

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 [●] (“**Contractor**”) and MMBC Recycling Inc. carrying on business as Recycle BC (“**Recycle BC**”) made as of [●] (the “**Agreement**”). The effective date of this Statement of Work (the “**SOW Effective Date**”) is [●].

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.

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

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

“**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.

“**Designated Post-Collection Service Provider**” means the entity, designated by Recycle BC, to receive Contractor-collected In-Scope PPP.

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

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

“**In-Scope PPP**” mean 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 household, including but not limited to 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 (as that term is defined in the Agreement).

“**OCC**” means paper-based material consisting of a fluted corrugated sheet and one or two flat linerboards.

“**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. a refillable milk bottle refilled with milk by a dairy), and next-life reuse where the item is used for a different function (e.g. a wine 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 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):

Attachment	Description
Attachment 2.1.1	– Approved Depots
Attachment 2.1.2	– In-Scope PPP
Attachment 3.4	– 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, such written approval to specify (i) a date mutually acceptable to the parties on which such Depot will be added to the list of Approved Depots, (ii) whether such Depot will be designated as a Principal Depot or a Satellite Depot and (iii) if such Depot is a Satellite Depot, the

designated Principal Depot. 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 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.

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 3% by weight of Not Accepted Materials. Materials exceeding 3% 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) Materials collected under this Statement of Work may not contain hazardous or special waste.
- (d) Contractor will implement and maintain reasonable procedures to ensure that materials deposited into 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 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.
- (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 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 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 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 without limitation Sections 2.1.2(d) 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.
- (d) Unless otherwise agreed with the Designated Post-Collection Service Provider, if Contractor is:
 - (i) baling printed paper, paper packaging and/or OCC, the minimum bale density must be 450 kg per cubic meter;
 - (ii) baling polyethylene film packaging, the minimum bale density must be 350 kg per cubic meter;
 - (iii) baling polystyrene foam packaging, the minimum bale density must be 75 kg per cubic meter; or
 - (iv) densifying polystyrene foam packaging, the minimum biscuit density must be 275 kg per cubic meter.

2.1.4 Containers

- (a) Containers to be removed from a Principal Depot for transport of In-Scope PPP by the Designated Post-Collection Service Provider will be provided by and remain the property of the Designated Post-Collection Service Provider. Upon termination or expiration of this Statement of Work or the Agreement, any Containers provided by the Designated Post-Collection Service Provider in accordance with this Section 2.1.4(a), will be returned to the Post-Collection Service Provider.
- (b) Any 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 Containers provided by Contractor to provide the Depot Collection Services will remain the property of Contractor.
- (c) Contractor may not allow Customers to deposit In-Scope PPP into 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 in a manner acceptable to Recycle BC, (ii) consolidating In-Scope PPP collected at the Satellite Depot with In-Scope PPP collected at the designated Principal Depot in a manner acceptable to Recycle BC and (iii) preparing the In-Scope PPP collected at the Satellite Depot for pick-up by the Designated Post-Collection Service Provider at the designated Principal Depot in a manner acceptable to the Designated Post-Collection Service Provider.

- (b) 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.
- (c) 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 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 without limitation 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.
- (d) 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.
- (e) Recycle BC may change the Designated Post-Collection Service Provider upon 30 days' notice.
- (f) If the Designated Post-Collection Service Provider rejects any material made available for pick-up at a Principal Depot due to a verified claim that such material contains (i) more than 3% by weight of Not Accepted Materials or (ii) any hazardous or special 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.

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 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, including without limitation:

- (i) over a period that represents at least 20% of the annual tonnage collected by the Depot in any year, (A) the number of vehicles from a residential address that did not contain ICI PPP and (B) the number of vehicles from a non-residential address or that otherwise contained ICI PPP collected by the Depot; and
- (ii) over a period that represents at least 20% of the annual tonnage collected by the Depot in any year, (A) the aggregate weight of Household In-Scope PPP and (B) the aggregate weight of ICI PPP collected by the Depot.

On an annual basis 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.

Option 4 – Automatic Deduction of Fixed ICI Percentage – The Determined Household Amount will be calculated by deducting a fixed percentage (the “**Fixed ICI Percentage**”) from the weight of the In-Scope PPP collected at the Depot, which amount shall initially be 25%. Recycle BC will be entitled to monitor the amount of ICI PPP collected at the Depots and, should the quantity of In-Scope PPP collected at the Depot be greater than the Fixed ICI Percentage, Recycle BC shall be entitled to increase the Fixed ICI Percentage so that it reflects the ratio of Household In-Scope PPP to ICI PPP collected at the Depot.

