

ATTACHMENT B

MASTER SERVICES AGREEMENT

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This Master Services Agreement (this “**Agreement**”) is entered into as of January 1, 2025 (“**Effective Date**”)

BETWEEN:

CITY OF NANAIMO, having a place of business at 2020 Labieux Rd, Nanaimo, BC V9T 3K7 (“**Contractor**”),

AND:

MMBC RECYCLING INC., a not-for-profit company incorporated under the *Canada Not-for-profit Corporations Act*, carrying on business as Recycle BC (“**Recycle BC**”).

RECITALS:

- A. WHEREAS Recycle BC represents companies and organizations (“**Producers**”) that supply products in packaging and printed paper to residents of British Columbia obligated under the *Recycling Regulation* (the “**Regulation**”) under the *Environmental Management Act* (British Columbia);
- B. WHEREAS Recycle BC developed the Packaging and Printed Paper Stewardship Plan;
- C. WHEREAS the Packaging and Printed Paper Stewardship Plan was approved by the Director, Waste Management, Environmental Standards Branch, Ministry of Environment on April 15, 2013;
- D. WHEREAS Recycle BC is meeting Producers’ obligations under the Regulation by implementing the Packaging and Printed Paper Stewardship Plan, including through this Agreement; and
- E. WHEREAS Recycle BC wishes to receive, and Contractor wishes to provide, the services set out in this Agreement, and the parties wish to foster dialogue and a good business relationship in carrying out such services.

NOW THEREFORE, in consideration of the mutual covenants and obligations contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Recycle BC and Contractor agree as follows:

SECTION 1. INTERPRETATION

1.1. Definitions. In this Agreement, the following terms will have the following meanings:

“**Affiliate**” means any entity controlled by, controlling, or under common control with a party.

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

“**Applicable Law**” means any domestic or foreign law, rule, statute, subordinate legislation, regulation, by-law, order, ordinance, protocol, code, guideline, treaty, policy, notice, direction or judicial, arbitral, administrative, ministerial or departmental judgment, award, decree, treaty, directive, or other requirement or guideline published or in force at any time during the Term which applies to or is otherwise intended to govern or regulate any person (including any party), property, transaction, activity, event or other matter, including any rule, order, judgment, directive or other requirement or guideline issued by any governmental or regulatory authority.

“**Business Continuity Plan**” has the meaning set out in Section 4.5.

“Business Day” means any day other than a Saturday, Sunday or statutory holiday in the Province of British Columbia.

“Change” has the meaning set out in Section 2.2.1.

“Change Proposal” has the meaning set out in Section 2.2.3.

“Change Response” has the meaning set out in Section 2.2.2.

“Change Request” has the meaning set out in Section 2.2.1.

“Confidential Information” means information of or relating to a party (the **“Disclosing Party”**) that has or will come into the possession or knowledge of the other party (the **“Receiving Party”**) whether such information is or has been conveyed verbally or in written or other tangible form, and whether such information is acquired directly or indirectly such as in the course of discussions or other investigations by the Receiving Party, that: (a) where Recycle BC is the Disclosing Party, is any information of Recycle BC or relating to its business or affairs including technical, financial and business information, ideas, concepts or know-how, Services performance and Services delivery reporting information, and the terms of this Agreement; and (B) where Contractor is the Disclosing Party, is limited to financial information of Contractor. However, Confidential Information does not include information that: (i) was already known to the Receiving Party, without obligation to keep it confidential, at the time of its receipt from the Disclosing Party; or (ii) is or becomes available to the public other than as a result of a breach hereof by the Receiving Party; provided that the foregoing exceptions will not apply with respect to any personal information that is subject to Privacy Laws.

“Contractor” has the meaning set out on the first page of this Agreement.

“Designated Post-Collection Facility” means the facility at which Contractor delivers Contractor-collected Inbound Material to the Designated Post-Collection Service Provider.

“Designated Post-Collection Service Provider” means the entity, designated by Recycle BC, to receive Contractor-collected Inbound Material.

“Dispute” has the meaning set out in Section 14.1.

“Effective Date” has the meaning set out on the first page of this Agreement.

