

**SCHEDULE 2.1(c)**  
**STATEMENT OF WORK FOR DEPOT COLLECTION SERVICES**

This Statement of Work is incorporated into and forms part of the Master Services Agreement made between [redacted] (“**Contractor**”) and MMBC Recycling Inc. carrying on business as Recycle BC (“**Recycle BC**”) made as of [redacted] (the “**Agreement**”). The effective date of this Statement of Work (the “**SOW Effective Date**”) is [redacted].

**SECTION 1. Interpretation**

1.1 Definitions. In this Statement of Work (including the attachments hereto), the following terms will have the following meanings. Capitalized terms used but not defined in this Statement of Work will have the respective meanings ascribed to them in the Agreement.

“**Agreement**” has the meaning set out on the first page of this Statement of Work.

“**Approved Depots**” means, at any time, the Depots listed in Attachment 2.1.1 (as such attachment may be amended from time to time), and “**Approved Depot**” means any one of them.

“**Claim Information**” has the meaning set out in Section 3.4.2(b).

“**Collection Container**” means any container used for storage of In-Scope PPP at a Depot.

“**Contamination**” means any material collected that is Not Accepted Material.

“**Contractor**” has the meaning set out on the first page of this Statement of Work.

“**Cross Contamination**” means In-Scope PPP that has been collected in the incorrect In-Scope PPP category.

“**Customer**” means all British Columbia residential users of a Depot.

“**Determined Household Amount**” has the meaning set out in Section 2.1.6(a).

“**Depot**” means a fixed location collection site operated by Contractor to which In-Scope PPP can be delivered by Customers, whether designated as a Principal Depot or Satellite Depot and including, in each case, all surrounding portions of such site from the public entrance way onward, including any parking lots, buildings and storage facilities.

“**Depot Collection Services**” has the meaning set out in Section 2.1.

“**Determined ICI Amount**” has the meaning set out in Section 2.1.6(b).

“**Hazardous Waste**” means any waste that may pose a risk to health, safety or the environment if not properly managed, including materials that are corrosive, reactive, toxic, leachable or ignitable (e.g. used oil, paint, pesticides, batteries, chemicals).

“**Household In-Scope PPP**” means In-Scope PPP from a residential household.

“**ICI Management Option**” has the meaning set out in Section 2.1.6(b).

“**ICI PPP**” means In-Scope PPP from an ICI location.

“**In-Scope PPP**” means the PPP set out in Attachment 2.1.2 and such other materials identified as In-Scope PPP by Recycle BC in writing from time to time.

**“Industrial, Commercial and Institutional”** or **“ICI”** means any operation or facility other than a residential premises as defined in the Regulation, including industrial operations of any size; commercial operations of any size including small businesses with one or more employees, retail stores, offices, strip malls and vacation facilities, such as hotels, motels, cottages, cabins and rental, co-operative, fractional ownership, time-share or condominium accommodation associated with sports and leisure facilities (e.g., ski resorts); and, institutional operations of any size including schools, churches, community buildings, local government buildings, arenas, libraries, fire halls, police stations, social or community service organizations and residences at which medical care is provided, such as nursing homes, long-term care facilities and hospices.

**“Not Accepted Materials”** means, collectively, any material that is not PPP.

**“Principal Depot”** means an Approved Depot from which In-Scope PPP is picked up by the Designated Post-Collection Service Provider.

**“Reuse”** means conventional reuse where the item is used again whole and intact for the same function (e.g. an egg carton reused to carry new eggs), and next-life reuse where the item is used for a different function (e.g. an olive oil bottle reused to hold flowers).

**“Satellite Depot”** means an Approved Depot from which Contractor transports In-Scope PPP to a designated Principal Depot for pick-up by the Designated Post-Collection Service Provider.

**“Scavenge”** means unauthorized rerouting of collected In-Scope PPP to anyone other than the Designated Post-Collection Service Provider. Scavenging does not include the diversion of In-Scope PPP for Reuse.

**“Service Commencement Date”** means [●].

**“SOW Effective Date”** has the meaning set out on the first page of this Statement of Work.

**“SOW Services”** has the meaning set out in Section 2.

**“Temporary Collection Site”** means a temporary or mobile collection site to which In-Scope PPP can be delivered by Customers.

1.2 Attachments. As of the SOW Effective Date, the following attachments form part of this Agreement (note that attachment numbering is not sequential and is based on a related section reference):

<b>Attachment</b>	<b>Description</b>
Attachment 2.1.1	– Approved Depots
Attachment 2.1.2	– In-Scope PPP
Attachment 3.5	– Service Level Failures
Attachment 5	– Fees

## **SECTION 2. Services**

Contractor will provide, on the terms and conditions set out in the Agreement as supplemented and modified by the terms and conditions of this Statement of Work, the following Services (the **“SOW Services”**):

2.1 Depot Collection Services. Beginning on the Service Commencement Date, Contractor will collect In-Scope PPP from Customers at each of the Approved Depots as further described in this Section

2.1 (“**Depot Collection Services**”) and in accordance with the terms of the Agreement and this SOW.

2.1.1 Depots.

- (a) Contractor may not collect In-Scope PPP at any collection site other than an Approved Depot or Temporary Collection Site.
- (b) Contractor may not add any Depot to the list of Approved Depots without the prior written approval of Recycle BC. Effective as of the date such Depot is added to the list of Approved Depots, Attachment 5 will be amended if and to the extent necessary.
- (c) Contractor may not remove any Depot from the list of Approved Depots without the prior written approval of Recycle BC, such written approval to specify a date mutually acceptable to the parties, which will be at minimum ninety (90) days, on which such Depot will be removed from the list of Approved Depots. Effective as of the date such Depot is removed from the list of Approved Depots, Attachment 5 will be amended if and to the extent necessary.
- (d) Contractor may not operate or collect In-Scope PPP at a Temporary Collection Site except (i) with the prior written approval of Recycle BC and (ii) in accordance with the terms and conditions set forth in such written approval.
- (e) In the event of a Depot ownership change, Contractor will provide written notice to their Recycle BC collection specialist with a minimum ninety (90) day notice prior to new ownership commencement.

