative amount representing Contractor's mark-up or margin on account of Contractor's profit, administration and overhead in respect of the Change Order which shall not exceed [•] ([•]) percent and, without duplication, Contractor's return on any capital investments in respect of the Change Order which shall also not exceed [•] ([•]) percent.
- (c) Pricing will be established using an open book "cost plus" approach whereby the price will be the total of the actual cost of the items which are reasonably and necessarily directly incurred by Contractor in accordance with the Change Order, net of any savings or credits to be materialized, plus Contractor's agreed margin on account of overhead and administration costs.
- (d) Contractor shall identify to CM any Related Party to which any Change Order costs will be paid, including the nature of the relationship, and shall provide such evidence as is reasonably required to demonstrate the costs being charged are no more than those that would be charged by an arm's length person.
- (e) The annualized cost of implementing a Change Order shall be prorated on the total quantity of Collected Material Preconditioned in the previous year to generate a \$/Tonne rate which then will be added to the existing Preconditioning Fee. Any variability in annual tonnages that result in under or over payment in respect of such Change Order will be accounted for and trued up annually.
- (f) Where a Change Order results directly or indirectly in a net savings, the adjustment to the \$/Tonne rate payable may be a reduction. The Parties agree that in determining "net savings" resulting from a Change Order, the considerations shall include but not be limited to any increased costs of operations of Contractor, including where such impact is with respect to operations which are not directly related to the applicable change.
- (g) The cost to implement a Change Order including financing any capital investments will be the responsibility of Contractor and will be amortized over the remaining Term (not including unexercised extension terms) on expected volume and CM will be responsible

for reimbursing Contractor through Preconditioning Fees in accordance with Section 6.3(e) during the Term.

#### 6.4 Change in Law

- (a) If and to the extent that any Change in Law gives rise to the requirement by either Party to make a change in the Work, the schedule, manner or sequence of execution of the Work, then subject to Section 6.4(b), such Change in Law shall be deemed to be a Change Order initiated by the requesting Party. Each Party shall notify the other within ten (10) Business Days of becoming aware that any Change in Law may require a change in the Work and shall provide the other Party with such further information and assistance as such Party may reasonably request in order to enable the Parties to comply with their obligations under this Agreement.
- (b) Contractor shall be entitled to include in any Change Order associated with a Change in Law, whether initiated by Contractor or CM and shall recover from CM during the Term, the net amount of any increased costs that are reasonably incurred by or on behalf of Contractor, whether on account of capital, operations, or maintenance, pertaining to the Work and resulting directly from the applicable Change in Law. In the event of a Change Order associated with a Change in Law that is the imposition of a regulatory fee, no mark-up shall apply to such fee.

### ARTICLE 7

#### SERVICE LEVEL FAILURE CREDITS AND LIQUIDATED DAMAGES

##### 7.1 Service Level Failure Credits

- (a) Contractor shall be subject to the service level failure credits set out in Table 7.1(a) following the Operational Date:

**Table 7.1(a): Service Level Failure Credits**

No.	Infraction	Amount	Unit
1.	Failure to weigh inbound Collected Material	\$1000	Per incident
2.	Failure to record necessary information to complete weigh scale tickets for all inbound and outbound movements of PPP	\$500	Per incident
3.	Failure to take samples from outbound material using prescribed sample-taking protocol	\$1,000	Per incident
4.	Failure to submit Work Reports in the prescribed time	\$250	Per incident
5.	Submission of an inaccurate Work Report	\$250	Per incident

- (b) If Contractor is prevented from the fulfillment of its obligations resulting in infractions under Table 7.1(a) by reason of a Force Majeure Event, such failure shall not be the basis of an infraction thereunder.
- (c) Where CM or any third party retained by CM arranges for the delivery of Collected Material to the PCF and the Contractor is negatively impacted in fulfilling its obligations

by an act or omission by CM or any third party retained by CM which results in a failure, such failure shall not be the basis of an infraction under Table 7.1(a).

- (d) Prior to Contractor incurring service level failure credits in respect of reporting under Table 7.1(a) No. 4 and No. 5 Contractor shall have five (5) Business Days after notification of the infraction by CM to remedy the cause of the infraction or to provide CM with a plan to remedy the infraction in a period no longer than ten (10) Business Days. Failure to remedy the cause of the infraction to CM's reasonable satisfaction shall result in the applicable service level failure credits or liquidated damages.
- (e) Following the Operational Date, where, promptly following the first incidence of each of the infractions of Table 7.1(a) that would normally constitute an infraction, the Contractor has taken satisfactory action to remediate the incidence or occurrence (such as using alternative weighing facilities and equipment), and to mitigate the risk of future infractions of the same type, then such first incidence or occurrence will not constitute an infraction. Such remediative measures and waiver of infraction can only be utilized once for each of each of the infractions, unless otherwise agreed-to in writing by the Parties, but this waiver of infraction shall renew each Operational Contract Year such that every Operational Contract Year, the first incidence of each of the infractions of Table 7.1(a) shall be waived provided that the Contractor has taken the satisfactory action as described in this Section 7.1(e).

## 7.2 Liquidated Damages

- (a) Table of Infractions and Liquidated Damages

No.	Infraction	Amount	Unit
1	Failure to achieve a Sorting Efficiency Rate listed in Schedule A II.G.5	One and one-quarter (1.25) times the Preconditioning Fee	Per Tonne of Collected Material Preconditioned in any given Measurement Period
2.	Failure to prevent mixing of Collected Material associated with the Designated Quantity with material from other sources (i.e., industrial, commercial and institutional material)	two (2) times the Preconditioning Fee associated with the entire affected quantity associated with each occurrence.	Per Tonne of PPP from Residential Premises mixed with PPP from other sources.
3.	Disposal of Marketable PPP (for certainty, excluding Residue) without notification of and authorization by CM	three (3) times the Preconditioning Fee associated with the entire quantity disposed.	Per Tonne of Marketable PPP disposed

- (b) No service level failure credits or liquidated damages shall apply to the Contractor during the Trials and Evaluation Period or during any Force Majeure Event.
- (c) CM shall provide notice to the Contractor within five (5) Business Days of becoming aware of each service level failure and liquidated damages violation with reasonable supporting information, failing which the applicable service level failure credits or liquidated damages will not apply.

- (d) In assessing whether a failure under Table 7.2(a), No. 1 constitutes an infraction thereunder, CM shall consider the contribution to variability in Contamination and factors identified in Schedule A II.I.1 during the respective Measurement Period.
- (e) Prior to Contractor incurring liquidated damages under Table 7.2(a), infraction No. 1, Contractor shall have a period of ninety (90) days from the date of receiving notice of the infraction (or such longer period as is reasonably agreed between the parties when such failure cannot be cured within ninety (90) days) to demonstrate to CM's reasonable satisfaction that it has implemented a process to prevent the recurrence of such failure (the "**Contractor LD Cure Right**"). If Contractor successfully exercises the Contractor LD Cure Right, liquidated damages shall not apply to the failure for which the Contractor LD Cure Right was exercised. Contractor may only exercise the Contractor LD Cure Right twice in an Operational Contract Year in respect of a specific Sorting Efficiency Rate. For clarity, if Contractor has already exercised the Contractor LD Cure Right two times for a specific Marketable PPP sub-category in the then-current Operational Contract Year, the liquidated damages set out in Table 7.2(a) shall apply in respect of such failure regardless of any additional curative action taken by Contractor.

### 7.3 General

- (a) The Parties acknowledge and agree that (i) the service level failure credits and liquidated damages contemplated herein are genuine pre-estimates of the loss suffered by CM, (ii) the amount of the liquidated damages represents a reasonable, fair and accurate estimate of the loss or damage that CM will sustain if Contractor does not perform the applicable obligations; and (iii) accordingly, the service level credits and liquidated damages shall be CM's sole and exclusive remedy for any breach that resulted in service level credits or liquidated damages, as applicable, being applied unless such failure also triggers a termination right under this Agreement.
- (b) For clarity, no service level failure credits or liquidated damages shall apply to Contractor to the extent any failure of Contractor to perform its obligations under this Agreement is attributable to any act or omission of CM or any third party retained by CM in breach of this Agreement.
- (c) The service level failure credits and liquidated damages set forth in Article 7, including the Contractor LD Cure Right, will continue to apply, until a Change Order amending the service level failure credits or liquidated damages is agreed-to by the Parties.
- (d) A Change Order may establish respective service level failure credits and/or liquidated damages payable by either Party to the other, which may, amongst other matters, include, remove, add to, or amend those established under Article 7.

## ARTICLE 8 ENVIRONMENTAL AND OTHER ATTRIBUTES, INTELLECTUAL PROPERTY, & CM EXCLUSIVITY

### 8.1 Public Claims

- (a) CM retains the rights to make public claims regarding the Preconditioning of PPP, the achievement of regulatory targets under the Regulation, any reductions in greenhouse gases and achievement of recycled content objectives on behalf of its subscribing Producers.

- (b) CM grants Contractor the right to make public claims regarding its role in the Preconditioning of PPP, the attendant achievement of regulatory targets under the Regulation and any associated reductions in greenhouse gases and production of recycled content. Each Party is solely responsible and liable for its respective public claims advanced further to Sections 8.1(a) and (b). Each Party accordingly acknowledges that the other Party shall not be required to review nor provide suggestions, recommendations, or advice on any public claims that the Party makes or plans to make. Notwithstanding the foregoing, in the event Contractor desires or must refer to CM in such reporting, Contractor shall first obtain consent from CM, not to be unreasonably withheld, conditioned, or delayed.

## 8.2 Regulatory Environmental Attributes

- (a) If an Applicable Law comes into effect during the Term of the Agreement that creates environmental attributes in respect of the methods, technologies, or systems in the Work that are capable of being monetized (“Regulatory Environmental Attributes”), CM and Contractor will unless otherwise agreed to by the Parties in writing, share these benefits equally.
- (b) Any environmental or other attributes (including all related revenues, entitlement, benefits and other proceeds) arising from operations and investments made by Contractor unrelated to the Work performed under the Agreement or through its own volition for the purposes of its ongoing business operations will be the sole property of Contractor for its exclusive use and CM will have no interest in any such attributes.
- (c) For clarity, any intellectual property shall be dealt with as set forth in Section 8.3.

## 8.3 Intellectual Property

- (a) **“Agreement Intellectual Property”** or **“Agreement IP”** means information and knowledge gained through the development and deployment of a Change Order for Technology Improvements which may include:
  - (i) machine learning algorithms and data collected during machine learning training (that Contractor may gain rights to);
  - (ii) performance of Equipment supplied by third parties arising from the specific manner in which the Equipment is configured and operated in the Preconditioning operations;
  - (iii) performance of Equipment supplied by third parties unrelated to the specific manner in which the Equipment is configured and operated in the Preconditioning operations;
  - (iv) data collected during ongoing Preconditioning operations;
  - (v) techniques, methods, and procedures for the purpose of improving Sorting Efficiency Rates; or
  - (vi) techniques, methods, and procedures for the purpose of consistently meeting market specifications.

“Agreement IP” does not include any intellectual property of Contractor developed prior to the Effective Date or unrelated to a Change Order for Technology Improvements.

- (b) Contractor grants CM a non-exclusive, non-transferable, non-sublicensable limited right and license to use Agreement IP solely during the Term and for a period of five (5) years thereafter for the sole purpose of being informed about the equipment referenced in Section 8.3(a)(iii), provided that, with respect to Agreement IP belonging to third-party technology supplier(s), the grant by Contractor shall not in any event exceed the rights such supplier(s) have granted to the Contractor, or require Contractor to violate any confidentiality obligations to such supplier(s) (provided that Contractor shall make commercially reasonable efforts to avoid agreeing to any confidentiality obligations that would limit the foregoing).
- (c) Notwithstanding any other provision of this Agreement but subject to Section 13.9(c), CM may not disclose Agreement IP, with the exception of that set out in Section 8.3(a)(iii), to third parties including other Preconditioning Facility owners or operators and Producers. CM may disclose the Agreement IP referenced in 8.3(a)(iii) so long as it does not disclose the Agreement IP referenced in Sections 8.3(a)(i), 8.3(a)(ii), 8.3(a)(iv), 8.3(a)(v) or 8.3(a)(vi).
- (d) Except as otherwise set forth in this Section 8.3, all Agreement IP developed during the performance of the Work will be exclusively owned by Contractor.