“Fees” has the meaning set out in Section 5.1.

“Flexible Plastics” means material listed in the “Flexible Plastics” category of the Materials List.

“Foam Packaging” means material listed in the “Foam Packaging” category of the Materials List.

“Force Majeure” has the meaning set out in Section 15.3.

“Glass Bottles and Jars” means material listed in the “Glass Bottles and Jars” category of the Materials List.

“Inbound Material” has the meaning set out in Schedule 4.2.

“Intellectual Property Rights” means inventions, patents, copyrights, trademarks, industrial designs, integrated circuit topography rights, know-how, trade secrets, Confidential Information, and any other intellectual property rights whether registered or unregistered, and including rights in any application for any of the foregoing.

“Key Personnel” has the meaning set out in Section 6.2.

“Labour Disruption” has the meaning set out in Section 4.6.2.

“Materials List” means Recycle BC’s list of accepted materials which is incorporated herein by reference and available here: <https://recyclebc.ca/what-can-i-recycle/>.

“Mixed Containers” means material listed in the “Plastic Containers”, “Cartons and Paper Cups”, “Aluminum Containers” and “Steel Containers” categories of the Materials List.

“Other Service Providers” has the meaning set out in Section 11.2.

“Packaging and Printed Paper” or **“PPP”** means Paper and Cardboard, Mixed Containers, Glass Bottles and Jars, Flexible Plastics and Foam Packaging.

“Paper and Cardboard” means material listed in the “Paper” and “Paper Packaging and Cardboard” categories of the Materials List.

“Privacy Laws” has the meaning set out in Section 9.4.

“Recycle BC” has the meaning set out on the first page of this Agreement.

“Recycle BC Policies and Standards” has the meaning set out in Section 4.2.

“Regulation” has the meaning set out on the first page of this Agreement.

“Representatives” has the meaning set out in Section 9.1.

“Service Level Failure” has the meaning set out in Section 4.4.2.

“Service Level Failure Credit” has the meaning set out in Schedule 4.4.

“Service Levels” has the meaning set out in Section 4.4.1.

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

“Statement of Work” or **“SOW”** means any statement of work attached hereto or as may from time to time be issued hereunder.

“Term” has the meaning set out in Section 3.1.

“Withheld Taxes” has the meaning set out in Section 5.5.

“Work Product” means the deliverables to be created or provided to Recycle BC by Contractor pursuant to any Statement of Work and any data, records, and reports that have been prepared, created, written or recorded in performance of the Services, whether by Contractor, Recycle BC, or Contractor and Recycle BC together.

1.2. Interpretation.

1.2.1. The terms ‘including’ and ‘includes’ are not terms of limitation.

1.2.2. Any capitalized term used in this Agreement that is not defined herein will have the generally accepted industry or technical meaning given to such term.

- 1.2.3. In this Agreement, words importing the singular number will include the plural and vice versa, and words importing the use of any gender will include the masculine, feminine and neuter genders and the word "person" will include an individual, a trust, a partnership, a body corporate, an association or other incorporated or unincorporated organization or entity.
- 1.2.4. The headings in this Agreement are solely for convenience of reference and will not be used for purposes of interpreting or construing the provisions hereof.
- 1.2.5. Unless otherwise provided for herein, all monetary amounts referred to herein will refer to the lawful money of Canada.
- 1.2.6. When calculating the period of time within which or following which any act is to be done or step taken pursuant to this Agreement, the date which is the reference date in calculating such period will be excluded. If the last day of such period is not a Business Day, then the time period in question will end on the first Business Day following such non-Business Day.
- 1.2.7. Any references in this Agreement to any law, by-law, rule, regulation, order or act of any government, governmental body or other regulatory body, including any Applicable Law, will be construed as a reference thereto as amended or re-enacted from time to time or as a reference to any successor thereto.
- 1.3. Schedules. As of the Effective Date, the following Schedules form part of this Agreement (note that Schedule numbering is not sequential and is based on a related section reference):

| Schedule | Description |
|-----------------|---|
| Schedule 2.1(a) | – Statement of Work for Curbside Collection Services Provided by Local Government |
| Schedule 2.1(g) | – Statement of Work for Consolidation and Transfer Services |
| Schedule 4.2 | – Recycle BC Policies and Standards |
| Schedule 4.4 | – Service Level Methodology |
| Schedule 12.1 | – Insurance Requirements |