- (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 at any time 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 Containers at all times, except when material is actually being loaded.
- (b) Any spillage of materials that occurs at a Depot or while transporting materials 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 and of its clean-up, and will make such records available to Recycle BC on request and, if requested by Recycle BC, as part of a regular report to be delivered with such frequency as requested by Recycle BC (but not more frequently than monthly). 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 ground-water or drainage systems safety and standards.

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.

- (b) Contractor may change the day(s) of the week that a Depot will be open or the hours of operation when In-Scope PPP can be delivered to the Depot by giving written notice to Recycle BC at least 45 days prior to the effective date of the proposed change and obtaining written approval from Recycle BC. If Recycle BC approves the proposed change, Contractor will provide Customers with a minimum of 30 days' notice of the schedule change.
- (c) 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. Contractor will maintain accurate records of all disruptions to Depot Collection Services that are due to hazardous weather, including time closed.

2.1.9 Pilot Programs.

- (a) Recycle BC may wish to test or implement one or more new services or developments in PPP material segregation, processing, or collection technology. Recycle BC will notify Contractor in writing at least 90 days prior of its intention to implement a pilot program or of its intentions to utilize a new technology system at any Depot. 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 a success, and desires to incorporate the service or development represented in the pilot program into this Statement of Work, such a change will be made pursuant to the change process in Section 2.2 of the Agreement.
- (b) Contractor-initiated pilot programs will require prior written notification to and written approval by Recycle BC. Contractor-initiated pilot programs will be performed at no additional cost to Recycle BC.

2.2 Customer Service.

2.2.1 Customer Service Requirements

- (a) 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 staff to provide personal Customer service, educate Customers regarding In-Scope PPP accepted and avoid Customer delay.
- (b) 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.
- (c) Contractor's Customer service office and call center will be accessible by a local area code and prefix phone number. Customer service representatives will be available through Contractor's call center during office hours for communication with Customers and Recycle BC representatives. Customer calls will be taken during office hours by a person, not by voice mail. During all non-office hours for the call center, Contractor will have an answering or voice mail service available to record messages from all incoming telephone calls, and include in the message an emergency telephone number for Customers to call outside of normal office hours in case of an emergency.

- (d) Contractor will maintain a 24 emergency telephone number for use by Recycle BC. Contractor will have a representative, or an answering service to contact such representative, available at such emergency telephone number for Recycle BC-use during all hours, including normal office hours.
- (e) Contractor's Customer service representatives will have instantaneous electronic access to Customer service data and history to assist them in providing excellent Customer service.

2.2.2 Customer Service Representative Staffing

- (a) Contractor will maintain sufficient staffing to answer and handle complaints and service requests in a timely manner made by all methods including telephone, letters, e-mails and text messages. If staffing is deemed to be insufficient by Recycle BC to handle Customer complaints and service requests in a timely manner, Contractor will increase staffing levels to address the performance deficiency.
- (b) If Contractor did not provide Depot Collection Services at a Depot immediately prior to the Service Commencement Date, Contractor will provide additional staffing at such Depot from Service Commencement Date through the end of the four month anniversary of the Service Commencement Date to ensure that sufficient staffing is available to minimize Customer waits and inconvenience. Contractor will receive no additional compensation for increased staffing levels during the implementation period. Staffing levels during the implementation period will be subject to prior Recycle BC review and approval.

2.2.3 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. Any telephone calls received via Contractor's non-office hours voice mail or answering service will be recorded in the log the following Business Day. Contractor will make a conscientious effort to resolve all complaints and service requests within 24 hours of the original contact. If a longer response time is necessary for complaints or requests, the reason for the delay will be noted in the log, along with a description of Contractor's efforts to resolve the complaint or request.
- (b) Contractor's customer service log will be available for inspection by Recycle BC during Contractor's office hours, and will be in a format approved by Recycle BC. Contractor will provide a copy of this log in an electronic format from the Microsoft Office suite of software to Recycle BC on request, and if requested by Recycle BC, as part of a regular report to be delivered with such frequency as requested by Recycle BC (but not more frequently than monthly).

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, at 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 but not limited to recycling guides, website content and Depot signage.
- 2.3.3 If Contractor receives Resident Education Top Up payments in accordance with Attachment 5, Contractor must spend the total amount of the Resident Education Top Up payments paid to Contractor on promotion, education and outreach programs on an annual basis.
- 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 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 Post-Collection Service Providers.
 - 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 SOW Record and Reporting Requirements.
 - 3.3.1 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 Depot, tonnage by each date on which the Designated Post-Collection Service Provider removed the In-Scope PPP from the Depot;
 - (ii) changes to equipment or inventory; and
 - (iii) Customer communications related to Depot Collection Services including telephone calls, letters, e-mails, text messages or webpage messages received;
- (c) make all records maintained pursuant to this Statement of Work available to Recycle BC upon request and, if requested by Recycle BC, provide a regular (but no more frequently than monthly) report to Recycle BC, in a format and by a method approved by Recycle BC, setting out or summarizing (at Recycle BC's discretion) such records as may be indicated by Recycle BC for the reporting period;
 - (d) upon Recycle BC's request, provide up to two reports each year on associated collection metrics necessary to the calculation of greenhouse gas emissions associated with the performance of Depot Collection Services; and
 - (e) upon Recycle BC's request, provide up to four ad-hoc reports each year, at no additional cost to Recycle BC. These reports may include Customer service database tabulations to identify specific Service Level or participation patterns or other similar information. Reports will be provided in Recycle BC-defined format and software compatibility. These reports will not require the Contractor to expend more than 60 staff hours per year to complete.