## ARTICLE 9 REPRESENTATIONS AND WARRANTIES

### 9.1 Representations and Warranties by Contractor

Contractor represents and warrants to and covenants with CM 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 Agreement;
- (b) it has full power, authority, and right to execute and deliver this Agreement, to make the representations, warranties, and covenants set out herein, and to perform its obligations under this Agreement in accordance with its terms;
- (c) this Agreement has been validly executed by an authorized representative of Contractor, and constitutes a valid and legally binding and enforceable obligation of Contractor; and
- (d) it has and will, at its own expense, procure all permits, certificates and licenses required by Applicable Law for the performance of the Work.

### 9.2 Representations and Warranties by CM

CM represents and warrants to and covenants with Contractor 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 Agreement;

- (b) it has full power, authority, and right to execute and deliver this Agreement, to make the representations, warranties, and covenants set out herein, and to perform its obligations under this Agreement in accordance with its terms. This Agreement has been validly executed by an authorized representative of CM, and constitutes a valid and legally binding and enforceable obligation of CM;
- (c) it has and will, at its own expense, procure all permits, certificates and licenses required by Applicable Law for the performance of its obligations under this Agreement; and
- (d) in performing its obligations under this Agreement, CM shall exercise the standard of care, skill, judgment and diligence that would normally be provided by an experienced and prudent Producer responsible organization performing similar obligations.

## **ARTICLE 10 CONTRACT MANAGEMENT**

### **10.1 Record Keeping and Reporting Requirements**

- (a) Through the performance of the Work, Contractor shall prepare, maintain and deliver records generated in accordance with the provisions of this Agreement. Such obligations shall apply to all Work, unless otherwise specified in this Agreement.
- (b) CM may at any time, and from time to time, waive the requirement to include any particular item in any Work Report in connection with the Work or may reduce the frequency of any Work 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 Agreement, upon thirty (30) days written notice to Contractor.

### **10.2 Access to the Work**

- (a) Subject to the execution of a confidentiality agreement for third parties and without limiting the generality of any other provision in this Agreement, at times requested by CM during operating hours with at least four (4) business hours advance written notice to Contractor, Contractor shall, at no expense to CM, provide CM's employees and its professional advisors, auditors and consultants, with access to the Work (including the staff performing the Work and the Equipment being used to perform the Work) to monitor, observe and review any Work (including the staff performing the Work and the Equipment being used to perform the Work) being performed and Contractor shall, and shall cause any Subcontractors to, provide, and cooperate with CM in providing, such access. 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 Contractor shall provide sufficient, safe and proper facilities in respect of such access to the extent commercially practicable, provided that such access shall not disrupt the performance of the Work and all CM personnel shall be subject to Contractor's health and safety procedures and comply with Contractor's code of conduct standards, failing which Contractor shall have the right to require removal of CM personnel.
- (b) If any Work is found by CM, acting reasonably, not to be in accordance with the requirements of this Agreement, Contractor shall, at no expense to CM, make good such defective Work to the extent such defective Work did not result from the acts or omissions of CM or third parties retained by CM.

- (c) This Section 10.2 is subject in all respects to Sections 8.3 and Section 13.9, it being acknowledged that CM shall be entitled to use information obtained pursuant to this Section 10.2 for the administration of this Agreement.

## ARTICLE 11 FAILURE TO PERFORM & FORCE MAJEURE

### 11.1 Service Level Failure Credits

- (a) If Contractor fails to perform the Work in accordance with the terms, conditions and specifications of this Agreement, CM may give Contractor notice as a written warning detailing the performance failure. Such written warning is without prejudice to Contractor being assessed service level failure credits or liquidated damages, to the extent such failure is subject to service level failure credits or liquidated damages, without prejudice to CM's rights under Section 11.1(b).
- (b) The application of service level failure credits and liquidated damages under this Agreement shall be without prejudice to any other rights or remedies of CM and CM's ability to claim damages for breach of this Agreement solely to the extent arising from events or circumstances other than the event or circumstance which gave rise to service level failure credits and liquidated damages.

### 11.2 Responsibility for Damages/Indemnification

#### Contractor Indemnity

- (a) Without limiting the generality of any other provision of this Agreement, Contractor shall indemnify and hold harmless CM and its officers, directors, employees, agents and representatives (collectively, the "**CM Indemnitees**") from and against any and all Losses and Claims brought against, suffered, sustained or incurred by the CM Indemnitees, arising out of this Agreement to the extent attributable, to:
- (i) bodily injury, sickness, disease or death or to damage to or destruction of tangible property occurring in or on the premises at the PCF or any part thereof arising as a result of Contractor's activities under this Agreement, except to the extent such bodily injury, sickness, disease, death or damage is attributable to the negligence, wilful misconduct or breach of this Agreement by CM or third parties retained by CM;
  - (ii) any negligent acts or omissions by, or willful misconduct of, Contractor, its officers, agents, servants, employees, licensees or Subcontractors;
  - (iii) any assessment (including compliance orders and administrative penalties) or allegations of non-compliance under the Regulation or the *Environmental Protection and Enhancement Act* (Alberta) to the extent directly attributable to the gross negligence, wilful misconduct or fraud of Contractor, its officers, agents, servants, employees, licensees or Subcontractors;
  - (iv) any failure of Contractor, its officers, agents, servants, employees, licensees or Subcontractors to comply with the *Occupational Health and Safety Act* (Alberta) (or the regulations made thereunder);

- (v) any finding or declaration that a CM Indemnitee is an “employer” for the purposes of the *Occupational Health and Safety Act* (Alberta) in connection with a breach of the *Occupational Health and Safety Act* (Alberta) (or the regulations thereunder) by Contractor, its officers, agents, servants, employees, licensees or Subcontractors in connection with the Work; or
- (vi) any fines, penalties or orders of any kind that may be levied or made in connection therewith pursuant to the *Environmental Protection and Enhancement Act* (Alberta) 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 Substances, contaminants or pollutants in, into or through the Environment in relation to the Work,

except, in each case, to the extent such Losses and Claims are attributable to any act, or omission, negligence, wilful misconduct or breach of this Agreement of or by any CM Indemnitees or third parties retained by CM.

#### CM Indemnity

- (b) Subject to Section 11.7, CM shall indemnify and hold harmless Contractor, and its 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 Agreement to the extent attributable, to:
  - (i) bodily injury, sickness, disease or death or to damage to or destruction of tangible property occurring in or on the premises at the PCF or any part thereof arising as a result of CM’s negligent acts or omissions;
  - (ii) any negligent acts or omissions by, or willful misconduct of, CM, its officers, agents, servants, employees, licensees or Subcontractors; and
  - (iii) any failure of CM, its officers, agents, servants, employees, licensees or Subcontractors to comply with the *Occupational Health and Safety Act* (Alberta) (or the regulations made thereunder); and

except, in each case, to the extent such Losses and Claims are attributable to any act, or omission, negligence, wilful misconduct or breach of this Agreement of or by any Contractor Indemnitees or third parties retained by Contractor.

### 11.3 Force Majeure

- (a) Subject to Section 11.3(b), “**Force Majeure Event**” means any event or circumstance beyond the reasonable control of either CM or Contractor (other than a lack of funds), including, without limitation, the following:
  - (i) Severe Adverse Weather Conditions;
  - (ii) civil disturbances, riots, war, rebellion, sabotage and atomic or nuclear incidents;
  - (iii) fire;

- (iv) flood;
  - (v) natural disasters;
  - (vi) shutdown resulting from investigation by government authorities (for clarity, provided such shutdown is not as a result of the acts or omissions of the party claiming a Force Majeure Event);
  - (vii) court or governmental order (for clarity, provided such order is not as a result of the acts or omissions of the party claiming a Force Majeure Event);
  - (viii) labour disputes;
  - (ix) utilities outages or curtailments (including electricity system outages); and
  - (x) epidemics or pandemics.
- (b) A Force Majeure Event shall not include the following events or circumstances:
- (i) weather conditions that are not Severe Adverse Weather Conditions;
  - (ii) 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. ;
  - (iii) the quantity and/or quality of PPP received differing from Contractor's expectations;
  - (iv) 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.;
  - (v) 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 Contractor, its Subcontractor's) fault or negligence; or
- (c) If either Party is prevented or delayed in whole or in part in the performance of its obligations under this Agreement by a Force Majeure Event, subject to Section 11.3(g), such failure to perform or delay shall be excused and neither Party shall have any liability or be entitled to any compensation as a result thereof, and the time for performance by the affected Party shall be extended for a period equivalent to the time lost by reason of the Force Majeure Event. For greater certainty, no liquidated damages or service level failure credits shall apply to any failure to perform or delay caused by Force Majeure Event.
- (d) 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 (the "**Lawful LD Period**") by Contractor employees, Contractor shall, at Contractor's cost and expense, during the Lawful LD Period, use commercially reasonable efforts to continue performance of the Work pursuant to this Agreement.
- (e) If there is unlawful or illegal strike, lockout or work slowdown or other unlawful or illegal labour disruption or job action during the Term (the "**Unlawful LD Period**") by Contractor employees, Contractor shall, at Contractor's cost and expense, use commercially

reasonable efforts to continue performance of the Work pursuant to this Agreement and take commercially reasonable actions as necessary, including pursuit of 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, labour disruption or job action as soon as commercially reasonable 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 Agreement as a result of, in connection with or arising out of any action it takes in order to comply with this Section 11.3(e). If the Unlawful LD Period continues for more than fifteen (15) calendar days, CM may terminate this Agreement with no further obligations by either Party. Notwithstanding any provision in this Agreement to the contrary, during the Lawful LD Period or the Unlawful LD Period, the Contractor will not charge CM for the cost of, or receive any compensation for, any Work that is not performed.

- (f) A Party that experiences a Force Majeure Event shall use 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 Agreement.
- (g) In the event that either CM or Contractor shall be unable to fulfil, or shall be delayed, or shall be prevented from the fulfilment of, its obligation under this Agreement by reason of a Force Majeure Event for a period longer than ninety (90) days (or immediately in the case where the PCF is unable to receive Collected Material) then either Party shall promptly notify the other in writing and:
  - (i) notwithstanding anything to the contrary in this Agreement, either Party may perform, or engage others to perform, the obligations under this Agreement that are impacted by the Force Majeure Event until the Force Majeure Event has ended; and/or
  - (ii) CM may authorize Contractor to continue the performance of this Agreement 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.

For clarity, Contractor shall not be entitled to be paid for obligations under this Agreement that it (or others on its behalf) does not perform as a result of a Force Majeure Event.

- (h) In the event that due to a Force Majeure Event, the PCF is (or is reasonably anticipated to be) unable to receive Collected Material for a consecutive period of ninety (90) days, and Contractor has been unable to perform, or engage others to perform, the obligations under this Agreement that are impacted by the Force Majeure Event, then either Party may terminate this Agreement as soon as reasonably practicable in writing and without any further payments being made (other than amounts due and owing for Work performed up to the date of termination).