2.1.2 PPP Materials.

- (a) Contractor will collect all In-Scope PPP that Customers bring to an Approved Depot.
- (b) Materials collected under this Statement of Work may not contain more than 5% by weight of Not Accepted Materials. Materials exceeding 5% by weight of Not Accepted Materials may be subject to rejection by the Designated Post-Collection Service Provider and may result in Service Level Failure Credits.
- (c) Contractor will ensure that individual material categories not contain more than the specified percent of Cross Contamination of In-Scope PPP by weight listed below. Loads of segregated material categories exceeding the weight percentage listed individually (or in the aggregate) may be subject to rejection by the Designated Post-Collection Service Provider and may result in Service Level Failure Credits.
  - (i) Paper and Cardboard do not contain more than 1% by weight of other In Scope PPP materials categories;
  - (ii) Mixed Containers do not contain more than 3% by weight of other In Scope PPP material categories;
  - (iii) Foam Packaging does not contain more than 5% by weight of other In Scope PPP material categories;
  - (iv) Flexible Plastics does not contain more than 5% by weight of other In Scope PPP material categories; and

- (v) Glass Bottles and Jars does not contain more than 1.5% by weight of other In-Scope PPP material categories.
- (d) Materials collected under this Statement of Work may not contain Hazardous Waste.
- (e) Contractor will implement and maintain reasonable procedures to ensure that materials deposited into Collection Containers at each Depot comply with the requirements set forth in this Section 2.1.2, including procedures to monitor the content of collected material and procedures to notify and reject material from Customers who do not comply with such requirements. Such procedures are subject to review by Recycle BC at any time and from time to time. If Recycle BC determines that such procedures are inadequate, Contractor will adopt such procedures as Recycle BC may reasonably require in order to ensure compliance with this Section 2.1.2.

#### 2.1.3 Collection.

- (a) Contractor will not place unreasonable limits on the quantity of In-Scope PPP delivered by Customers to a Principal Depot if the In-Scope PPP is from a household. Limits may be placed on the quantity or types of In-Scope PPP delivered by Customers to Satellite Depots, at Contractor's sole discretion. For clarity, In-Scope PPP may not be delivered by businesses on behalf of Customers unless agreed to in writing beforehand with Recycle BC.
- (b) Each Depot must be fully staffed when open to Customers. A Depot is considered to be "fully staffed" when there are a sufficient number of staff members that staff are able to (i) regularly check the Collection Containers into which Customers place In-Scope PPP throughout the period of time the Depot is open to Customers, (ii) instruct and direct Customers to place In-Scope PPP in the appropriate Collection Containers or locations, (iii) promptly and regularly remove items that are not In-Scope PPP, (iv) promptly and regularly remove items which Customers did not properly place in the appropriate Collection Containers or locations, (v) communicate with Customers about Contamination problems or improperly sorted In-Scope PPP and (vi) otherwise comply with the requirements of this Agreement (including Sections 2.1.2(e) and 2.2).
- (c) Each Depot must be securely fenced and/or locked when closed to Customers. A Depot is considered to be "securely fenced and/or locked" when (i) Customers are not able to deliver In-Scope PPP to the Depot and (ii) access to the Depot is restricted and the In-Scope PPP stored at the Depot and awaiting pick-up by the Designated Post-Collection Service Provider is safe from tampering and vandalism.

#### 2.1.4 Collection Containers.

- (a) The type of Collection Container used for the collection of PPP categories at individual Depots will be determined by the Designated Post-Collection Service Provider working in good faith with the Contractor. If the Designated Post-Collection Service Provider and Contractor cannot agree on the appropriate Collection Container for a given Depot, Recycle BC will facilitate resolution of the issue.
- (b) Collection Containers will be provided by and remain the property of the Designated Post-Collection Service Provider, provided that, to the extent any

Collection Containers are owned and provided by the Contractor, such Collection Containers shall remain the property of the Contractor. Upon termination or expiration of this Statement of Work or the Agreement, any Collection Containers provided by the Designated Post-Collection Service Provider in accordance with this Section 2.1.4(a), will be returned to the Designated Post-Collection Service Provider.

- (c) Any Collection Containers that are not intended to be removed from the Depot for transport of In-Scope PPP by the Designated Post-Collection Service Provider will be provided by Contractor. Upon termination or expiration of this Statement of Work or the Agreement, any Collection Containers provided by Contractor to provide the Depot Collection Services will remain the property of Contractor.
- (d) Except for the collection of Flexible Plastics, Contractor may not allow Customers to deposit In-Scope PPP into Collection Containers in single-use bags.