- 1.4. Priority. In the event of any inconsistency between any of the provisions of the main terms and conditions of this Agreement, any Schedule that is not a Statement of Work, and any Statement of Work, the inconsistency will be resolved by reference to the following descending order of priority: (i) Section 1 through Section 15 of this Agreement; (ii) the Schedules annexed to this Agreement that are not Statements of Work; and (iii) the applicable Statement of Work, except to the extent a Statement of Work expressly states that it is intended to have priority over the main body of this Agreement or a Schedule referred to in subsection (ii), in which case the Statement of Work will have priority but solely with respect to such Statement of Work.

SECTION 2. SCOPE OF SERVICES

- 2.1. Services. Contractor will perform the services set out in each Statement of Work, including the delivery of any Work Product, and any services that are inherent, necessary, or customarily provided as part of those services (collectively, the "**Services**"), all in accordance with the terms and conditions of this Agreement and the applicable Statement of Work, which shall be appended hereto as part of Schedule 2.1. Each Statement of Work will be effective, incorporated into and form a part of this Agreement when mutually accepted and duly executed by both parties.
- 2.2. Changes.

- 2.2.1. Recycle BC may, at any time and from time to time, request additions, deletions, amendments or any other changes to the Services set out in any Statement of Work or the manner in which such Services shall be performed (a “**Change**”) by issuing a “**Change Request**”. Contractor acknowledges that Recycle BC may be dependent on Contractor for the provision of the Services and, accordingly, acknowledges and agrees that Contractor shall be required to make a good faith Change Proposal (as defined below).
- 2.2.2. Contractor will provide an initial response to any Change Request (a “**Change Response**”) within twenty (20) Business Days following receipt of such Change Request, such response to indicate whether Contractor is able to implement such Change Request. If is not technically possible for Contractor to implement the Change Request, the parties will, on Recycle BC’s request, meet to discuss, in good faith, whether it would be technically possible for Contractor to implement the Change Request.
- 2.2.3. Unless the parties have agreed that it would not be technically possible for Contractor to implement a Change Request, Contractor will provide a detailed proposal (a “**Change Proposal**”) within thirty (30) Business Days of providing the Change Response. Such Change Proposal must include details with respect to the implementation of the Change Request and details of any costs or other changes required to this Agreement or the applicable Statement of Work to comply with the Change Request.
- 2.2.4. Contractor may, at any time and from time to time, request a Change by delivering a Change Proposal (which proposal may be in the form of a business case) to Recycle BC.
- 2.2.5. If Recycle BC, in its sole discretion, accepts a Change Proposal, an authorized Recycle BC representative will provide Contractor with written approval of Recycle BC’s acceptance in the form of an executed change order. If Recycle BC does not accept a Change Proposal, the parties will, on Recycle BC’s request, negotiate in good faith the terms pursuant to which the parties may agree to implement the proposed Change. For the avoidance of doubt, Contractor will not implement any Change to any Statement of Work without Recycle BC’s prior written approval.
- 2.2.6. Contractor will make requested Changes at no additional charge to Recycle BC unless implementing the Change will require Contractor to incur material additional costs, in which case Contractor will deal transparently with Recycle BC, including that Contractor will make available to Recycle BC all supporting information and documentation reasonably requested by Recycle BC that relates to the pricing of the proposed Change.
- 2.3. Non-Exclusive. Neither this Agreement nor any Statement of Work will grant Contractor exclusivity of supply unless expressly stated otherwise, with reference to this Section, in the applicable Statement of Work (and in no event will the scope of such exclusivity extend beyond the scope of Services under such Statement of Work).

SECTION 3. DURATION

- 3.1. Term of Agreement. This Agreement will commence on the Effective Date and will continue until the expiration or termination of the last Statement of Work under this Agreement (the “**Term**”).
- 3.2. Term of Statement of Work. Each Statement of Work will set out the term of the Statement of Work and any terms and conditions relating to the renewal of the Statement of Work.