#### 11.4 Contingency Plan

Except for a Force Majeure Event, in which case the provisions of Section 11.3 shall apply, if Contractor's Work is not materially compliant with the terms of this Agreement, CM may direct Contractor, at Contractor's expense, to:

- (a) prepare and present to CM, for review and approval by CM, acting reasonably, a contingency plan ("**Contingency Plan**") as soon as practical, but not later than ten (10) Business Days after the earlier of Contractor becoming aware of, or CM notifying

Contractor of, Work that is not compliant with the terms of this Agreement. Such Contingency Plan shall demonstrate how Contractor shall address the non-compliant Work and prevent similar non-compliant Work in the future;

- (b) commence the implementation of the Contingency Plan approved by CM, acting reasonably, as soon as practical, but not later than within ten (10) days of CM approving the Contingency Plan; and
- (c) otherwise take commercially reasonable measures to address the Work that is not compliant with the terms of this Agreement.

## 11.5 Agreement Termination

- (a) Without prejudice to any other right or remedy CM may have under this Agreement, CM may terminate this Agreement as follows:
  - (i) if there is a Major Contractor Default, immediately, upon written notice being provided to Contractor; and
  - (ii) if there is a Contractor Default, and Contractor has failed to, within ten (10) days after receipt of notice of such Contractor Default, propose a remedy plan to cure such Contractor Default within a reasonable period of time, and commenced to cure and is taking commercially reasonable efforts to diligently pursue a full cure of such Contractor Default during such cure period.

For certainty, the cure period referred to in Section 11.5(a)(ii) shall not commence until after the expiry of the time period referred to in Section 11.4(b), if applicable. If CM terminates this Agreement due to a Contractor Default or Major Contractor Default, CM is entitled to:

- (iii) Take possession immediately of all the PPP and finish the Work by whatever means CM 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;
  - (iv) Withhold any further payments to Contractor until the completion of the Work; and
  - (v) Recover from Contractor, any direct loss, direct damage, and reasonable expense incurred by CM by reason of Contractor's default.
- (b) Contractor may terminate this Agreement:
  - (i) in the event that CM breaches any of its obligations set forth herein, and fails to remedy the breach within twenty (20) Business Days from receipt of a written notice from Contractor specifying the breach and the intention to terminate this Agreement; or
  - (ii) immediately at any time by written notice to CM if CM becomes insolvent, has a receiver, administrative receiver, administrator or manager appointed of the whole or any material part of its assets or business, makes any composition or arrangement with its creditors, takes or suffers any similar action in consequence of debt or an order or resolution is made for its dissolution or liquidation (other

than for the purpose of solvent amalgamation or reconstruction), or suffers any analogous or equivalent procedure in any other jurisdiction.

- (c) Any termination of this Agreement by either Party shall be without prejudice to any other rights or remedies either Party may have.
- (d) CM shall pay to Contractor Termination Fees if the Agreement is terminated by Contractor further to Section (b). The Termination Fee shall be Contractor's sole and exclusive remedy for any such breach or termination.

## 11.6 Remedies

- (a) Except as set forth in Section 7.3(a), the rights and remedies of each Party as set forth in any provision of this Agreement, including within this Article 11, shall not be exclusive and are in addition to any other rights or remedies available by law, in equity or otherwise.
- (b) The exercise by one Party of any remedy provided under this Agreement does not relieve the other Party or any of its sureties from any liability remaining under this Agreement.
- (c) 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 Agreement, no failure to exercise, or delay in exercising, any rights, remedy, power or privilege arising from this Agreement 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 Agreement 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.

## ARTICLE 12 DISPUTE RESOLUTION

### 12.1 Amicable Resolution

- (a) Contractor and CM shall make all reasonable efforts in good faith to resolve any dispute by amicable negotiations and agree to provide, without prejudice, open and timely disclosure of relevant facts, information, and documents to facilitate these negotiations. The Parties will work to resolve any disputes within sixty (60) days from the date the dispute notice was issued, taking into account lead time required in respect of procuring and implementing Change Orders for Technology Improvements.
- (b) During any dispute period, unless related to a failure by CM to pay required fees beyond any applicable cure period, Contractor will continue to perform the Work and CM will continue to compensate Contractor for the Work based on the last agreed-upon fees.
- (c) 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 CM and Contractor. The mediator will be appointed jointly by the Parties.

- (d) If the Parties are unable to resolve the dispute within a period of sixty (60) calendar days or some other mutually agreed period of time after the first mediation session, the dispute may be resolved through binding arbitration in accordance with Section 12.2, if mutually agreed.

## 12.2 Arbitration

- (a) As provided for in Section 12.1(d), disputes which cannot be resolved by the Parties may be resolved through binding arbitration in accordance with the *Arbitration Act*, unless otherwise mutually agreed to in writing by the Parties.
- (b) CM and Contractor shall agree on an arbitrator within ten (10) Business Days of the Parties agreeing to proceed by arbitration. If the Parties fail to agree on an arbitrator, either Party may apply to a court of competent jurisdiction for the appointment of an arbitrator in accordance with the *Arbitration Act*.
- (c) No Person shall be named or act as an arbitrator who is interested in any way financially in this Agreement or in the business affairs of either Party or has been directly or indirectly involved in seeking to resolve or settle the dispute.
- (d) The arbitrator is not authorized to make any decision inconsistent with this Agreement, nor shall the arbitrator modify or amend any of the terms of this Agreement.
- (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 will apportion the costs of the arbitration to the Parties.
- (g) No matter may be submitted to arbitration except in accordance with the above provisions.

## 12.3 Choice of Forum

Subject to Section 12.2, any legal suit, action, litigation, or proceeding of any kind whatsoever in any way arising out of, from or relating to this Agreement shall be instituted in the courts of the Alberta courts within the Calgary, 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 13 STANDARD CONDITIONS

### 13.1 Governing Laws

This Agreement will be interpreted and governed by the laws of the Province of Alberta.

### 13.2 Compliance with Laws and Permits

- (a) Contractor shall comply 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 Environmental Laws and all Applicable Laws related to 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.
- (b) Contractor shall obtain, and shall ensure Subcontractors obtain, all permits, permissions, licences, and approvals required to perform the Work, subject to Section 9.1(d).

### 13.3 Assignment

This Agreement enures to the benefit of and is binding upon Contractor and CM and their successors and permitted assigns. Neither Party shall assign, transfer (including a change of control of Contractor), convey or otherwise dispose of this Agreement, including any rights or obligations under this Agreement, or its power to execute such Agreement, without the prior written consent of the other Party, not to be unreasonably withheld, conditioned, or delayed.

### 13.4 Contractor to Make Examinations

- (a) Contractor has made its own examination, investigation, and research regarding proper methods of providing the Work and all conditions affecting the Work under this Agreement, and the labour, Equipment and materials needed thereon, and the quantity of the Work to be performed. 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 Agreement was based upon such investigation and research, and that it shall make no claim against CM because of any of the estimates, statements or interpretations made by any officer or agent of CM that may be erroneous.
- (b) With the exception of Force Majeure Events or as otherwise provided in this Agreement, 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.

### 13.5 Access to Records

- (a) Contractor shall maintain full and complete books and records, as applicable to the Work necessary for Contractor or CM to demonstrate compliance with the Act and Regulation (collectively, the “**Records**”) that shall be available for reasonable inspection by CM during business hours, upon five (5) Business Days notice. In addition, Contractor shall maintain reporting records and payment records pertaining to this Agreement that are prepared in accordance with Generally Accepted Accounting Principles (GAAP). The Records shall include such reporting records and payment records under this Agreement, as adjusted for additional and deleted services provided under this Agreement. No more than one time per calendar year, in addition to (i) any access required for compliance under the Regulation or by the Alberta Recycling Management Authority (“**Authority**”), or (ii) any audits reasonably required by CM if an audit in the prior 24-months has identified material discrepancies, CM shall be allowed access to the Records for audit (including, as applicable to the Work, for an audit of practices and procedures required by the Authority through its policies and bylaws in respect of the Regulation) and review purposes during business hours, upon ten (10) days notice.

- (b) Contractor shall make available copies of certified weigh scale records for PPP collected under this Agreement on request within two (2) Business Days of the request by CM. The weigh scale records may be requested for any period during the Term.
- (c) All records related to this Agreement, including the Records, shall be maintained, and access granted pursuant to this Section 13.5, throughout the Term and for at least five (5) years thereafter.

### 13.6 Insurance

- (a) Without limiting the obligations of Contractor in this Agreement, Contractor shall at its own expense obtain and maintain for the Term:
  - (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 CM as additional insured with respect to Contractor's operations, acts and omissions relating to its obligations under this Agreement, such policy to include non-owned automobile liability, bodily injury, property damage, contractual liability, products and completed operations, contingent employers liability, cross liability and severability of interest clauses;
  - (ii) Automobile liability insurance for an amount not less than two million (\$2,000,000) dollars per incident on forms meeting statutory requirements covering all owned, non-owned, hired, and leased vehicles used in the execution of this Agreement.
  - (iii) Limited pollution liability insurance covering sudden and accidental pollution occurrences, covering the Work and services described in this Agreement 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 Agreement. 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
  - (iv) "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 Equipment contained therein and all other property owned by Contractor or property under Contractor's care, custody and control including equipment, furniture and fixtures.
- (b) Contractor shall not commence work until original certificates evidencing the insurance requirements of Contractor, have been filed and approved by CM.
- (c) The commercial general liability policy is to contain, or be endorsed to contain, the following provisions:
  - (i) Contractor's insurance coverage shall be the primary insurance with respect to CM, and its officers, directors, employees, agents and representatives. Any insurance, self-insurance, or insurance pool coverage maintained by CM shall be excess than Contractor's insurance and shall not contribute with it;

- (ii) Coverage shall state that 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 Agreement. If any of the above policies are being cancelled, Contractor shall notify CM in writing at least thirty (30) days prior to the effective date of cancellation. Contractor shall provide proof of renewal or replacement of any other policies of insurance, on or before the expiry date, at the request of CM. CM may, through a Change Order, negotiate with the Contractor to modify the limits of insurance or to add other types of policies appropriate to the Work.
- (d) If Contractor fails to provide or maintain insurance as required herein or elsewhere in this Agreement, then CM shall have the right but not the obligation to provide and maintain such insurance and give evidence thereof to Contractor. CM's cost thereof shall be payable by Contractor to CM on demand.
- (e) All coverages for Subcontractors shall be subject to the same insurance requirements as stated herein for Contractor.

### 13.7 Conflicts and Omissions

- (a) Neither Party to this Agreement shall take advantage of any apparent error or omission in this Agreement. 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 Agreement, shall be done by Contractor as if such Work had been specified and shall not be construed as a variation of the Work.
- (b) If Contractor discovers any provision in this Agreement which is contrary to, or inconsistent with any Applicable Law, Contractor shall report as soon as reasonably practicable the inconsistency or conflict to CM in writing and shall not perform the Work impacted by such inconsistency or conflict until it receives instructions from CM.

### 13.8 Duty to Notify

- (a) If Contractor becomes aware of any problem and/or condition which may adversely affect the performance of the Work, or the ability of Contractor to conform with any requirements for the Term, then Contractor shall as soon as reasonably practicable, and in no event more than two (2) Business Days after becoming aware of same, notify CM, in writing, of such occurrence and of the nature of the relevant problem or condition in sufficient detail to permit CM to understand the nature and scope thereof. In any event, Contractor shall provide such written progress reports to CM as reasonably requested by CM but not less frequently than monthly unless otherwise agreed to in writing by CM.