3.3.2 Claims Reporting

- (a) At Recycle BC's discretion, responsibility for claim reporting under Section 3.3.2(b) shall be assigned by Contractor 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 must be documented in a manner specified by Recycle BC from time to time, 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 (by material types set out in Attachment 2.1.2, by baled versus loose and, for Category 5, by white versus coloured) and such other information as Recycle BC may designate (collectively, "**Claim Information**"). Recycle BC's claim reporting system will be customized to display only the material types classifications applicable to a particular Depot, the terminology for which may differ than that set out in Attachment 2.1.2.
- (c) Contractor or the Designated Post-Collection Service Provider, as applicable, will report the Claim Information with respect to any Household In-Scope PPP picked-up by the Designated Post-Collection from a Principal Depot through Recycle BC's claims reporting portal or through such other method as Recycle BC may designate within ten 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 Contractor or the Designated Post-Collection Service Provider, as applicable, 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 5 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 may, at its discretion, choose to issue payment to Contractor based on the approved purchase order without the need for Contractor to submit an invoice. Where invoices are required by Recycle BC, Contractor will invoice Recycle BC using the contact information provided by Recycle BC for such purpose (as may be updated by Recycle BC from time to time).
- (f) Standard tare weights for specific trucks may only be used on specific written permission of Recycle BC.

3.4 Service Levels. If Contractor fails to meet any Service Level set out in Attachment 3.4, Recycle BC will be entitled to the applicable Service Level Failures set out in Attachment 3.4.

SECTION 4. SOW Term

This Statement of Work will commence on the SOW Effective Date and its initial term will continue until [●]. 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 30 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 without limitation 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 Contractor is entitled to receive from Recycle BC under this Statement of Work. For the avoidance of doubt, Contractor acknowledges and agrees that it shall not be entitled to charge any Customer a direct fee for dropping off or delivering Household In-Scope PPP to a Depot.
- 6.2 Scavenging Forbidden. 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 Services or otherwise.
- 6.3 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 the In-Scope PPP is received by Contractor until pick up by 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 the signature of an authorized representative of the Designated Post-Collection Service Provider. Contractor will be responsible for the cost of any damage to Containers caused by Contractor.

- 6.4 Shared Services. Contractor may collect material other than In-Scope PPP at the Depot if (a) the activities do not interfere with Depot Collection 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 6.4.
- 6.5 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.)

SAMPLE

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 Recycle BC)

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.]

SAMPLE

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, notwithstanding that Categories 1, 2 and 3b may be comingled but must be segregated from all other PPP and Categories 3a,6 and 7 may be comingled but must be segregated from all other PPP):

- PPP in Category 1 segregated from all other PPP.
- PPP in Category 2 segregated from all other PPP.
- PPP in Category 3(a) segregated from all other PPP.
- PPP in Category 3(b) segregated from all other PPP.
- PPP in Category 4 segregated from all other PPP.
- PPP in Category 5 (white) segregated from all other PPP.
- PPP in Category 5 (coloured) segregated from all other PPP.
- PPP in Category 6 segregated from all other PPP.
- PPP in Category 7 segregated from all other PPP.
- PPP in Category 8 segregated from all other PPP.
- PPP in Category 9 segregated from all other PPP.

To the extent beverage containers as defined in Schedule 1 of the *Recycling Regulation* to the *Environmental Management Act* (BC) 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 defined as Category 3(a), plastic beverage containers defined as Category 6, metal beverage containers defined as Category 7 and glass beverage containers defined as Category 8.