#### 2.1.5 Designated Post-Collection Service Provider.

- (a) The Designated Post-Collection Service Provider will only pick-up In-Scope PPP collected by Contractor pursuant to this Statement of Work (including In-Scope PPP collected at a Satellite Depot or Temporary Collection Site) at a Principal Depot. In the case of In-Scope PPP collected at a Satellite Depot, Contractor is solely responsible, at its own cost and expense, for (i) transporting such In-Scope PPP to the designated Principal Depot, (ii) consolidating In-Scope PPP collected at the Satellite Depot with In-Scope PPP collected at the designated Principal Depot (iii) preparing the In-Scope PPP for pick-up by the Designated Post-Collection Service Provider.
- (b) Contractor will make best effort to ensure only full Collection Containers of In-Scope PPP are prepared for the Designated Post-Collection Service Provider to pick up. Recycle BC reserves the right to direct the Designated Post-Collection Service Provider to reject the pickup of material where best efforts to set out full Collection Containers has not been made.
- (c) Contractor will maintain all In-Scope PPP collected by Contractor pursuant to this Statement of Work (including In-Scope PPP collected at a Satellite Depot or Temporary Collection Site) for pick-up by the Designated Post-Collection Service Provider in a manner that is segregated, at a minimum, as set out in Attachment 2.1.2, and which is baled (or not baled) in accordance with the selections in the table(s) in Section 1(a) of Attachment 5.
- (d) Contractor will (i) ensure all In-Scope PPP collected by Contractor pursuant to this Statement of Work (including In-Scope PPP collected at a Satellite Depot or Temporary Collection Site) Principal Depot is made available for pick-up by the Designated Post-Collection Service Provider at a Principal Depot and (ii) may not charge any amounts to the Designated Post-Collection Service Provider for collecting such In-Scope PPP from a Principal Depot. Without limiting the generality of the foregoing, Contractor will not deliver In-Scope PPP collected by Contractor pursuant to this Statement of Work to any person or facility (including a landfill, incinerator or energy recovery facility) other than the Designated Post-Collection Service Provider or otherwise dispose of any In-Scope PPP collected at a Depot without prior written authorization from Recycle BC.
- (e) Contractor will store In-Scope PPP collected by Contractor pursuant to this Statement of Work in a manner acceptable to the Designated Post-Collection Service Provider and Recycle BC. Without limiting the generality of the foregoing,

Contractor will, at the request of Recycle BC, adopt such procedures and measures, whether permanent or temporary, as Recycle BC determines is necessary to ensure that such In-Scope PPP is adequately protected from rain, snow and other inclement weather or otherwise to protect the recyclability and marketability of such In-Scope PPP.

- (f) Recycle BC may change the Designated Post-Collection Service Provider upon thirty (30) days' notice.
- (g) If the Designated Post-Collection Service Provider rejects any material made available for pick-up at a Principal Depot due to (i) more than 5% by weight of Not Accepted Materials or (ii) any Hazardous Waste, Recycle BC reserves the right to designate alternative procedures and requirements associated with respect to such material and to deduct any additional costs associated therewith from the Fees otherwise due to Contractor.

#### 2.1.6 PPP from Industrial, Commercial and Institutional Sources.

- (a) Contractor will not be entitled to receive any Fees or other payments in respect of ICI PPP and will be solely responsible for any costs associated with the collection and management of ICI PPP. The amount of Household In-Scope PPP collected at a Depot (the "**Determined Household Amount**") will be determined in accordance with Section 2.1.6(b). Without limiting the generality of the foregoing, Contractor acknowledges and agrees that Contractor will be solely responsible for any costs or fees charged by the Designated Post-Collection Service Provider in respect of ICI PPP.
- (b) For purposes of determining the Determined Household Amount in respect of a Depot, Contractor will adopt one of the following options (each, an "**ICI Management Option**") for such Depot, in each case as set forth in Attachment 2.1.1, to be approved by Recycle BC.

Option 1 – Separation of Household In-Scope PPP from ICI PPP – Contractor will ensure that Household In-Scope PPP is received, weighed and processed separately from ICI PPP. Contractor will implement and maintain rules and procedures acceptable to Recycle BC to ensure that Household In-Scope PPP is received, weighed and processed separately from ICI PPP in such manner (including ensuring that Collection Containers are clearly marked to indicate which are for Household In-Scope PPP and which are for ICI PPP) as is necessary to ensure that the amount of Household In-Scope PPP collected at the Depot is accurately determined. The separation of Household In-Scope PPP and ICI PPP will be clearly communicated to Customers in a manner acceptable to Recycle BC and consistently applied and enforced by Contractor.

Option 2 – No Collection of ICI PPP – Contractor will not accept ICI PPP at the Depot. Contractor will implement and maintain rules and procedures acceptable to Recycle BC to ensure that only Household In-Scope PPP is collected at the Depot. The fact that ICI PPP may not be delivered to the Depot will be clearly communicated to Customers in a manner acceptable to Recycle BC and consistently applied and enforced by Contractor.

Option 3 – Calculation of Mix of Household In-Scope PPP and ICI PPP – Contractor will determine the percentage of In-Scope PPP collected at the Depot that is comprised of ICI PPP (the "**Determined ICI Amount**") using a methodology acceptable to Recycle BC in its sole discretion. Once the Determined ICI Amount has been determined in accordance with such methodology, Contractor will

provide to Recycle BC such records and information as Recycle BC reasonably requires in order to confirm that the Determined ICI Amount accurately reflects ratio of Household In-Scope PPP to ICI PPP collected at the Depot.

Every two years, on a date to be determined by Recycle BC, and at such other time as the parties may agree, Contractor will determine the then-current ratio of Household In-Scope PPP to ICI PPP collected at the Depot. If Recycle BC determines that Determined ICI Amount does not accurately reflect the then-current ratio of Household In-Scope PPP to ICI PPP collected at the Depot, Recycle BC will be entitled to make such adjustments to the Determined ICI Amount as it considers necessary.