### 13.9 Confidentiality Covenants

- (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 Agreement and specifically includes Agreement IP subject to Section 8.3(c). Notwithstanding the foregoing, 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) not use or reproduce Confidential Information for any purpose, other than as reasonably required to exercise or perform its rights or obligations under this Agreement;
  - (iii) not disclose any Confidential Information other than to employees, agents or subcontractors of the Receiving Party (“**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 Agreement and who are bound by a legal obligation to protect the received Confidential Information from unauthorized use or disclosure; and
  - (iv) be responsible for any breach of this Agreement 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 Agreement, 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.
- (e) Neither Party will access, collect, use, disclose, dispose of or otherwise handle information of or about individuals that is subject to Applicable Laws relating to privacy (“**Privacy Laws**”) in the performance of its obligations under this Agreement, except: (i) to the extent necessary to perform the Work; (ii) in accordance with all Privacy Laws; and (iii) in a manner that enables the other Party to comply with all Privacy Laws, including that the applicable Party will obtain appropriate consents from the applicable individuals to allow Contractor and CM to exercise their rights and to perform their obligations under this Agreement as they relate to such information. Unless prohibited by Applicable Law, each Party will immediately notify the other of any demand, or request by a third party (including any government or a regulatory authority) for the disclosure of any information of the other Party which is subject to Privacy Laws, and, to the maximum extent permitted by Applicable Law, will oppose, seek judicial relief of and appeal any such demand or request. Each Party will immediately notify the other Party if it becomes aware that it has failed to comply with Privacy Laws in connection with of this Agreement.

- (f) Each Party agrees and acknowledges that any violation of this Section 13.9 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 13.9 or the continuation of any such breach, without the necessity of proving actual damages or posting any bond or other security.

### **13.10 Severability**

- (a) If, for any reason, any part, term, or provision of this Agreement is held by a court of the Province of Alberta 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 Agreement did not contain the particular provision held to be invalid.
- (b) If it should appear that any provision hereof conflicts with any Applicable Law, 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.

### **13.11 Survival**

All provisions of this Agreement which expressly or by their nature survive the expiry or termination of this Agreement shall survive the expiry or termination of this Agreement, including the following: Article 8, Sections 11.2, 11.4, 11.6, Article 12, and Sections 13.5, 13.6, and 13.8(a), and 13.9 which Section 13.9 shall only continue for five (5) years following expiration or termination of this Agreement.

### **13.12 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 Agreement or carrying out the intention or facilitating the performance of the terms of this Agreement.

### **13.13 Revisions to this Agreement**

Except as otherwise expressly stated in this Agreement, no amendment, supplement, or modification is binding unless executed in writing and signed by an authorized representative of each Party and no waiver or termination of this Agreement and, unless otherwise specified, no consent or approval by any Party, is effective unless in writing from such Party.

### **13.14 Counterparts and Further Assurances**

This Agreement 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 Agreement may be executed by electronic signature. CM and 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 Agreement.

### **13.15 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 Agreement 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 CM:**

Circular Materials  
1 St. Clair Avenue West, Suite 700  
Toronto, ON M4V 1K6

Attention: Director, National Supply Chain  
Email: [operations@circularmaterials.ca](mailto:operations@circularmaterials.ca)

**To Contractor:**

[•]

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

**[•]**

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

**CIRCULAR MATERIALS**

By: \_\_\_\_\_  
Name: Allen Langdon  
Title: Chief Executive Officer

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**ANNEX A**  
**MATERIAL AUDIT CATEGORIES**

Material Name	PPP?	Marketable?	Outbound Commodity	Category Description
Newspapers	Yes	Yes	Baled (54) Mixed Paper or Baled (56) Sorted Residential Paper and News (SRPN), or other fibre grade	Newspaper publications with or without a glossy cover and published for quick consumption. Newspapers in open plastic sleeve should be separated from the plastic sleeve and sorted into this category.
Newsprint (inserts and circulars)	Yes	Yes	Baled (54) Mixed Paper or Baled (56) Sorted Residential Paper and News (SRPN), or other fibre grade	Newsprint inserts, flyers and circulars. Includes park guides, auto publications, real estate supplements and product manuals printed on newsprint. Newsprint (inserts and circulars) in open plastic sleeve should be separated from the plastic sleeve and sorted into this category.
Magazines, Catalogues, Directories	Yes	Yes	Baled (54) Mixed Paper or Baled (56) Sorted Residential Paper and News (SRPN), or other fibre grade	Magazines: Bound periodicals, whether the paper is coated, glossy/ non-glossy, which sometimes includes mastheads. Examples: Includes daily/weekly/monthly or annual magazines and travel or promotional magazines. Catalogues: Bound paper, whether the paper is coated, glossy/non-glossy. Directories: Printed bound directories, whether printed on newsprint, glossy/non-glossy paper of residential and/or business contact information such as telephone numbers, postal codes and websites. Examples: Retailer product catalogues, bound promotional documents containing product lists, coupon books, automotive and real estate guides/catalogues (if not printed on newsprint), phone books and business directories.
Paper for General Use and Other Printed	Yes	Yes	Baled (54) Mixed Paper or Baled (56) Sorted Residential Paper and News (SRPN), or other fibre grade	Definition: Paper that is used for copying, writing or any other general use, paper product supplied to consumers, and all other paper product/material that is not included in the paper product categories above. Examples: Paper based home, craft, hobby and home office supplies including items such as loose-leaf paper purchased for use in home printers, blank graph or ruled notebooks and notepads, sketchpads, construction and hobby craft paper, posters, calendars, greeting cards, blank envelopes purchased individually or in bulk. Blank and printed envelopes distributed to the residential consumer; promotional cards sent to the residential consumer; free promotional calendars and posters; promotional inserts within or outside envelopes; printed information found within packaged products (such as assembly instructions, user guides, promotional information, warranty cards, product safety information, coupons); annual policy information including policy documents and statements; monthly, quarterly or annual statements; investment fund reports, fund prospectus, contracts, lottery tickets, scratch cards and fund raising tickets; cash register receipts, debit and credit receipts, proof of purchases and other printed material provided at point of sale such as promotional post cards; statements and information inserts from banks, credit card companies and utility companies; information and forms distributed by municipal, regional, provincial and federal governments; transportation and transit schedules, HR-related documents distributed to employees such as T4s. Includes kids colouring books/workbooks.
Gable Top Containers	Yes	Yes	Aseptic/ Polycoat	Definition: Includes Gable Top polycoated cartons used for non-beverage products. Examples: Molasses, sugar cartons, confectionery products, laundry and cleaning products. Includes coffee creamers/enhancers, meal replacements/protein drinks/baby formula.

Material Name	PPP?	Marketable?	Outbound Commodity	Category Description
Gable Top - Bev - Non-Alc	No	Yes	Beverage Containers	Definition: Includes non-alcoholic ready-to-drink beverage products packaged in Gable Top containers Examples: Gable Top Containers for milk, flavoured milk, milk substitutes, juice, lemonade and other ready-to-drink beverages.
Aseptic Containers	Yes	Yes	Aseptic/ Polycoat	Definition: Includes aseptic polycoated and foilized boxes and containers used for non-beverage products. Examples: Aseptic containers for soup, sauces and other non-beverages. Includes coffee creamers/enhancers, meal replacements/protein drinks/baby formula.
Aseptic - Bev - Non-Alc	No	Yes	Beverage Containers	Definition: Includes non-alcoholic ready-to-drink beverage products packaged in Aseptic containers. Examples: Aseptic containers for milk, flavoured milk, milk substitutes, juice, lemonade and other ready-to-drink beverages.
Aseptic - Bev - Alc	No	Yes	Beverage Containers	Definition: Includes alcoholic ready-to-drink beverage products packaged in Aseptic containers. Examples: Aseptic containers for wine, spirits coolers and other alcoholic beverages. Includes non-alcoholic beer, wine and spirits.
Single-sided Polycoated Paperboard	Yes	Yes	Aseptic/ Polycoat or Baled (54) Mixed Paper	Definition: Polycoated paperboard with a PE or PP coating on one side of the board. Examples: Coffee cups, soup/chilli bowls, paperboard takeout containers/boxes with polycoat on inside only. Includes single-sided polycoated paperboard take-out containers and single-sided polycoated paperboard paper plates.
Double-sided Polycoated Paperboard	Yes	Yes	Aseptic/ Polycoat	Definition: Polycoated paperboard with a PE or PP coating on both sides of the board. Examples: Cold drink cups, paperboard takeout containers/boxes with polycoat on both sides of board. Includes double-sided polycoated paperboard take-out containers and double-sided polycoated paperboard paper plates.
Paper Laminates	Yes	Yes	Aseptic/ Polycoat or Baled (54) Mixed Paper	Definition: Includes laminated paper packaging where paper is the main component, along with either metalized foil/wax/plastic. The paper component represents the greatest percentage by weight. Examples: Fibre spiral wound containers (with plastic, aluminum, steel bottom and lid) for: frozen juice, chips, cookie dough, coffee, nuts. Wrappers, paper wrap packaging provided with food, such as sandwiches, burgers, or muffins, paper/plastic based wrapping paper and gift bags supplied as service packaging at point of sale, pet food bags, laminated Kraft paper bags (filled at point of sale) and laminated Kraft paper packaging. Include any paper laminate packaging-like products supplied to consumers in this category, including any laminated paper service accessories supplied to consumers with a food or beverage product. Includes foil lined/laminate lined cardboard that typically comes out of meal kits.
Kraft Paper Carry-Out Bags	Yes	Yes	Baled (54) Mixed Paper or Baled (56) Sorted Residential Paper and News (SRPN), or other fibre grade	Definition: Non-laminated Kraft paper bags filled at point of sale or supplied to consumers as packaging-like products. Examples: Non-laminated grocery bags, prescription bags, non-laminated paper take-out bags used for mushrooms or food delivery.
Kraft Paper - Non-Laminated	Yes	Yes	Baled (54) Mixed Paper or Baled (56) Sorted Residential Paper and News (SRPN), or	Definition: Non-laminated Kraft paper packaging. Examples: Kraft paper packaging used for products such as flour, sugar, potatoes or oatmeal. Includes non-laminated Kraft paper used for mailing packages

Material Name	PPP?	Marketable?	Outbound Commodity	Category Description
			other fibre grade	
Corrugated Cardboard	Yes	Yes	Baled (11) Old Corrugated Containers (OCC) or Baled (54) Mixed Paper	Definition: Multi-layered paper board and fibre which may have one or more layers of corrugation. Examples: Electronic product boxes such as television and computer boxes, pizza boxes, boxes used for transport of e-commerce items to residential consumers. Includes corrugated moving boxes and banker boxes supplied to consumers as packaging-like products.
Boxboard and Molded Pulp	Yes	Yes	Baled (54) Mixed Paper or Baled (11) Old Corrugated Containers (OCC)	Definition: Single layered paperboard and fibre board with no corrugation, and all other fibre-based packaging including toilet roll and paper towel cores, molded paper items such as drink cup holders, egg cartons, and other paper packaging such as tissue paper used in shoe boxes and other protective and decorative packaging purposes. Examples: Paper board such as cereal, tissue and shoe boxes, stiff paperboard used to mount plastic blister packs (e.g., for toys and batteries). Includes paper straws, boxboard plates and molded pulp plates.
Clear PET Bottles, Jars and Jugs	Yes	Yes	Baled #1 PET	Definition: Transparent and semi-transparent blue and green #1 PET (Polyethylene Terephthalate) bottles, jars and jugs, non-beverage products displaying the #1 resin code. Examples: Salad dressing bottles, peanut butter containers, edible oil bottles, dish soap or mouthwash bottles. Includes coffee creamers/enhancers, meal replacements/protein drinks/baby formula.
Clear PET - Bev - Non-Alc	No	Yes	Beverage Containers	Definition: Transparent and semi-transparent blue and green non-alcoholic ready-to-drink beverage products packaged in PET bottles displaying resin code # 1. Examples: PET Bottles used to contain milk, flavoured milk, milk substitutes, juice, carbonated beverages, water, and other ready-to-drink beverages.
Clear PET - Bev - Alc	No	Yes	Beverage Containers	Definition: Transparent and semi-transparent blue and green alcoholic ready-to-drink beverage products packaged in PET bottles displaying resin code # 1. Examples: PET Bottles used to contain wine, spirits, coolers and other alcoholic beverages. Includes non-alcoholic beer, wine and spirits.
Coloured PET Bottles, Jars and Jugs	Yes	Yes	Baled #1 PET	Definition: Coloured and opaque #1 PET (Polyethylene Terephthalate) bottles, jars and jugs, non-beverage products displaying the #1 resin code. Examples: Salad dressing bottles, peanut butter containers, edible oil bottles, dish soap or mouthwash bottles. Includes coffee creamers/enhancers, meal replacements/protein drinks/baby formula.
Coloured PET - Bev - Non-Alc	No	Yes	Beverage Containers	Definition: Coloured and opaque #1 PET (Polyethylene Terephthalate) bottles for non-alcoholic ready-to-drink beverage products displaying resin code # 1. Examples: Coloured PET Bottles used to contain milk, flavoured milk, milk substitutes, juice, carbonated beverages, water, and other ready-to-drink beverages.
Coloured PET - Bev - Alc	No	Yes	Beverage Containers	Definition: Coloured and opaque #1 PET (Polyethylene Terephthalate) bottles for alcoholic ready-to-drink beverage products displaying resin code # 1. Examples: PET Bottles used to contain wine, spirits, coolers and other alcoholic beverages. Includes non-alcoholic beer, wine and spirits.
Clear PET Thermoform Containers	Yes	Yes	Baled #1 PET	Definition: PET thermoform clear, semi-transparent blue and green containers such as clamshells used for non-beverage products. Examples: Muffin or cake containers, salad containers, egg containers, trays.
Coloured PET Thermoform Containers	Yes	Yes	Baled #1 PET	Definition: PET thermoform coloured and opaque containers such as clamshells used for non-beverage products. Examples: Muffin or cake containers, salad containers, egg containers, trays.