SECTION 4. SERVICE STANDARDS

- 4.1. Performance. Contractor warrants that Contractor will perform, or cause to be performed (including through appropriate supervision and inspection), the Services and otherwise fulfill its obligations hereunder honestly and in good faith, exercising reasonable skill, care and diligence, in accordance

with recognized professional and North American industry standards, practices, and methods, in the applicable jurisdiction, in a timely manner and in accordance with the terms and conditions of this Agreement and any Statement of Work, having regard for the concerns, needs, and interests of residents and the environment. Except where otherwise set out in the Agreement, all weighing and measurement to be performed by Contractor will be made in accordance with the Recycle BC Policies and Standards on weights and measurements identified in Schedule 4.2.

4.2. Contractor to Comply with Recycle BC Policies and Standards. Contractor will comply at all times with all terms and requirements set out in the policies and standards set out in Schedule 4.2, as such policies and standards may be updated by Recycle BC from time to time, and such other policies and standards that Recycle BC brings to the attention of Contractor from time to time (collectively, "**Recycle BC Policies and Standards**"). Notice of updating of, or new, Recycle BC Policies and Standards may be made by Recycle BC by e-mail to the address set out in Section 15.5 (as such address may be updated pursuant to Section 15.5) and, notwithstanding Section 15.5, such notice will be deemed duly given when so e-mailed, without the need to confirm receipt. If compliance with updated or new Recycle BC Policies and Standards would require a Change and would require Contractor to incur material additional costs, then Contractor may request a Change pursuant to Section 2.2.4 for the implementation of the updated or new Recycle BC Policies and Standards; provided that Contractor must make any such request within thirty (30) days of Recycle BC providing notice of the updated or new Recycle BC Policies and Standards.

4.3. Compliance with Law. Contractor will perform its obligations under this Agreement in a manner that complies with all Applicable Laws, including:

- (a) the *Employment Standards Act* (British Columbia);
- (b) the *Workers' Compensation Act of the Province* (British Columbia) and the *Occupational Health and Safety Regulations* thereunder;
- (c) the *Environmental Management Act* (British Columbia); and
- (d) the *Waste Management Act* (British Columbia).

4.4. Service Levels.

4.4.1. Contractor will continuously monitor each Service in order to identify, measure and report and correct problems and to ensure that Contractor is meeting or exceeding the following service levels (the "**Service Levels**"):

- (a) all service levels set out in this Agreement, including in the applicable Statement of Work; and
- (b) if no service level is provided for a Service or component thereof, all performance levels and measurements for such Service or component that are industry best practices,

provided that in the event of a conflict between any service levels, the highest service level standard will apply. Contractor will notify Recycle BC in writing immediately if Contractor knows that Contractor has failed, or believes Contractor will fail, to achieve a Service Level.

4.4.2. Contractor recognizes that Contractor's failure to meet a Service Level (each such failure a "**Service Level Failure**") will have a material adverse impact on the business and operations of Recycle BC and that damages resulting from a Service Level Failure may not be capable of precise determination. As such (and without limiting Recycle BC's rights or remedies), Recycle BC will be entitled to any express remedies for Service Level Failures that may be set out in Schedule 4.4 or the applicable Statement of Work. Contractor agrees that it is obligated to meet all Service Levels,

even if no express remedy for a failure to meet such Service Level is provided in Schedule 4.4 or in a Statement of Work.