- (c) All rules, procedures and methodologies adopted by Contractor pursuant to this Section 2.1.6 are subject to review by Recycle BC at any time and from time to time. If Recycle BC determines that such rules, procedures or methodologies in respect of a Depot are inadequate for purposes of ensuring that Contractor only receives Fees or other payments under this Statement of Work for Household In-Scope PPP, Contractor will adopt such rules, procedures or methodologies as Recycle BC may reasonably require in order to ensure compliance with this Section 2.1.6.
- (d) Contractor may change the ICI Management Option for a Depot with the prior written approval of Recycle BC. A decision to accept a request to change the ICI Management Option for a Depot is solely at Recycle BC's discretion, but will not generally be withheld if Recycle BC determines that such change will not impair the ability of Recycle BC to accurately determine the amount of Household In-Scope PPP collected at the Depot.
- (e) Recycle BC may, upon thirty (30) days' written notice, change the ICI Management Option applicable to a Depot if Recycle BC, in its sole discretion, determines that (i) the rules and procedures necessary to operate such Depot in a manner consistent with the applicable ICI Management Option are not being consistently applied and enforced or (ii) the application of the applicable ICI Management Option does not enable Recycle BC to accurately determine the amount of Household In-Scope PPP collected at the Depot.

#### 2.1.7 Spillage.

- (a) All In-Scope PPP collected at a Depot will be completely contained in Collection Containers at all times, except when material is actually being loaded.
- (b) Any spillage of materials that occurs at a Depot or while transporting In-Scope PPP from a Satellite Depot to the designated Principal Depot will be immediately cleaned up or removed by Contractor at its sole expense. Contractor will keep accurate records of each occurrence of spillage that occurs outside of the Principal Depot property and of its clean-up and will make such records available to Recycle BC on request. Contractor expressly acknowledges it is solely responsible for any violations of Applicable Law that may result from said spillage.
- (c) Without limiting Section 2.1.7(b) above, any discharge of liquid wastes or oils that may occur at Depots or while transporting materials from a Satellite Depot to the designated Principal Depot will be promptly cleaned up or removed by Contractor and will be remediated by Contractor at its sole expense. Such clean-up or removal will be documented with photographs and notice of such clean-up or removal will be provided to Recycle BC in writing. Contractor will comply with all Applicable Laws in respect of groundwater or drainage systems safety and standards.

Contractor will immediately notify the Recycle BC of any spills that enter groundwater or drainage systems.

2.1.8 Schedule.

- (a) Contractor will clearly indicate at each Depot (i) the day(s) of the week that the such Depot will be open and (ii) on each day that the Depot is open, the hours of operation when In-Scope PPP can be delivered to the Depot. To the extent possible, open hours will remain consistent.
- (b) Each Depot will remain open for collection of In-Scope PPP on the day(s) of the week and at the hours specified under Section 2.1.8(a) regardless of weather conditions, unless weather conditions are such that continued operation would result in danger to Contractor personnel, Customers or property. In the case of closure, Contractor will send a service disruption notice to their Recycle BC collection specialist.

2.1.9 Pilot Programs.

- (a) Recycle BC may wish to test or implement one or more new services, technology systems or developments in PPP material segregation, processing or collection technology (collectively, "**Pilot Program**"). Recycle BC will provide at least ninety (90) days' written notice of its intention to implement a Pilot Program. The allocation of any costs (or savings) accrued by Recycle BC-initiated Pilot Programs will be negotiated prior to implementation pursuant to the change process in Section 2.2 of the Agreement. If Recycle BC deems the Pilot Program a success and desires to incorporate the service, technology or development from the Pilot Program into this Statement of Work, such a change will be made pursuant to the change process set out in Section 2.2 of the Agreement.
- (b) Contractor-initiated Pilot Programs will require prior written approval by Recycle BC and will be performed at no additional cost to Recycle BC.

2.2 Customer Service.

2.2.1 Customer Service Requirements.

- (a) Contractor will maintain sufficient staffing to answer and handle complaints and service requests in a timely manner made by all methods including in-person, over the phone or through correspondence.
- (b) Without limiting the generality of Section 2.1.3(b), at all times when a Depot is open for collection of In-Scope PPP, Contractor will ensure that the Depot is sufficiently staffed to provide personal Customer service, educate Customers regarding In-Scope PPP accepted and avoid Customer delay.
- (c) Contractor will place signage at each Depot to assist Customers in delivering In-Scope PPP to the appropriate areas of the Depot. Signage is to incorporate images and graphics available from Recycle BC and is subject to approval by Recycle BC.
- (d) Contractor's Customer service will be accessible by a local area code and prefix phone number or toll-free number. Customer service representatives will apply best efforts be available during Depot open hours for communication with Customers and Recycle BC representatives. When the Depot is closed, Contractor



will have an answering or voice mail service available to record messages from all incoming telephone calls.

2.2.2 Customer Complaints and Requests.

- (a) Contractor will record all Customer complaints and service requests, regardless of how received, including date, time, Customer's name and address, if the Customer is willing to give this information, method of transmittal and nature, date and manner of resolution of the complaint or service request in a computerized daily log. Contractor will use commercially reasonable efforts to resolve all complaints and service requests within two (2) Business Days of the original contact.
- (b) Contractor's customer service log will be available for inspection by Recycle BC with considerations to Contractors confidentiality obligations, if requested by Recycle BC.

2.3 Promotion and Education.

- 2.3.1 Where the Contractor is not a local government, Recycle BC will have primary responsibility for developing, designing and executing public promotion, education and outreach programs. Contractor will provide Recycle BC with assistance and cooperation, including distributing Recycle BC-developed promotional and educational brochures and assisting with promotion, education and outreach programs at the direction of Recycle BC. Where Contractor is a local government, Contractor will have primary responsibility for executing public promotion, education and outreach programs, incorporating Recycle BC-developed communications messages and images in Contractor public promotion, education and outreach programs.
- 2.3.2 Recycle BC reserves the right, in its sole discretion, to require Contractor to seek advance approval of any or all public promotion, education and outreach materials associated with the collection of In-Scope PPP, including recycling guides, website content and Depot signage.
- 2.3.3 Depot Collection Fees for Local Governments are inclusive of amounts intended to cover resident education spending for promotion, education and outreach programs on an annual basis. Recycle BC reserves the right to request proof of resident education spending by Contractor.
- 2.3.4 Contractor will have primary responsibility for providing Customers service-oriented information such as hours of operation of the Depots.