Material Name	PPP?	Marketable?	Outbound Commodity	Category Description
Natural HDPE Bottles, Jars and Jugs	Yes	Yes	Baled #2 HDPE	Definition: Natural #2 HDPE (High Density Polyethylene) bottles, jars and jugs, displaying the #2 resin code used to contain a non-beverage product. Examples: Laundry detergent, shampoo, bleach, vinegar, corn syrup, body wash, household cleaning products, etc. Includes coffee creamers/enhancers, meal replacements/protein drinks/baby formula. Includes windshield washer fluid.
Natural HDPE - Bev - Non-Alc	No	Yes	Beverage Containers	Definition: Includes non-alcoholic ready-to-drink beverage products packaged in Natural HDPE bottles displaying a resin code #2. Examples: HDPE bottles or jugs containing milk, flavoured milk, milk substitutes, juice or any other ready-to-drink beverages.
Natural HDPE - Bev - Alc	No	Yes	Beverage Containers	Definition: Includes alcoholic ready-to-drink beverage products packaged in Natural HDPE bottles displaying a resin code #2. Examples: HDPE bottles or jugs used to contain wine, spirits, coolers and other alcoholic beverages. Includes non-alcoholic beer, wine and spirits.
Coloured HDPE Bottles, Jars and Jugs	Yes	Yes	Baled #2 HDPE	Definition: Coloured #2 HDPE (High Density Polyethylene) bottles, jars and jugs, displaying the #2 resin code used to contain a non-beverage product. Examples: Laundry detergent, shampoo, bleach, vinegar, corn syrup, body wash, household cleaning products, etc. Includes coffee creamers/enhancers, meal replacements/protein drinks/baby formula.
Coloured HDPE - Bev - Non-Alc	No	Yes	Beverage Containers	Definition: Includes non-alcoholic ready-to-drink beverage products packaged in coloured HDPE bottles displaying a resin code #2. Examples: HDPE bottles or jugs containing milk, flavoured milk, milk substitutes, juice or any other ready-to-drink beverages.
Coloured HDPE - Bev - Alc	No	Yes	Beverage Containers	Definition: Includes alcoholic ready-to-drink beverage products packaged in coloured HDPE bottles displaying a resin code #2. Examples: HDPE bottles or jugs used to contain wine, spirits, coolers and other alcoholic beverages. Includes non-alcoholic beer, wine and spirits.
Expanded Polystyrene (PS)	Yes	Yes	Baled Mixed Plastics #3-7 Or EPS	Definition: All forms of white and coloured (excluding black) expanded foam packaging used in food and protective packaging applications and may display resin code #6. Examples: Meat trays, beverage cups used as service packaging, cushion packaging for consumer products and PS foam packing peanuts. Includes beverage cups, plates and other packaging-like-products made of expanded polystyrene supplied to consumers.
Rigid Polystyrene (PS)	Yes	Yes	Baled Mixed Plastics #3-7	Definition: All non-expanded polystyrene packaging (excluding black). May display resin code #6. Examples: Polystyrene clear clamshell containers such as berry and muffin containers, opaque clamshell containers such as food take-out containers, yogurt containers, clear rigid trays, service packaging and packaging-like products such as beverage cups and plates, plastic hangers provided as service packaging with an item of clothing. Includes service accessories such as cutlery and utensils made of Rigid Polystyrene supplied to consumers with a food or beverage product.
Rigid PS - Bev - Non-Alc	No	Yes	Beverage Containers	Definition: Includes non-alcoholic ready-to-drink beverage products packaged in Non-Expanded Polystyrene containers. Examples: Non-Expanded Polystyrene beverage bottles used to contain milk, flavoured milk, milk substitutes, juice, carbonated beverages, water, and other ready-to-drink beverages.
PLA, PHA, PHB	Yes	Yes	Baled Mixed Plastics #3-7	Definition: Rigid plastic containers consisting of bio-plastics made of either PLA (polylactic acid), PHA (polyhydroxyalkanoates) and PHB (poly-3-hydroxybutyrate) polymers for non-beverage products. Examples: PLA clamshell containers, PLA egg containers, peanut packaging.
PLA, PHA, PHB - Plastic Film	Yes	Yes	Baled Flexible Films and All Other Flexible Plastic Packaging	Definition: Plastic film consisting of bio-plastics made of either PLA (polylactic acid), PHA (polyhydroxyalkanoates) and/or PHB (poly-3 hydroxybutyrate) polymers. Examples: PLA, PHA, PHB shrink wrap around products, PLA, PHA, PHB bags for vegetables and salad, PLA, PHA, PHB film used around newspapers and magazines and catalogues for protection.

Material Name	PPP?	Marketable?	Outbound Commodity	Category Description
PLA, PHA, PHB Carry-Out bags	Yes	Yes	Baled Flexible Films and All Other Flexible Plastic Packaging	Definition: Plastic carry-out bags consisting of bio-plastics made of either PLA (polylactic acid), PHA (polyhydroxyalkanoates) and/or PHB (poly-3-hydroxybutyrate) polymers.
PLA, PHA, PHB - Bev - Non-Alc	No	Yes	Beverage Containers	Definition: Includes non-alcoholic ready-to-drink beverage products packaged in containers made of PLA, PHA, PHB. Examples: PLA, PHA, PHB beverage bottles used to contain milk, flavoured milk, milk substitutes, juice, carbonated beverages, water, and other ready-to-drink beverages.
Other Polyethylene (PE) Packaging	Yes	Yes	Baled #2 HDPE or Baled Mixed Plastics #3-7	Definition: All other forms of PE packaging displaying the #2 or #4 resin code not included above under Natural or Coloured HDPE Bottles, Jars and Jugs. Examples: Includes lids for margarine and cottage cheese made of PE. Foamed PE cushion packaging used to protect electronic products and other durable products supplied to consumers. PE squeeze tubes used for hand lotions and shampoo and increasingly toothpaste tubes.
Polypropylene (PP) Packaging	Yes	Yes	Baled #5 PP	Definition: All polypropylene (PP) packaging displaying the resin code #5. Examples: Tubs used to contain non-beverage products such as margarine, sour cream and other dairy-based foods, clothes hangers used to display products, cutlery, cups and plates made of PP and displaying the resin code #5. Includes coffee creamers/enhancers, meal replacements/protein drinks/baby formula.
Polypropylene (PP) - Bev - Non-Alc	No	Yes	Beverage Containers	Definition: Includes non-alcoholic ready-to-drink beverage products packaged in containers made of PP. Examples: PP beverage bottles used to contain milk, flavoured milk, milk substitutes, juice, carbonated beverages, water, and other ready-to-drink beverages.
All Other Rigid Plastic Packaging	Yes	Yes	Baled Mixed Plastics #3-7	Definition: All forms of rigid plastic packaging for non-beverage products that are #3 PVC (Polyvinyl Chloride) plastic, and #7 (Other), and other plastic packaging that are not included in any of the other plastic subcategories. Also includes non-coded plastics. May display resin code #3 or #7. Rigid plastic packaging that exceeds either a width or length of 30cm will be included in Bulky Rigid Plastic. Examples: Some forms of plastic blister packaging used to display toys, batteries or other products. Includes service accessories supplied with a food or beverage product such as straws, cutlery, etc., if not captured in another plastic category above.
Other Plastics - Bev - Non-Alc	No	Yes	Beverage Containers	Definition: Includes non-alcoholic ready-to-drink beverage products packaged in bottles of other resins not included in any other category above. Examples: Other Plastic beverage bottles used to contain milk, flavoured milk, milk substitutes, juice, carbonated beverages, water, and other ready-to-drink beverages.
Other Plastics - Bev - Alc	No	Yes	Beverage Containers	Definition: Includes alcoholic ready-to-drink beverage products packaged in bottles of other resins not included in any other category above. Examples: Other Plastic beverage bottles used to contain wine, spirits, coolers and other alcoholic beverages. Includes non-alcoholic beer, wine and spirits.
Black Plastic Pkg (All Resin types)	Yes	Yes	Baled Mixed Plastics #3-7	Definition: All rigid black plastic packaging. Examples: May include food trays, tubs/lids, bottles.