- 4.4.3. In the event of a Service Level Failure in respect of a Service Level expressly set out in a Statement of Work, Contractor will credit to Recycle BC the applicable Service Level Failure Credit set out in such Statement of Work. Contractor agrees that Service Level Failure Credits compensate Recycle BC in part for the reduced value of the Services actually provided by Contractor (and not as a penalty or exclusive liquidated damages). Contractor agrees that the Service Level Failure Credits are only partial compensation for the damage that may be suffered by Recycle BC as a result of Contractor's failure to meet a Service Level and that payment of any Service Level Failure Credit is without prejudice to any entitlement Recycle BC may have to damages or other remedies under this Agreement, at law or in equity. Service Level Failure Credits will be due regard-less of the manner in which the Service Level Failure is identified (including where reported by Contractor or identified by Recycle BC).
- 4.4.4. Upon Recycle BC's request, and in any event at least once per year, Recycle BC will meet with Contractor (which meeting may be in person or by phone as determined by Recycle BC) to review and discuss Contractor's performance level of the Services and Service Levels.
- 4.5. Contingency Planning. Without limiting Contractor's liability for performance of its obligations under this Agreement, Contractor will implement and maintain throughout the Term such contingency measures as may be appropriate, in Recycle BC's sole discretion (acting reasonably), including a comprehensive business continuity plan (the "**Business Continuity Plan**"), to continue the performance of its obligations under this Agreement under various scenarios including equipment failure, fuel shortage, strike, road closures (including due to weather, construction or otherwise), fire, pandemic, quarantine, and natural disasters. Recycle BC will have the right, upon demand from time to time, to review the Business Continuity Plan. Contractor will update its Business Continuity Plan at least once each year and in the event of any material change in operations or circumstance. Contractor will invoke its Business Continuity Plan where necessary due to any incident or event, including an event of Force Majeure, that has the potential to have a material impact on Contractor's ability to provide any material part of the Services for any material period of time, or upon the request of Recycle BC. Without limiting Contractor's obligations under this Agreement, whenever an incident or event that invokes the Business Continuity Plan also impacts other services provided by Contractor, and as a result Contractor is allocating resources or implementing temporary service changes or workarounds, Contractor will treat Recycle BC and the Services no less favourably than: (i) where Contractor is a local government, any other non-essential services it provides, or (ii) where Contractor is not a local government, any of its other customers, in each case in the allocation of such resources or in the implementation of such temporary service changes or workarounds.
- 4.6. Labour Disruption.
 - 4.6.1. Contractor will provide Recycle BC with at least thirty (30) days prior written notice of the expirations of any labour agreement and, as soon as reasonably possible after providing such notice, Contractor will provide an assessment of the likelihood of a Labour Disruption (as defined below) in connection with the expiry of such labour agreement.
 - 4.6.2. In the event that a labour disruption of any kind causes a reduction in Service Levels (a "**Labour Disruption**"), Contractor will inform Recycle BC within four (4) hours by phone and e-mail of the nature and scope of the disruption, as well as Contractor's immediate plans to invoke any or all of its Business Continuity Plan.
 - 4.6.3. Without limiting Contractor's obligations under this Agreement, where a Labour Disruption also impacts other services provided by Contractor, and as a result Contractor is allocating resources or implementing temporary service changes or workarounds, Contractor will treat Recycle BC no less favourably than any of its other customers, in the allocation of such resources or in the

implementation of such temporary service changes or workarounds (for example, if Contractor provides collection Services hereunder and other collection services, and Contractor proposed to provide temporary drop-off sites in respect of its other collection services, then Contractor will also propose to provide such sites in respect of the Services hereunder).

- 4.6.4. Recycle BC will have the right to make a proportionate reduction to any Fees to reflect the value of any Services not received by Recycle BC due to a Labour Disruption.
- 4.6.5. In the event that a Labour Disruption lasts more than three (3) collection cycles (i.e. bi-weekly), and for so long as the Labour Disruption continues, Recycle BC will have the right to suspend payment of Fees (defined below) and terminate this Agreement or any Statements of Work, for cause, immediately upon delivery of written notice of termination by Recycle BC to Contractor.