**SECTION 3. Performance Standards and Operational Requirements**

- 3.1 Personnel Conduct. Contractor personnel performing Depot Collection Services will at all times be courteous, refrain from loud, inappropriate or obscene language, exercise due care, perform their work without delay, minimize noise and avoid damage to public or private property.
- 3.2 Facility Standards. Without limiting any other requirements or obligations of Contractor, Contractor will meet or exceed the following standards:
  - 3.2.1 Depots will be of sufficient size and dimension to provide Depot Collection Services to Customers and access for Designated Post-Collection Service Provider.
  - 3.2.2 Depots will be maintained in a clean and sanitary manner. All collection areas will have appropriate safety markings, all in accordance with applicable law. Equipment will be

maintained in good condition at all times. All facilities and the equipment to manage the In-Scope PPP will operate properly and be maintained in a condition compliant with all applicable laws, good industry standards and be in a condition satisfactory to Recycle BC. All vehicles used by the facility for the management of In-Scope PPP will be equipped with variable tone or proximity activated reverse movement back-up alarms.

- 3.2.3 Contractor will receive prior written approval from Recycle BC for all Depot signage, including Contractor labeling and program information. Contractor will place Recycle BC-provided logos on Depots as directed at no additional cost to Recycle BC.
- 3.3 In-Scope Material Management. Without limiting any other requirements or obligations of Contractor, Contractor will meet or exceed the following standards:
- 3.3.1 Contractor will ensure Collection Containers are reasonably full prior to requesting pick up from the Designated Post-Collection Service Provider.
- 3.3.2 Reasonably full Collection Containers will be staged in the format appropriate to the material category (such as full super sacks of Glass Bottles and Jars on a pallet), and in a location which allows ease of access by the Designated Post-Collection Service Provider. Contractor will ensure all full Collection Containers be affixed with the appropriate reporting documents prior to shipment.
- 3.4 SOW Record and Reporting Requirements.
- 3.4.1 Service Delivery Reporting. In addition to the record keeping and reporting requirements in the Agreement, Contractor will:
- (a) provide to Recycle BC, on the Service Commencement Date and at such other times as Recycle BC may request, a complete inventory of the equipment to be used by Contractor to perform Depot Collection Services;
  - (b) maintain such other records as may be requested by Recycle BC, including:
    - (i) in respect of each Principal Depot, tonnage by each date on which the Designated Post-Collection Service Provider removed the In-Scope PPP from the Principal Depot; and
    - (ii) changes to equipment or inventory;
  - (c) make all records maintained pursuant to this Statement of Work available to Recycle BC upon request;
  - (d) provide a report to Recycle BC on associated collection metrics necessary to calculate the greenhouse gas emissions associated with the performance of Depot Collection Services no more frequently than once per quarter and no less frequently than once per year;
  - (e) upon Recycle BC's request, provide a report to Recycle BC on the costs associated with the performance of Depot Collection Services, no more frequently than once per year;
  - (f) upon Recycle BC's request, provide a response to questions posed by Recycle BC's non-financial auditor; and

- (g) upon Recycle BC's request, provide up to two ad-hoc reports each year, at no additional cost to Recycle BC, and such ad-hoc reports (i) may include Customer service database tabulations to identify specific Service Level or participation patterns or other similar information reports; and (ii) will not require the Contractor to expend more than forty (40) staff hours per year to complete,

and such records and reports will be provided in Recycle BC-defined format and software compatibility. For reports that are provided at Recycle BC's request, Recycle BC will use best efforts to communicate such request sixty (60) days in advance of due date. Contractor and Recycle BC will meet to discuss requests outside of this scope, all parties being reasonable.

#### 3.4.2 Claims Reporting.

- (a) Responsibility for claim reporting under Section 3.4.2(b) shall be assigned to the Designated Post-Collection Service Provider.
- (b) All Household In-Scope PPP picked-up by the Designated Post-Collection Service Provider from a Principal Depot will be documented in a manner specified by Recycle BC, including by a certified scale ticket provided by the Designated Post-Collection Service Provider, with Depot name and address, Designated Post-Collection Service Provider name and address, date, time, truck number, net weight by material type (as set out in Attachment 2.1.2, by baled versus loose and, for Foam Packaging, by white versus coloured) and such other information as Recycle BC may designate (collectively, "**Claim Information**").
- (c) The Designated Post-Collection Service Provider will report the Claim Information with respect to any Household In-Scope PPP picked up by the Designated Post-Collection Service Provider from a Principal Depot through Recycle BC's claims reporting portal or through such other method as Recycle BC may designate within ten (10) business days of the pick-up date.
- (d) Recycle BC will issue a claim summary to Contractor based on Claim Information provided to Recycle BC by the Designated Post-Collection Service Provider, and Contractor will review the claim summary for accuracy. Contractor must report to Recycle BC any content in the claim summary that Contractor disputes within thirty (30) days of the claim summary being issued.
- (e) After Recycle BC has approved the Claim Information, Recycle BC will issue a purchase order to Contractor, including a reference number. Recycle BC will issue payment to Contractor based on the approved purchase order without the need for Contractor to submit an invoice.

3.5 Service Levels. If Contractor fails to meet any Service Level set out in Attachment 3.5, Recycle BC will, in Recycle BC's sole discretion, be entitled to the applicable Service Level Failures set out in Attachment 3.5.