Material Name	PPP?	Marketable?	Outbound Commodity	Category Description
LDPE/HDPE Film	Yes	Yes	Baled Flexible Films and All Other Flexible Plastic Packaging	Definition: Includes plastic film made from LDPE, LLDPE, HDPE (Low Density, Linear Low-Density, High-Density Polyethylene) or combinations thereof. May display resin code #4 or #2. PE films reported under this category must not contain any barrier layers or other non-PE resins. Examples: May include certain fresh and frozen vegetable bags, diaper packaging, bread bags, shrink wrap around products (e.g., around a tray of 24 water bottles), dry cleaner bags, soil and fertilizer bags, produce and bulk store bags provided to the residential consumer as service packaging, film used around newspapers, magazines and catalogues for protection. Includes produce bags typically supplied at the grocery store. Includes LDPE/HDPE Film supplied to consumers as packaging-like products, but does not include LDPE/HDPE Film used for the containment, protection, or handling of food, such as cling wrap, sandwich bags, or freezer bags. Does not include film used for the containment of waste such as clear blue recycling bags and garbage bags. Also includes bag in bag LDPE/HDPE film.
LDPE/HDPE Film Carry-Out Bags	Yes	Yes	Baled Flexible Films and All Other Flexible Plastic Packaging	Definition: Includes #4 LDPE or #2 HDPE (Low Density/High Density Polyethylene) film carry-out bags provided at point of sale or supplied as packaging-like products. May display resin code #4 or #2. Examples: Plastic shopping bags with or without images or text.
LDPE/HDPE Film - Non-Packaging	No	Yes	Baled Flexible Films and All Other Flexible Plastic Packaging	Definition: Includes non-packaging plastic film made from LDPE, LLDPE, HDPE (Low Density, Linear Low-Density, High-Density Polyethylene) or combinations thereof. May display resin code #4 or #2. PE films reported under this category must not contain any barrier layers or other non-PE resins. Includes LDPE/HDPE Film used for the containment, protection, or handling of food, such as cling wrap, sandwich bags, or freezer bags. Includes film used for the containment of waste. Examples: sandwich bags, freezer bags, blue and clear recycling bags, empty garbage bags.
Polypropylene (PP) Film	Yes	Yes	Baled Flexible Films and All Other Flexible Plastic Packaging	Definition: Includes plastic film made from Polypropylene (PP). May display resin code #5. PP films included under this category must not contain any barrier layers or other non-PP resins. Examples: May include certain fresh and frozen vegetable bags, shrink wrap around products, dry cleaner bags, liner bags in cracker and cookie boxes, etc.
Plastic Laminates and Other Flex Pkg	Yes	Yes	Baled Flexible Films and All Other Flexible Plastic Packaging	Definition: All laminated film and laminated flexible plastic packaging comprised of multiple plastic resin types and/ or combinations of plastic resins and metalized foils, wax, and/or paper. This material category also includes mono material such as those made of PET, PVC, EVA and other films that do not meet the definition of LDPE/HDPE Film or PLA, PHA, PHB – Plastic film. Examples: May include candy wrappers, coffee pouches, chip bags, cheese wraps, cereal liner bags, shrink wrap, prepackaged deli meat pouches, yogurt stick packs, vacuum packaging, bubble wrap, stand up pouches, woven or non woven plastic bags intended for more than one use when provided as service packaging, net bags used for citrus fruits, nuts or cosmetic samples, plastic or plastic/foil based wrapping paper and gift bags supplied as service packaging or packaging-like products at point of sale. Includes mesh woven bags (e.g. rice bags) and reusable grocery bags made out of plastic.
Plastic Laminates - Bev - Alc	No	Yes	Beverage Containers	Definition: Alcoholic beverage laminated film and laminated flexible plastic packaging comprised of multiple plastic resin types and/ or combinations of plastic resins and metalized foils, wax, and/or paper. This material category also includes mono material such as those made of PET, PVC, EVA and other films that do not meet the definition of LDPE/HDPE Film or PLA, PHA, PHB – Plastic film. Examples: wine box liner, vodka beverage box liner
Steel Aerosol Containers	Yes	Yes	Baled Steel Cans	Definition: All aerosol containers that are more than 50% steel by weight. Examples: Air freshener, deodorant and hairspray containers, food spray cans, wax and polish spray cans, insulating foam spray cans, etc.

Material Name	PPP?	Marketable?	Outbound Commodity	Category Description
Steel Containers - Bev - Non-Alc	No	Yes	Beverage Containers	Definition: Includes non-alcoholic ready-to-drink beverage products packaged in steel cans or bottles. Examples: Steel or bi-metal cans and bottles for non-alcoholic beverages for juice or any other ready-to-drink beverages.
Steel Containers - Bev - Alc	No	Yes	Beverage Containers	Definition: Includes alcoholic ready-to-drink beverage products packaged in steel cans. Examples: Steel cans and bottles used to contain for wine, spirits, coolers, beer and other alcoholic beverages. Includes non-alcoholic beer, wine and spirits.
Other Steel Containers and Packaging	Yes	Yes	Baled Steel Cans	Definition: All other containers or packaging that are more than 50% steel by weight or other metal and are not included in another steel and other metal packaging subcategory. Steel that exceeds a length or width of 30cm will be included in scrap metal. Examples: Steel food containers such as soup, lids and closures on packaging (closures for both beverage and non-beverage products), wire hangers when provided as service packaging with an item of clothing, cookie tins, tea tins.
Aluminum Aerosol Containers	Yes	Yes	Aluminum Beverage Cans or Other Aluminum	Definition: Includes aluminum aerosol containers that are at least 95% aluminum by weight. Examples: Air freshener spray cans, hairspray cans, food spray cans, deodorant spray cans, mousse spray cans, etc.
Aluminum Food Containers	Yes	Yes	Aluminum Beverage Cans or Other Aluminum	Definition: Sealed, rigid containers that are at least 95% by weight of aluminum. Examples: Pet food cans, food cans, sardine cans, aluminum shoe polish containers and other similar non-food aluminum containers.
Aluminum - Bev - Non-Alc	No	Yes	Beverage Containers	Definition: Includes non-alcoholic ready-to-drink beverage products packaged in aluminum cans. Examples: Aluminum cans and bottles for non-alcoholic beverages for juice, water, carbonated beverages or any other ready-to-drink beverages.
Aluminum - Bev - Alc	No	Yes	Beverage Containers	Definition: Includes alcoholic ready-to-drink beverage products packaged in aluminum cans. Examples: Aluminum cans and bottles used to contain for wine, spirits, coolers, beer and other alcoholic beverages. Includes non-alcoholic beer, wine and spirits.
Other Aluminum Packaging	Yes	Yes	Other Aluminum	Definition: Aluminum packaging and packaging-like products not included in another aluminum packaging subcategory. Examples: Foil wrap supplied to the residential consumer as service packaging, pie plates, yogurt/sour cream seals, frozen food trays, lids and closures for beverage and non-beverage containers, tea light candle holders.
Clear Glass	Yes	Yes	MRF Glass	Definition: Clear glass containers that are 50% or more glass by weight used for non-beverage products and not included in any other Clear Glass material sub-category. Examples: Clear food containers such as pickles, salsa, tomato sauce and jam jars, ketchup bottles, cosmetic containers for creams and spice bottles.
Clear Glass - Bev - Non-Alc	No	Yes	Beverage Containers	Definition: Includes non-alcoholic ready-to-drink beverage products packaged in clear glass bottles. Examples: Clear glass bottles for non-alcoholic beverages such as juice, water, carbonated soft drinks, and other ready-to-drink beverages.
Clear Glass - Bev - Alc	No	Yes	Beverage Containers	Definition: Includes alcoholic ready-to-drink beverage products packaged in clear glass bottles. Examples: Clear and coloured glass bottles for alcoholic beverages such as wine, spirits, coolers, beer and other alcoholic beverages. Includes non-alcoholic beer, wine and spirits.
Coloured Glass	Yes	Yes	MRF Glass	Definition: Coloured glass containers that are 50% or more glass by weight used for non-beverage products and are not included in any other coloured glass packaging sub-category. Examples: Olive oil bottles, balsamic vinegar bottles, cosmetic containers for creams that are coloured glass.

Material Name	PPP?	Marketable?	Outbound Commodity	Category Description
Coloured Glass - Bev - Non-Alc	No	Yes	Beverage Containers	Definition: Includes non-alcoholic ready-to-drink beverage products packaged in coloured glass bottles. Examples: Coloured glass bottles for non-alcoholic beverages such as juice, water, carbonated soft drinks, and other ready-to-drink beverages.
Coloured Glass - Bev - Alc	No	Yes	Beverage Containers	Definition: Includes alcoholic ready-to-drink beverage products packaged in glass bottles. Examples: Clear and coloured glass bottles for alcoholic beverages such as wine, spirits, coolers, beer and other alcoholic beverages. Includes non-alcoholic beer, wine and spirits.
Mixed Broken Glass	Yes	Yes	MRF Glass	Unidentifiable broken glass greater than 9.5 mm x 9.5 mm.
Hard cover and soft cover books	No	Yes	Baled (54) Mixed Paper	Definition: Hard and soft cover literary books, text books, journals, etc.
Electronics	No	No	Scrap Metal	Small electronic and electrical equipment. Examples: cellphones, computer mouse, tv remotes, cables. Includes items that are powered by an electrical cord, circuit board, and/or battery.
Durable Plastic Products	No	Yes	Bulky Rigid Plastics or or other compatible baled plastics	Definition: Durable products made from plastic resins including laundry baskets, crates, toys, lawn furniture and other plastic products.
Hazardous Material	No	No		Definition: Refillable and non-refillable pressurized containers (cylinders) fluorescent mercury lamps, smoke/fire detectors, any containers designated under the HSP Regulation containing residual materials.
Oil and Antifreeze Containers HSP	No	No	Baled #2 HDPE or other compatible baled plastics	Definition: Empty Oil and Antifreeze containers captured under the HSP Regulation. Does not include windshield washer fluid antifreeze.
Organics	No	No		Definition: Any loose food waste or other organic materials such as leaf and yard waste, etc.
Paint Containers (metal) HSP	No	Yes	Baled Steel Cans or scrap metal	Definition: Empty metal paint cans (non-aerosol) from Paints and Coatings captured under the HSP Regulation.
Paint Containers (plastic) HSP	No	Yes	Baled Mixed Plastics #3-7 or other compatible baled plastics	Definition: Empty plastic paint cans of any resin type from Paints and Coatings captured under the HSP Regulation.
Other HSP containers	No	No		Definition: Empty (all container material types - glass, plastic, metal) solvent containers, pesticide containers, fertilizer containers that are designated under the HSP Regulation. Does not include Paint and Coatings HSP containers and Oil and Antifreeze containers as these are captured in separate categories.
Fines	No	Yes for portion that can be marketed as engineered fuel, no for remaining.		Definition: 'Fines' are materials considered too small to sort. For Paper-based materials and Plastic Laminates, Other Flexible Packaging and Film, any items with a dimension of less than 7.6 cm x 7.6 cm are classified as fines. For Glass materials, any items with a dimension of less than 9.5 mm x 9.5 mm are classified as fines. For all other materials, any items with a dimension of less than 5.1 cm x 5.1 cm are classified as fines.
Residue/All Other Non-PPPs	No	No		Definition: All other materials not found in any material category above. Examples: Textiles and clothing, wood, construction and renovation waste, durable multi-material products, personal hygiene products, rubber, wax, tissue/towelling/paper towels, playing cards, photographs, natural textile bags, etc.

Material Name	PPP?	Marketable?	Outbound Commodity	Category Description
Contaminated PPP - Hazardous	Yes for package  No for contents	No		Definition: Containers with remaining residue from products labelled with corrosive, toxic, flammable, explosive, but are not captured under the HSP Regulation. Examples: Pesticide and fertilizer containers with remaining product that are not captured under the definition of HSP. Bleach and other disinfectants containers with residue product remaining. Aerosol containers with product remaining inside.
Un-sortable PPP	Yes for BB Materials  No for other Materials	No		Definition: PPP in opaque plastic bags whereby contents cannot be easily distinguished as such. Includes incompatible PPP that are co-joined or nested together that are not expected to be effectively sorted in the PCF. Includes bagged material in opaque bags and fibre in sealed plastic sleeve.  Bag in bag LDPE/HDPE film is not considered Unsortable PPP. PPP in clear or semi-transparent plastic bags is not considered Unsortable PPP. These bags must be opened and PPP are to be sorted to their respective Inbound Audit Category.
PPP with Residue	Yes for package  No for contents	No		Definition: Any designated PPP packaging containers with remaining residue (more than 10% contents) or paper packaging that is contaminated with food residue or other materials such as paint or oils. Examples: Peanut jars, water bottles, detergent containers, etc. with remaining product inside. Pizza boxes with crusts, cheese or slices left inside (grease stains are not considered residue).
Ceramics, Non-Packaging Glass	No	No		Definition: Non-packaging glass and ceramics such as Pyrex and drinking glasses.
Scrap Metal	No	Yes	Scrap Metal	Definition: Non-packaging scrap ferrous and non-ferrous metals
Rechargeable Batteries	No	No		Li-ion or similar batteries
Single use batteries	No	No		AAA, AA etc

**ANNEX B**  
**TERMINATION FEES**

<b>Operational Contract Year</b>	<b>Early Termination Fee</b>	<b>Description of Early Termination Fee</b>
Operational Contract Year 2		
Operational Contract Year 3		
Operational Contract Year 4		
Operational Contract Year 5		
Operational Contract Year 6		
Operational Contract Year 7		
Operational Contract Year 8		
Operational Contract Year 9		
Operational Contract Year 10		

**SCHEDULE A  
STATEMENT OF WORK**

**I. RECEIPT OF COLLECTED MATERIAL**

**A. Pick Up from Designated Receiving Facilities**

1. The Designated Quantity as estimated as of the Operational Date as associated with the Catchments the Contractor is to pick up Collected Material from is provided in bottom right cell of the table below.