SECTION 5. PAYMENT

- 5.1. Fees. In consideration of the complete and proper fulfillment of Contractor's obligations in accordance with the terms and conditions of this Agreement, Recycle BC will pay Contractor the amounts set forth in any Statement of Work (the "**Fees**"). Except as expressly set out in a Statement of Work, there will be no other amounts payable by Recycle BC to Contractor in respect of the Services or this Agreement, including any amounts for expenses or costs of travel, personnel, fuel, equipment or facilities relating to the Services or this Agreement.
- 5.2. Set-Off. Recycle BC may set-off and deduct from any amounts payable to Contractor: (a) any amounts owing by Contractor to Recycle BC pursuant to this Agreement or any other agreement between Contractor and Recycle BC that deals with the Services, including any Service Level Failure Credits; and (b) any costs incurred by Recycle BC in collecting any amounts owing by Contractor to Recycle BC pursuant to this Agreement or any other agreement between the parties that deals with the Services. The failure by Recycle BC to set-off or deduct any amount from an invoiced payment will not constitute a waiver of Recycle BC's right to set-off, deduct or collect such amount.
- 5.3. Invoicing.
 - 5.3.1. Unless otherwise set out in a Statement of Work, Contractor will submit claims using the Recycle BC claims reporting portal, or through such other method as Recycle BC may designate. Recycle BC will review submitted claims and will issue a purchase order to Contractor for valid approved claims.
 - 5.3.2. After receipt of a purchase order from Recycle BC, Contractor will invoice Recycle BC for the validated claim, with reference to the issued purchase order; provided that Recycle BC may, in its discretion, choose to issue payment to the 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).
 - 5.3.3. Where applicable as may be set out in a Statement of Work, Contractor must submit all claims within thirty (30) days of the performance of the applicable Services, and all invoices (where required to be submitted by Recycle BC) within thirty (30) days of the purchase order date. In no event will Recycle BC be liable for payment of any claim submitted more than ninety (90) days after the performance of the applicable Services, or payment of any invoice submitted more than ninety (90) days after the purchase order date.
- 5.4. Taxes. Except where otherwise noted, the Fees exclude all applicable sales, goods and services, value added, use or other commodity taxes that may be lawfully imposed upon the Services; where Contractor clearly and separately itemizes such taxes on Contractor's invoice to Recycle BC,

Recycle BC will pay and Contractor will remit such taxes to the appropriate taxing authority. On request, Contractor will provide reasonable assistance to Recycle BC to challenge the validity of any tax imposed on it due to this Agreement. If it is determined that Recycle BC paid Contractor an amount for tax that was not due, Contractor will refund the amount to Recycle BC. The parties will cooperate with each other to enable each party to determine its tax liabilities accurately and to reduce such liabilities to the extent permitted by Applicable Law.

- 5.5. Withholding Taxes. Recycle BC may deduct or withhold from any payment(s) made to Contractor any amount that Recycle BC is required to deduct or withhold in accordance with Applicable Law, including administrative practice ("**Withheld Taxes**") and will remit such Withheld Taxes to the appropriate taxing authority in a timely manner. All such Withheld Taxes will be treated as having been paid to Contractor by Recycle BC.
- 5.6. Payment. Subject to the terms and conditions of this Agreement and any Statement of Work, Recycle BC will pay Contractor, via electronic funds transfer, the undisputed Fees for the Services within thirty (30) days of the purchase order date. Contractor will provide Recycle BC with complete and accurate billing and contact information, including all information required by Recycle BC to effect electronic funds transfers and a billing email address to which Recycle BC may send submission reports and purchase orders. Contractor will promptly provide Recycle BC with any updates to such billing and contact information.
- 5.7. No Volume Commitment. Notwithstanding anything to the contrary in the Agreement, Contractor acknowledges that Recycle BC makes no representation or warranty as to the nature, timing, quality, quantity or volume of Services required from Contractor under this Agreement or the compensation that may be earned by Contractor, including as to any amounts of materials to be collected or managed through post-collection services by a Contractor.