## **SECTION 4. SOW Term**

This Statement of Work will commence on the SOW Effective Date and its initial term will continue until **December 31, 2029**. Recycle BC may extend this Statement of Work for up to two further periods of one year each, by giving Contractor notice in writing not less than ninety (90) days before the expiration of the initial term or any such additional term or terms. The initial term and any such additional term or terms are herein referred to as the "**SOW Term**".

## **SECTION 5. Fees**

The Fees payable by Recycle BC for the performance by Contractor of the SOW Services are set out in Attachment 5 to this Statement of Work, and such Fees begin after the Service Commencement Date. For the avoidance of doubt, Contractor acknowledges and agrees that it will not be entitled to receive any Fees in respect of ICI PPP collected at Depots.

## **SECTION 6. Additional Terms**

- 6.1 No Double Charge. Contractor will not directly or indirectly charge Customers, including by way of tax, levy or other surcharge, for the cost of providing the SOW Services if and to the extent that such costs are covered by Fees (prior to deducting any Service Level Failure Credits) or other payments that Contractor is entitled to receive from Recycle BC under this Statement of Work. In the event that the Fees do not fully cover the Contractors costs of the program, the Contractor may directly or indirectly charge Customers for the portion of the costs of providing the SOW Services that are not covered by the Fees; provided that the Contractor shall not profit from such amounts.
- 6.2 Reuse. With prior written approval from Recycle BC, the Contractor may establish a re-use program for certain materials (e.g., egg cartons, plant pots). This program will allow residents to collect these items from designated areas at the Depot at no charge, promoting the re-use of materials that are in good condition and can be repurposed. For the avoidance of doubt, no beverage container, as defined in Schedule 1 of the Regulation, deposited into a Recycle BC Collection Container may be considered for reuse.
- 6.3 Scavenging Forbidden. Except as defined in Section 6.2, Contractor will not Scavenge, or permit any person (including its employees) to Scavenge, any materials from In-Scope PPP that have been delivered by Customers to the Depot at any time and at any location during Contractor's performance of the SOW Services or otherwise.
- 6.4 Risk. Contractor will bear all costs of receipt and storage of the In-Scope PPP. Contractor will be responsible for all risks, including risk of loss of, or damage caused by, the In-Scope PPP from the time that the In-Scope PPP is received by Contractor until the Contractor delivers such In-Scope PPP to the Designated Post-Collection Service Provider. In-Scope PPP will be deemed to be delivered to the Designated Post-Collection Service Provider when picked up from Contractor's facility and accepted by receipt of scale ticket or bill of lading from the Designated Post-Collection Service Provider. Contractor will be responsible for the cost of any damage to Collection Containers caused by Contractor.
- 6.5 Shared Services. Contractor may collect material other than In-Scope PPP at the Depot if (a) the activities do not interfere with Depot Collection Services of Household In-Scope PPP from Customers and (b) Contractor adopts such rules and procedures as are necessary to ensure that such materials are not mixed with Household In-Scope PPP. Such rules and procedures are subject to review by Recycle BC at any time and from time to time. If Recycle BC determines that such rules and procedures or methodologies in respect of a Depot are inadequate, Contractor will adopt such rules and procedures as Recycle BC may reasonably require in order to ensure compliance with this Section 6.5.
- 6.6 No Exclusivity. Execution of this Statement of Work does not confer on Contractor exclusive access to Customers in proximity to the Depots or otherwise.

(Signature page follows.)

IN WITNESS WHEREOF the parties have executed this Statement of Work effective as of the SOW Effective Date.

**MMBC RECYCLING INC.**

**[CONTRACTOR]**

Per: SAMPLE NOT FOR SIGNATURE  
(I have authority to bind Contractor)

Per: SAMPLE NOT FOR SIGNATURE  
(I have authority to bind Contractor)

Name: \_\_\_\_\_  
(Please Print)

Name: \_\_\_\_\_  
(Please Print)

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Per: SAMPLE NOT FOR SIGNATURE  
(I have authority to bind Contractor)

Name: \_\_\_\_\_  
(Please Print)

Title: \_\_\_\_\_

Note: Second signatory to be completed by Contractor only if Contractor requires two signatories (and by leaving the second signatory blank and returning the Statement of Work to Recycle BC, Contractor and the first signatory represent that no additional signatories are required).

SAMPLE

**ATTACHMENT 2.1.1 TO SCHEDULE 2.1(c)  
APPROVED DEPOTS**

**[Note: When the SOW is executed, Attachment 2.1.1 will include (i) a list of Principal Depots and Satellite Depots and (ii) in each case, the applicable ICI Management Option.]**

Principal Depot Details					
Depot Name	Street Number	Street Name	Municipality	Postal Code	ICI Management Option
TBC	TBC	TBC	TBC	TBC	TBC
TBC	TBC	TBC	TBC	TBC	TBC

Satellite Depot Details						
Depot Name	Street Number	Street Name	Municipality	Postal Code	ICI Management Option	Delivery Location - Principal Depot
TBC	TBC	TBC	TBC	TBC	TBC	TBC
TBC	TBC	TBC	TBC	TBC	TBC	TBC

**ATTACHMENT 2.1.2 TO SCHEDULE 2.1(c)  
IN-SCOPE PPP**

For the purpose of this Statement of Work, In-Scope PPP will mean the material described in the categories of PPP below that have been selected as indicated by an "x" in the associated check box (and the In-Scope PPP shall be segregated, at a minimum, in the streams that have been selected below):

- Paper and Cardboard, which must be segregated from all other PPP.
- Mixed Containers, which must be segregated from all other PPP.
- Flexible Plastics, which must be segregated from all other PPP.
- White Foam Packaging, which must be segregated from all other PPP.
- Coloured Foam Packaging, which must be segregated from all other PPP.
- Glass Bottles and Jars, which must be segregated from all other PPP.