Catchment Number	Estimated Single Stream (tonnes)	Total Tonnes
C1		
C2		
C3		
C4		
C5		
C6		
C7		
C8		
C9		
C10		
C11		
C12		
Total /Designated Quantity		

2. Contractor shall provide the required number of Hauling Vehicles of appropriate type to pick up Collected Material from each Designated Receiving Facility;
3. Contractor shall:
- (a) Accommodate the recording of the tare weight of the Hauling Vehicle upon arrival at the Receiving Facility;
  - (b) Accommodate loading of the Hauling Vehicle according to the Receiving Facility operator's procedures;
  - (c) Providing the Receiving Facility operator with the following information for each Hauling Vehicle picking up Collected Material from a Receiving Facility:
    - (i) Contractor name; and,
    - (ii) Hauling Vehicle number
-

- (d) Where a Receiving Facility sets forth operating procedures or administrative systems that are not commercially reasonable and result in increased direct costs to Contractor that would not reasonably have been anticipated based on past practice or conflict with Contractor's reasonable health and safety policies CM shall seek to have the matter resolved if the matter cannot be resolved by other means.
4. Contractor shall ensure it receives and retains a copy of the Hauling Vehicle weighscale ticket;
5. Failure of Contractor to pick-up Collected Material from a Designated Receiving Facility in accordance with the pick-up schedule established by CM shall be considered a missed pick-up. If notified of, or if Contractor otherwise becomes aware of, a missed pick up, Contractor shall rectify the missed pick-up following procedures set forth by the CM. Notwithstanding the foregoing, if the Receiving Facility Operator is, in Contractor's view, unreasonable in its pick-up schedules, CM shall seek to have the matter resolved if the matter cannot be resolved by other means.
6. Pricing for Contractor to pick up Collected Material from Designated Receiving Facilities to be transported to PCF shall be based on a flat fee per load (the "**Transportation Fee**") as set out in the table below:

Designated Receiving Facility Location	Form of pick up [Loose, Compacted or Baled]	Fee Per Load
Receiving Facility < insert name and address >		
Receiving Facility < insert name and address >		
Receiving Facility < insert name and address >		

- (a) Contractor's Hauling Vehicles shall be received at each Receiving Facility, loaded by the Receiving Facility's personnel and scaled out ("scale to scale"):
- (i) within sixty (60) minutes of having entered a Receiving Facility thereafter.
- (ii) An additional fee of \$125 per hour will be paid by CM for any Hauling Vehicles for which the "scaling inbound to scaling outbound" (scale-to-scale) time exceeds sixty (60) minutes rounded to the closest quarter hour (15 minutes) (the "**Idling Fee**"):
- A. The Idling Fee can only be applied to any Hauling Vehicle if the delay is the direct result of the Receiving Facility (RF) its loading capabilities, staffing levels and/or equipment. If the delay results from the Contractor not meeting the scheduled load time, or other circumstances which are under the direct control of the Contractor, this fee shall not apply.
- B. The Idling Fee is based on scale-to-scale times, however, only queuing issues at the time of "scaling out" will be considered.
- (b) Contractor's Hauling Vehicles shall be loaded with Collected Material in the form as stipulated in column 3 of the table in (a). Where the average weight of all inbound trailer
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weights for a given Collected Material varies by greater than ten percent (10%) from the definition of the respective stipulated form of pick up in a week, Contractor will notify CM and CM shall take corrective action vis-à-vis the Receiving Facility to prevent compaction tonnages exceeding those specified in the definition.

7. CM and Contractor will seek opportunities to improve the logistics of, and reduce the cost of picking up Collected Material from Designated Receiving Facilities. Where CM identifies more cost-effective logistic approaches for picking up Collected Material, Contractor will be given the right of first refusal to provide such services. Where Contractor declines to provide such services, CM may, upon Sixty (60) days' notice to Contractor, issue a Change Order to assume responsibility for the pick up of Collected Material from each Designated Receiving Facility.

**B. Receipt and Weighing of Collected Material at the PCF**

1. Contractor shall have each shipment of Collected Material received at the PCF weighed in accordance with the procedures specified by CM.
2. Weight scale and other information as required by the CM data standard be provided to CM electronically via a method as agreed by the Parties within one (1) Business Day of being collected, subject to CM's relevant systems functioning as required.
3. If any essential software or other IT infrastructure is required to enable provision of data by Contractor to CM in accordance with this Section I.B, CM shall provide it at CM's expense.

**C. Handling of Collected Material at the PCF**

1. Excluded Materials identified in Collected Material received by the PCF may be removed prior to Preconditioning by Contractor based on a Rejection Protocol that will be developed by the Parties in the first quarter of the first Operational Contract Year.
2. Upon removal of Excluded Material, Contractor will at a minimum provide CM with supporting information (including weights, measures, written reports, and photographs) regarding any quantity of Collected Material removed prior to Preconditioning by Contractor pursuant to the Rejection Protocol.

**II. AUDITING, MONITORING AND PRECONDITIONING**

**A. PPP Categorization**

1. For the purposes of this Agreement, the Auditing and Monitoring Protocol will be applied against the list of Material Audit Categories as provided in Annex A.

**B. Auditing**

1. Contractor will sample and CM will subsequently audit inbound Collected Material received at the the PCF tip floor at the Audit facility specified in E (or another facility designated by CM for purposes of conducting material audits) the results of which will be used for the following purposes:
  - (a) To establish the proportion of material received at the PCF that is PPP by PPP subcategory, Marketable Non-PPP and Contamination;

- (b) To provide a basis for calculating the Sorting Efficiency Rate for each PPP subcategory; and,
  - (c) To compare the Sorting Efficiency Rate as observed with the Sorting Efficiency Rate for each PPP subcategory as set forth in Section II.G.5 to identify Sorting Efficiency Rate gaps.
- 2. CM shall provide Contractor with results of audits of inbound Collected Material undertaken in 1.

### **C. Monitoring**

- 1. In addition to Auditing in B.1 and in order to assess Sorting Efficiency Rates and outbound material quality CM will undertake:
  - (a) Outbound Monitoring of Preconditioned Marketable PPP and Marketable Non-PPP as they are prepared for shipment.
  - (b) Audits of Residue after last chance sorting.
- 2. The Parties will resolve the specifics of the PCF Auditing and Monitoring Protocols to be applied (e.g. sampling frequency, sample sizes, auditor sorting keys developed from Annex A etc.) and the specific location of sampling in Section II.C.1(a) by no later than the end of the first quarter of the first Operational Contract Year.
- 3. CM will provide Contractor with access to Audit data generated from Auditing and Monitoring undertaken under this Section II.C and Section B.
- 4. CM personnel will be present during all Auditing and Monitoring activities, subject to CM complying with the parameters set forth in Section 10.2(a).

### **D. Auditing and Monitoring Technology Evaluation, and Deployment**

- 1. CM may trial and evaluate processes and technologies for material inspection, recognition, identification, and measurement for purposes of Monitoring. CM shall consult with Contractor throughout such evaluations and prior to proposing deployment of such processes and technologies at the PCF.
- 2. Any Monitoring process and technology changes will be implemented through a General Change Orders as they are proven effective.

### **E. Audit Facility**

- 1. Contractor will provide CM with a dedicated area within the PCF (“Audit Facility”) at which CM can sequester and Audit samples collected for purposes of Auditing under B,C, and performance measurement under Section II.H.
  - 2. Contractor shall ensure that the Audit Facility has a minimum of 650 square feet of floor area and is able to receive and store samples materials within the sorting space.
  - 3. CM will conduct audits within the Audit Facility, subject to CM complying with the parameters set forth in Section 10.2(a).
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4. Contractor shall have the right to be present during CM Audits undertaken for purposes of Monitoring.

#### **F. PCF Trials and Evaluation**

1. The Trials and Evaluation Period commences on the Operational Date and continues to to March 31<sup>st</sup> 2027.
2. During the Trials and Evaluation Period the Parties will measure the sorting efficiency performance of the PCF against the Sorting Efficiency Rates in Section II.G.5.
3. The PPP and Non-PPP Subcategories used for Audits as provided in Annex A will be aggregated to map to and conform to the PPP subcategories in Section II.G.5. Contractor will be consulted on the proposed aggregations and mapping before they are applied.
4. CM will provide Contractor with the percentage inbound composition of such Collected Material by PPP and Non-PPP Subcategory and by Contamination, including Marketable Non-PPP as measured through Audits of samples of Collected Material received at the PCF or, from time-to-time, from Collected Material received at Designated Receiving Facilities.
5. Commencing at the beginning of Trials and Evaluation Period CM will conduct Auditing and Monitoring to confirm material composition to populate the Table 1 in Schedule C:
  - (a) The percentage composition for PPP subcategories in Table 1 in Schedule C will be populated with the percentage compositions observed through Auditing and Monitoring; and,
  - (b) Where the observed percentage composition for PPP subcategories measured in (a) as set out in Table 1 in Schedule C are assessed by the Parties to have a material impact on Sorting Efficiency Rates in Table II.G.5, the Sorting Efficiency Rates in Table II.G.5 may be be revised.
  - (c) Any changes under Section II.F.5(b) will be agreed by the Parties through Change Order.
6. Contractor will be responsible for making whatever technology or operational changes necessary to bring the PCF into conformance with the Sorting Efficiency Rates in Section II.G.5.

#### **G. Sorting Efficiency Rates and Determination of Quantities of Marketable PPP**

1. Auditing and Monitoring conducted after the Trials and Evaluation Period will verify the ongoing performance of the PCF in terms of its ability to achieve the Sorting Efficiency Rates for each PPP subcategory in Section II.G.5.
  2. Inbound samples taken from Collected Material received by the PCF for the purpose of Preconditioning or, from time-to-time from Collected Material received at Designated Receiving Facilities, will be Audited to establish the percentage inbound composition of Collected Material by PPP and Non-PPP Subcategory and by Contamination, including Marketable Non-PPP.
  3. The observed percentage inbound composition of Collected Material by PPP and Non-PPP Subcategory and Marketable Non-PPP shall be applied to the total inbound quantities of Collected Material at the PCF for the corresponding period in which representative sampling and Auditing
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was undertaken to determine the minimum expected quantity of each PPP subcategory and the quantity of Marketable Non-PPP available to be Preconditioned for that period.

4. Sorting Efficiency Rates as provided in Section II.G.5 will be applied to the quantity of each PPP available to be Preconditioned to establish expected quantities of Marketable PPP.

5. *Sorting Efficiency Rates and outbound material quality by PPP Subcategory*

Material Subcategory	Sorting Efficiency Rate	Max Outthrows	Max Prohibitives
Mixed Paper	≥95%	10%	5%
Old Corrugated Containers	≥97%		5%
Aseptic/Polycoat	≥90%		5%
Rigid PET	≥94%		6%
HDPE (N +C)	≥88%		5%
3-7 Bottles and Small Rigid+black	≥85%		10%
Flexible Plastic Packaging	≥75%		5%
Steel Packaging	≥94%		7%
Aluminum	≥86%		7%
Beverage Containers	≥85%		2%
Glass	≥95%		15%

6. For clarity, the calculation described in Section II.G.3 for determining the quantity of a given Marketable PPP would by example of HDPE containers be applied as:

$$Q_{total\ collected} \times \% HDPE = Q_{quantity\ of\ HDPE}$$

$$Q_{quantity\ of\ HDPE} \times SER_{HDPE} = Q_{quantity\ of\ Marketable\ HDPE}$$

Using notional values, the total quantity of marketable HDPE for a given month based on an inbound quantity of 20,000 Tonnes of Collected Material with a corresponding Audit composition of 2% HDPE packaging is:

$$20,000\ Tonnes \times 2\% = 400\ Tonnes \times 92\% = 368\ Tonnes$$

7. The Monitoring of Sorting Efficiency Rates in a given Measurement Period established in Section II.H.2 excludes quantities of Collected Material rejected under Section 4.4.