**ATTACHMENT 3.4 TO SCHEDULE 2.1(c)
SERVICE LEVEL FAILURES**

Contractor will incur the following Service Level Failure Credits on the following Service Level Failures; provided, however, that the aggregate amount of Service Credit Level Failures in respect of any calendar year shall not exceed the aggregate amount of Fees payable to Contractor in respect of such calendar year:

	Service Level Failure	Service Level Failure Credit
1	Failure to clean-up or collect materials that have spilled outside the Depot boundary within 2 hours.	Twice the cost of cleanup incurred by Recycle BC (if Recycle BC performs the cleanup) and \$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 3% by weight of Not Accepted Materials.	\$5,000 per weigh-scale ticketed load, provided that the aggregate Service Level Failure Credit for this Service Level Failure in respect of any calendar year shall not exceed \$120,000.
3	Contractor delivers In-Scope PPP collected at a Depot to any person or facility (including without limitation 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.	\$25,000 per incident.

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

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) per tonne amounts (including, if selected, the additional baled amount), to be invoiced and paid pursuant to the claims submission process in accordance with the terms of the Agreement.

PPP Description Categories	Materials	Depot Collection Financial Incentive		
		Depot in a Community Without PPP Curbside/Multi-Family Collection	Depot in a Community With PPP Curbside/Multi-Family Collection	Additional Incentive If Baled
		(\$/tonne)	(\$/tonne)	(\$/tonne)
Category 1	Printed Paper			
Category 2	Corrugated Cardboard	<input type="checkbox"/> \$88	<input type="checkbox"/> \$60	<input type="checkbox"/> + \$110
Category 3(b)	Paper Packaging			
Category 3(a)	Cartons and Paper Cups			
Category 6	Plastic Containers	<input type="checkbox"/> \$169	<input type="checkbox"/> \$90	<input type="checkbox"/> + \$110
Category 7	Metal Containers			
Category 4	Plastic Bags and Overwrap	<input type="checkbox"/> \$1,250	<input type="checkbox"/> \$1,250	<input type="checkbox"/> + \$660
Category 5	White Foam Packaging	<input type="checkbox"/> \$2,000	<input type="checkbox"/> \$2,000	
Category 5	Coloured Foam Packaging	<input type="checkbox"/> \$2,000	<input type="checkbox"/> \$2,000	
Category 8	Glass Bottles and Jars	<input type="checkbox"/> \$90	<input type="checkbox"/> \$90	
Category 9	Other Flexible Plastic Packaging	<input type="checkbox"/> \$1,250	<input type="checkbox"/> \$1,250	<input type="checkbox"/> + \$660

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 is considered to be a “Depot in a Community With PPP Curbside/Multi-Family Collection” if more than 80% of households within the drive time distance specified by Recycle BC (the “Specified Drive Time Distance”) have access to PPP curbside or multi-family collection services provided by a local government, private company or Recycle BC. The Specified Drive Time Distance in respect of a Principal Depot will not be less than 30 minutes or more than 45 minutes.

For purposes of this Attachment 5, a household is considered to have “access to PPP curbside or multi-family collection services” if (i) in the case of a curbside household, it receives curbside collection from any entity or (ii) the case of a multi-family household, it receives multi-family collection from Contractor or Recycle BC (including, for the avoidance of doubt, any contractor who has entered into an agreement to provide multi-family collection for or on behalf of Recycle BC).

[Note: Subsection (b) below will only apply to Statements of Work for local governments providing Depot Collection.

- (b) If selected (as indicated by an x in the associated check box) the Resident Education Top Up amount as set out in the table below times the Depot Only Baseline to be invoiced and paid in arrears, in equal quarterly payments, provided that Contractor has submitted all applicable claims. The Depot Only Baseline will initially be [●] and may be adjusted from time to time as set forth below.

	Top Up available to local governments accepting Depot Collection incentive	\$ per Depot Only Household per Year
<input type="checkbox"/>	Resident Education Top Up	\$0.75

In this Attachment 5:

“Depot Only Baseline” means the number of Depot Only Households in Contractor’s jurisdiction.

“Depot Only Household” means a self-contained residential dwelling unit located in Contractor’s jurisdiction that (i) in the case of a curbside household, does not receive curbside collection from any entity or (ii) in the case of a multi-family household, does not receive multi-family collection from Contractor or Recycle BC (including, for the avoidance of doubt, any contractor who has entered into an agreement to provide multi-family collection for or on behalf of Recycle BC).

On an annual basis on a date to be determined by Recycle BC, and at such other time as the parties may agree, Contractor will, in good faith, report and attest (in a form acceptable to Recycle BC) as to the then-current Depot Only Baseline. Recycle BC may also provide evidence of the then-current Depot Only Baseline. Based on Contractor’s attestation and the evidence provided by Recycle BC, Recycle BC and Contractor will work in good faith to mutually agree on the Depot Only Baseline. Any Dispute in establishing the foregoing will be resolved by the Dispute resolution process under the Agreement.

Without limiting Contractor’s obligations under this Statement of Work (including without limiting the cost Contractor is required to incur to perform such obligations), the Resident Education Top Up amount must be used for the purpose of providing resident education in respect of the Depot Collection Services.