To the extent beverage containers as defined in Schedule 1 of the Regulation are comingled with In-Scope PPP that Customers drop off at the Depot, such beverage containers shall be deemed to be In-Scope PPP for the purposes of this Statement of Work, with polycoated beverage containers, plastic beverage containers and metal beverage containers defined as Mixed Containers and glass beverage containers defined as Glass Bottles and Jars.

SAMPLE

**ATTACHMENT 3.5 TO SCHEDULE 2.1(c)  
SERVICE LEVELS FAILURES**

Contractor may incur Service Level Failure Credits for the Service Level Failures described in this Attachment 3.5; provided, however, that the aggregate amount of Service Level Failure Credit in respect of any calendar year shall not exceed the aggregate amount of Fees payable to Contractor in respect of such calendar year:

	<b>Service Level Failure</b>	<b>Service Level Failure Credit</b>								
1	Failure to clean-up or collect PPP that has spilled outside the Depot boundary within 2 hours.	Twice the cost of cleanup incurred by Recycle BC (if Recycle BC performs the cleanup) plus \$500 per incident (regardless of who performs the cleanup).								
2	Pick up by the Designated Post-Collection Service Provider of materials that contain more than 5% by weight of Not Accepted Materials.	<p>The Per Load Amount for each weigh-scale ticketed load that results in a Service Level Failure, provided that the aggregate Service Level Failure Credit for this Service Level Failure Credit in respect of any calendar year shall not exceed 75% of the Fees paid in the preceding 12 months or, in the event that the Service Level Failure occurs before 12 months of Fees have been paid, the Service Level Failure Credit shall not exceed 75% of the annualized Fees paid.</p> <p>For the purpose of this Service Level Failure, the “<b>Per Load Amount</b>” in respect of any year will be determined by an escalating percentage of annualized Fees in accordance with the following table:</p> <table border="1"> <thead> <tr> <th>Occurrence</th> <th>Per Load Amount</th> </tr> </thead> <tbody> <tr> <td>1<sup>st</sup></td> <td>2.5% of annualized Fees up to a maximum of \$2500</td> </tr> <tr> <td>2<sup>nd</sup></td> <td>5.0% of annualized Fees up to a maximum of \$5000</td> </tr> <tr> <td>3<sup>rd</sup> and onwards</td> <td>10.0% of annualized Fees up to a maximum of \$10,000</td> </tr> </tbody> </table>	Occurrence	Per Load Amount	1 <sup>st</sup>	2.5% of annualized Fees up to a maximum of \$2500	2 <sup>nd</sup>	5.0% of annualized Fees up to a maximum of \$5000	3 <sup>rd</sup> and onwards	10.0% of annualized Fees up to a maximum of \$10,000
Occurrence	Per Load Amount									
1 <sup>st</sup>	2.5% of annualized Fees up to a maximum of \$2500									
2 <sup>nd</sup>	5.0% of annualized Fees up to a maximum of \$5000									
3 <sup>rd</sup> and onwards	10.0% of annualized Fees up to a maximum of \$10,000									
3	Pick up by the Designated Post-Collection Service Provider of materials that contain more than the specified Cross Contamination percent threshold indicated in section 2.1.2.	<p>The Per Load Amount for each weigh-scale ticketed load that results in a Service Level Failure, provided that the aggregate Service Level Failure Credit for this Service Level Failure Credit in respect of any calendar year shall not exceed 75% of the Fees paid in the preceding 12 months or, in the event that the Service Level Failure occurs before 12 months of Fees have been paid, the Service Level Failure Credit shall not exceed 75% of the annualized Fees paid.</p> <p>For the purpose of this Service Level Failure, the “<b>Per Load Amount</b>” in respect of any year will be determined by an escalating percentage of annualized Fees in accordance with the following table:</p>								



Service Level Failure		Service Level Failure Credit	
		Occurrence	Per Load Amount
		1 <sup>st</sup>	2.5% of annualized Fees up to a maximum of \$2500
		2 <sup>nd</sup>	5.0% of annualized Fees up to a maximum of \$5000
		3 <sup>rd</sup> and onwards	10.0% of annualized Fees up to a maximum of \$10,000
4	Contractor delivers In-Scope PPP collected at a Depot to any person or facility (including a landfill, incinerator or energy recovery facility) other than the Designated Post-Collection Service Provider or otherwise disposes of any In-Scope PPP collected at a Depot without the prior written authorization of Recycle BC.	50% of annualized Fees per incident, up to a maximum of \$25,000.	
6	Failure to provide a required report pursuant to Section 3.4 on time.	Withholding of all Fees due to Contractor until the required report is submitted.	
7	Contractor fails to provide Recycle BC with the required notice of a Depot ownership change or termination.	25% of annualized Fees if termination notice does not meet the required term up to a maximum of \$25,000, or suspension of service, including material pick up and payment, until the ninety (90) day required notice period is fulfilled, at Recycle BC's choice.	

SAMPLE

**ATTACHMENT 5 TO SCHEDULE 2.1(c)  
FEES**

1. In consideration for Contractor’s performance of the SOW Services, Recycle BC will pay Contractor the following amounts for Household In-Scope PPP collected pursuant to this Statement of Work and made available to the Designated Post-Collection Service Provider for pick-up at a Principal Depot:

**[Note: If the Statement of Work includes more than one Principal Depot and the Depot Collection Financial Incentives are not identical for each Principal Depot, it may be necessary to include more than one fee table.]**

- (a) The selected (as indicated by an “x” in the associated check box) Depot Collection Fee (including, if selected, the Baling Fee), to be invoiced and paid pursuant to the claims submission process in accordance with the terms of the Agreement.