## H. Performance measurement

1. Monitoring of Preconditioned PPP will be used to:
  - (a) measure Sorting Efficiency Rates,
  - (b) verify the production of expected quantities of each Marketable PPP subcategory; and
  - (c) verify that outbound material specifications are being achieved as per Section II.K.

- (d) measure the composition of the “Bulky Rigid Plastics or other compatible baled plastics” and “Scrap Metal” outbound commodities as they may contain Marketable PPP.
- 2. CM may deem any continuous two week period a “**Measurement Period**” (provided that CM may not deem a Measurement Period in respect of a PPP subcategory during a cure period for a prior failure in respect of such subcategory). During any given Measurement Period CM will have Contractor actively Audit and Monitor Sorting Efficiency Rates to assess their conformance with the Sorting Efficiency Rate for a given PPP subcategory.
- 3. Contractor will be provided with Audit and Monitoring data within fifteen (15) days of it being generated.

**I. Sorting Efficiency Rates and Variability in the Inbound Composition of Collected Material**

- 1. Consideration shall be given to the sensitivity of Sorting Efficiency Rates to factors such as the variability in the composition and moisture content of Collected Material.
- 2. Performance conditions for achieving Sorting Efficiency Rates in Section II.G.5 are based on the estimated percentage composition for each PPP subcategory listed in column B in the table in Schedule C.
- 3. After the first Operational Contract Year Contractor may propose a Change Order to adjust Sorting Efficiency Rates where, as observed through Auditing and Monitoring for a sustained period of sixty (60) days:
  - (a) the percentage composition for any given PPP subcategory in Collected Material listed in column B of the table in Schedule C exceeds the minimum and maximum relative composition change trigger points as listed in columns C and D respectively of the Table 1 in Schedule C; and/or
  - (b) Exceedances in (a) is assessed by the Parties to have an impact on Sorting Efficiency Rates as established at the time.
- 4. Where Contractor has proposed a Change Order resulting from an assessment under Section II.I.3(b), Contractor shall not be subject to infraction No. 1 in Table 7.2(a) for the period in which CM is considering the Change Order and Contractor shall not otherwise be held in breach of the Agreement as it pertains to infraction No. 1 in Table 7.2(a). Approval of any such Change Orders shall not be unreasonably delayed or denied by CM.

**J. Continuous Improvement**

- 1. Contractor shall seek to continuously improve Sorting Efficiency Rates and the quantity of Marketable PPP produced through Preconditioning.
- 2. CM shall seek to continuously reduce the amount of Contamination in Collected Material to contribute to improved Sorting Efficiency Rates and increase the amount of Marketable PPPs produced through Preconditioning.
- 3. The Parties shall collaborate on continuous improvements to improve Sorting Efficiency Rates and increase the amount of Marketable PPP throughout the Term.

**K. Outbound Grades, Specifications for Marketable PPP**

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1. Contractor shall Precondition Collected Material to produce the expected quantities of each Marketable PPP subcategory that meet the outbound purity specifications for Marketable PPP as provided in the table in Section II.G.5.
2. CM shall conduct Audits as per the Auditing and Monitoring Protocol to Monitor Sorting Efficiency Rates against the production of outbound Marketable PPP categories as provided in Section II.G.5.
3. The Contractor will co-operate with CM in measuring the composition of outbound Marketable PPP and Residue by assisting CM with sample collection from process lines, bunkers, silos and/or balers. Such assistance will include the periodic measurement of the composition of “Bulky Rigid Plastics or other compatible baled plastics” and “Scrap Metal” outbound commodities as they may contain Marketable PPP.
4. CM may request alternate market specifications for outbound Marketable PPP categories subject to the Change Order process to meet Producers’ packaging manufacturing specifications or where those materials require Secondary Processing to meet Producers’ packaging manufacturing specifications.

### **III. PREPARATION OF MARKETABLE PPP AND MARKETABLE NON-PPP FOR SHIPMENT**

#### **A. Weighing of Marketable PPP and Marketable Non-PPP**

1. Contractor shall weigh each outbound shipment of Marketable PPP and Marketable Non-PPP in accordance with the procedures specified by CM.
  - (a) Weigh scales used to weigh each outbound shipment will be certified by Measurement Canada.
2. Weigh scale telemetry from Contractor scales will be provided to CM electronically in a method as agreed by the Parties within one (1) Business Day of being collected, subject to CM’s relevant systems functioning as required.

### **IV. EVOLVING PRECONDITIONING AT THE PCF TO ASSIST WITH ACHIEVING RECYCLING TARGETS**

#### **A. Process to Trial and Evaluate Material Recognition and Sorting Technologies and Processes to Determine Technology Improvements**

1. CM and Contractor may collaborate to identify Technology Improvements that may be initiated during the Term to improve Sorting Efficiency Rates to assist with achieving Recycling Targets, giving consideration to the management requirements in the Regulation and technological feasibility.
  2. Contractor will engage technology vendors to trial and evaluate the Technology Improvements in consultation with CM.
  3. Where a Technology Improvement is deemed to be safe and technically viable, CM and Contractor will work with the respective third party vendors involved to cost out deployment of the respective technology or process changes. Contractor will lead the process to cost out
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deployment of the technology or process changes at the PCF. The technical and cost analyses will inform:

- (a) Any General Change Orders that CM issues to Contractor to deploy the requisite Technology Improvements; and
  - (b) Contractor's overall pricing proposal to CM for deploying and operating the Technology Improvements in question and the change in price to be agreed through the General Change Order process.
4. Contractor will be reimbursed for costs incurred in connection with evaluative process in this Section, including lost efficiencies during any pilot projects requested by CM (and will not be liable for any liquidated damages caused by such pilots).
5. Notwithstanding any other provision of this Agreement, Contractor will not be required to pursue Technology Improvements or agree to associated General Change Orders that:
- (a) are found to be not technically viable, operationally viable or unsafe; or
  - (b) could reasonably be expected to result in unrecovered capital costs during the term of the Agreement.
6. For clarity, all physical assets associated with Technology Improvements will be owned by Contractor.

## **SCHEDULE B**

### **PRECONDITIONING PROCESS FLOW DIAGRAM**

## SCHEDULE C

Table 1: Input composition, acceptable tolerances

A	B	C	D
		<b>Composition change trigger point for assessing impact to SER</b>	
Single Stream	2026 estimated proportion of Collected Material	Relative % below column B	Relative % above column B
OCC	29.0%	10%	10.0%
Mixed Paper	30.4%	10%	10.0%
PET	3.4%	10%	10.0%
HDPE	1.8%	10%	5.0%
#3-7 Mixed Rigid Plastic	3.7%	10%	10.0%
Polycoat	0.2%	10%	10.0%
Flexible Plastic Packaging	3.3%	10%	10.0%
Aluminum	0.2%	10%	10.0%
Steel cans	1.8%	10%	10.0%
Glass	4.5%	5%	10.0%
Scrap Metal	0.9%	10%	10.0%
Beverage Containers	0.7%	10%	10.0%
Contamination/Unrecoverable	20.0%	10%	10.0%
Total	100.0%		

**SCHEDULE D**

**SUPPLIER CODE OF CONDUCT**  
**for**  
**MASTER SERVICES AGREEMENT**

**Number 2025 - ●**

## **SUPPLIER CODE OF CONDUCT**

### **Introduction**

Circular Materials (CM) is a producer responsibility organization under contract to producers to perform work in connection with the collection of single-use products, packaging and paper products (PPP), establishment and operation of Receiving Facilities for collected PPP and related services.

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

CM also recognizes its responsibility to respect and protect the human rights of all. As such, CM 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 CM, 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 CM, 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 CM 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 CM's expectations and guidelines with respect to responsible sourcing including CM's commitments to human rights, the environment, health and safety, regulatory compliance, business ethics and the development of a diverse and sustainable supply chain. CM 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.

CM acknowledges that some Code infringements that are identified may take time to resolve. If appropriate and practicable in the circumstances, CM will work with contractors to accommodate reasonable time frames that allow contractors to make improvements in their operations to rectify the infringement. CM will

seek to maintain relationships with contractors that demonstrate their commitment to the Code by, among other things, promptly responding to, and resolving, CM's concerns. However, violations of the Code may sometimes warrant an immediate resolution, failing which termination of CM'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 CM.

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

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

CM expects cooperation and transparency during the compliance monitoring process. Specifically, CM 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. CM personnel or a third-party company designated by CM may regularly visit Contractor locations, on- or off-route, to monitor progress with improvement programs.

Should a contractor fail to comply with the Code, CM 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 CM.

## **Concerns**

As a part of CM's culture of integrity, it is important that non-compliant and unethical matters are reported. CM 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 CM policies and procedures shared with the Contractor to speak up by reporting any violations or potential violations through the following channels:

Email CM at: [support@circularmaterials.ca](mailto:support@circularmaterials.ca)

CM 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. CM's ethics team will administer all complaints received and will objectively manage incidents to their resolution.

CM respects confidentiality and protection against retaliation.

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.

CM 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 CM 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**

CM 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 CM to legal action and significantly damage CM's reputation and brand. As a result, CM 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 CM 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: CM maintains a competition law compliance program which includes guidance and standards for CM contractors, to minimize the risk of non-compliance with competition laws. CM 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.

CM 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 CM, disclose your ownership structure (specifically, ownership by a government or public official) to CM 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 CM.
- A conflict of interest may include:
  - Having a close personal relationship with a CM employee;
  - A family relationship between a contractor or Related Parties employee and a CM employee; or
  - the Contractor influencing recruitment of personnel at CM or vice versa.
- Disclose to CM any actual or perceived conflict of interest that you may have before conducting business with CM.
- 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 CM;
  - Be consistent with acceptable business practices, given the industry and the geographic location;
  - Be permitted by law and the policies of CM and the Contractor;
  - Not reflect or have the potential to reflect poorly on or embarrass CM;
  - 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 CM.
  - Keep a record of the gifts, entertainment, or hospitality you provide to CM.

## **Information Security**

- Ensure you have sound security practices in place to protect CM 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 CM.

## 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 CM must make pricing, bid and output decisions independently and conduct its business activities in compliance with CM'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.

CM respects the human rights of its colleagues, customers, supply chain partners and members of its communities. CM 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 CM. 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 Citizenship status	o National origin
o Visible or non-visible disability	o Support for/against a union	o Ethnic origin
o Any other characteristic protected by applicable federal, provincial or municipal laws	o Veteran status	

- Make reasonable accommodations for employees or applicants with a disability unless undue hardship would result.

### **Inclusion and Diversity**

- CM is committed to fostering a diverse and inclusive work environment. CM embraces and cultivates respect, trust, open communications and diversity of thought and people. CM 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 CM's employees, customers and the communities in which CM operates, CM 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 CM'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.
- CM 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 CM 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. CM 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.

CM 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. CM 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**

CM can enhance its reputation when it works with government and the public in a timely, consistent and professional manner. CM's employees and employees of contractors and Related Parties are the key to relationships between CM, 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 CM.

## **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. CM 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 CM. When using social media to post information, comment and exchange ideas related to CM or its business, each employee of CM, 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 CM, Contractor or Related Parties:

- Do not defame, harass, threaten, or discriminate against co-workers, customers, members of the

- public, contractors, Related Parties, CM, or suppliers;
- Do not disclose CM, Contractor or Related Party, or third-party confidential or proprietary information;
- Do not speak on behalf of CM;
- Do not discredit CM, 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 CM rely on the accuracy of all records. This includes CM's statements to government agencies, customers, vendors and the public. Each contractor and Related Party, in addition to CM, 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. CM, 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.