<b>Depot Collection Fees (\$/Tonne)</b>						
Depot Fee Group	Materials					
	Paper and Cardboard	Mixed Containers	Flexible Plastics	White Foam Packaging	Coloured Foam Packaging	Glass Bottles and Jars
<input type="checkbox"/> <b>Depot Fee Group 1 (&lt; 80 Tonnes)</b>						
Fee	<input type="checkbox"/> \$505.00	<input type="checkbox"/> \$1,010.00	<input type="checkbox"/> \$2,095.00	<input type="checkbox"/> \$8,250.00	<input type="checkbox"/> \$8,250.00	<input type="checkbox"/> \$790.00
Baling Fee	<input type="checkbox"/> + \$180.00	<input type="checkbox"/> + \$190.00	<input type="checkbox"/> + \$790.00	n/a	n/a	n/a
<input type="checkbox"/> <b>Depot Fee Group 2 (≥ 80 or &lt; 125 Tonnes)</b>						
Fee	<input type="checkbox"/> \$350.00	<input type="checkbox"/> \$800.00	<input type="checkbox"/> \$1,375.00	<input type="checkbox"/> \$6,195.00	<input type="checkbox"/> \$6,195.00	<input type="checkbox"/> \$595.00
Baling Fee	<input type="checkbox"/> + \$180.00	<input type="checkbox"/> + \$190.00	<input type="checkbox"/> + \$790.00	n/a	n/a	n/a
<input type="checkbox"/> <b>Depot Fee Group 3 (≥ 125 or &lt; 400 Tonnes)</b>						
Fee	<input type="checkbox"/> \$215.00	<input type="checkbox"/> \$790.00	<input type="checkbox"/> \$1,250.00	<input type="checkbox"/> \$3,330.00	<input type="checkbox"/> \$3,330.00	<input type="checkbox"/> \$340.00
Baling Fee	<input type="checkbox"/> + \$180.00	<input type="checkbox"/> + \$190.00	<input type="checkbox"/> + \$790.00	n/a	n/a	n/a
<input type="checkbox"/> <b>Depot Fee Group 4 (≥ 400 Tonnes)</b>						
Fee	<input type="checkbox"/> \$130.00	<input type="checkbox"/> \$530.00	<input type="checkbox"/> \$1,250.00	<input type="checkbox"/> \$2,365.00	<input type="checkbox"/> \$2,365.00	<input type="checkbox"/> \$295.00
Baling Fee	<input type="checkbox"/> + \$180.00	<input type="checkbox"/> + \$190.00	<input type="checkbox"/> + \$790.00	n/a	n/a	n/a

Any change in whether Contractor bales or does not bale In-Scope PPP must be made pursuant to the change procedure in Section 2.2 of the Agreement.

A Principal Depot will initially be in a particular Depot Collection Fee category (“**Depot Fee Group**”), as identified in the Depot Collection Fees table immediately above, based on:

- if collection of Household In-Scope PPP at such Principal Depot pursuant to the Agreement commenced on or before August 1, 2023, the aggregate weight of Household In-Scope PPP collected at such Principal Depot in the twelve (12) month period from August 1, 2023 to July 31, 2024;

- if collection of Household In-Scope PPP at such Principal Depot pursuant to the Agreement commenced after August 1, 2023 but on or before July 1, 2024, the annualized aggregate weight of Household In-Scope PPP collected at such Principal Depot from such date to July 31, 2024; or
- if collection of Household In-Scope PPP at such Principal Depot pursuant to the Agreement commenced or commences after July 1, 2024, Recycle BC's good faith estimate (based on discussions with Contractor and the best available information at such time) of the aggregate weight of Household In-Scope PPP to be collected at such Principal Depot over a twelve (12) month period.

Recycle BC will adjust the Depot Fee Group on the first day of each calendar year, based in each case on the aggregate weight of Household In-Scope PPP collected at such Principal Depot in the twelve (12) month period ending on August 31 of the immediately preceding calendar year (pro-rated in the case of a partial year).

Recycle BC reserves the right at its sole discretion to adjust a Principal Depot's Depot Fee Group for a calendar year if the aggregate weight of Household In-Scope PPP collected at such Principal Depot is 5% more (or less) than the upper (or lower) tonne threshold for such Depot Fee Group. Upon changing the Depot Fee Group for a calendar year, which may be done retroactively:

- if the Principal Depot is moved to a higher Depot Fee Group (i.e. from Depot Fee Group 3 to Depot Fee Group 4), any incremental Household In-Scope PPP collected at the Principal Depot that is more than 5% greater than the upper threshold for the initial Depot Fee Group will be paid at the Depot Collection Fee rates of the next higher Depot Fee Group; or
- if the Principal Depot is moved to a lower Depot Fee Group (i.e. from Depot Fee Group 3 to Depot Fee Group 2), Recycle BC will pay Contractor such amount as is necessary to ensure that Contractor receives, in the aggregate, the amount Contractor would have been entitled to receive if the Principal Depot had been in the lower Depot Fee Group for such calendar year.

2. Recycle BC will adjust the Depot Collection Fees each year, up or down, on the first day of January of each year. Recycle BC reserves the right to choose the adjustment mechanism to be used each year, as between (i) the results of a cost study that samples collection service providers to determine the costs associated with the performance of Depot Collection services; and (ii) an adjustment that is based on the Consumer Price Index (CPI) for BC (All Items), which will be calculated as follows:

- (a) Depot Collection Fee = Depot Collection Fee in the previous year x (1 + (percentage change in CPI/100)), where
- (i) percentage change in CPI = (current year CPI – previous year CPI)/(previous year CPI) x 100%; and
  - (ii) each year's CPI is the published CPI on September 1st of the year prior.