SECTION 6. PERSONNEL

- 6.1. Suitable Personnel. Upon Recycle BC's request, Contractor will promptly investigate any written complaint from Recycle BC regarding any unsatisfactory performance by any of Contractor's personnel (including employees of a subcontractor or agent) and take immediate corrective action. If the offending conduct is repeated, and Contractor is not restricted by a collective agreement from doing so, Recycle BC may require that such person be removed from all performance of additional work for Recycle BC. Removal of such person will be addressed by Contractor immediately.
- 6.2. Key Personnel. During the term of each Statement of Work, Contractor will not remove any of the persons identified as "**Key Personnel**" in such Statement of Work (or their replacements) except (a) for cause or (b) if such person is replaced at the time of removal by personnel approved in advance by Recycle BC acting reasonably, it being understood that any such replacement shall have applicable ability, experience and expertise equal to or greater than the person being replaced. If any Key Personnel (or their replacement) ceases to serve in the applicable role for any reason whatsoever, Contractor shall (i) notify Recycle BC in writing within five (5) Business Days and (ii) use commercially reasonable efforts to replace such person with personnel approved in advance by Recycle BC acting reasonably, and shall provide Recycle BC with the updated contact information as soon as it is available, it being understood that any such replacement shall have applicable ability, experience and expertise equal to or greater than the person being replaced.
- 6.3. Subcontracting. Contractor will not delegate or subcontract all or any part of Contractor's obligations under this Agreement to anyone without the prior written consent of Recycle BC (not to be unreasonably withheld), including that Recycle BC's prior written consent is required by Contractor to continue to delegate or subcontract to a person following a change in control (including a sale of all or substantially all assets) of such person. The delegation or subcontracting of all or any part of Contractor's obligations under this Agreement will not relieve Contractor from any obligation or liability hereunder. Any breach of this Agreement by any delegate or subcontractor will be deemed to be a breach of this Agreement by Contractor.

SECTION 7. REPORTING AND AUDIT

- 7.1. Record Keeping. During the Term and thereafter until the later of three (3) years (or such longer period as may be required by Applicable Law) or the date all Disputes or other matters relating to this Agreement are resolved, Contractor will keep and maintain complete and accurate data, records, and documents in accordance with generally accepted accounting principles consistently applied to support and document all claims and amounts becoming payable to Contractor by Recycle BC hereunder, and all data, records, and documents relating to the performance of the Services, and compliance with Contractor's obligations under this Agreement.
- 7.2. Reporting. In addition to any other reporting obligations under this Agreement or a Statement of Work, Contractor will provide the following reporting to Recycle BC:
- (a) at least quarterly (or such other period as may be set out in a Statement of Work), Contractor will report, through Recycle BC's claims reporting portal, or through such other method as Recycle BC may designate, the reporting information set out in the applicable Statement of Work for Services performed. Such reporting may include applicable sites, amount, type, or weight of materials and service dates;
 - (b) upon such frequency as Recycle BC may request (but not more frequently than monthly), reports pertaining to the performance of the Services and Contractor's other obligations under this Agreement reasonably sufficient to permit Recycle BC to monitor and manage Contractor's performance; and
 - (c) such additional reports as Recycle BC may reasonably identify from time to time to be generated and delivered by Contractor on an ad-hoc or periodic basis.
- 7.3. Audit.
- 7.3.1. Without limiting any other audit right, during the Term and for the period Contractor is required to comply with Section 7.1, Recycle BC (or its audit representative) will have the right upon reasonable prior written notice to audit and inspect: (a) any site, facility, vehicle, or equipment relating to the performance of the Services; and (b) all data, records, documentation and other information of Contractor relating to this Agreement or the Services, in order to verify Contractor's performance and compliance with its obligations under this Agreement, including that Recycle BC (or its audit representative) may conduct a financial audit to verify the amounts paid or payable by Recycle BC hereunder. If any audit reveals that Recycle BC has been overbilled, Contractor will reimburse the overcharged amount to Recycle BC. If the overbilled amount exceeds five percent of the total amounts charged during the time period audited, Contractor will bear all of Recycle BC's costs in relation to such audit.
- 7.3.2. Without limiting any other audit right, during the Term and for the period Contractor is required to comply with Section 7.1, Contractor will make the data, records, and documents retained pursuant to Section 7.1 available for inspection or audit by Recycle BC (or its audit representative) upon Recycle BC's request.
- 7.3.3. Without limiting any other audit right, during the Term, Recycle BC (or its audit representative) may conduct composition studies, without notice, of any materials collected, transported, processed, or otherwise handled under this Agreement, at any stage of the Services and regardless of the location of such materials.
- 7.3.4. Contractor will co-operate with and provide to Recycle BC (or its audit representative) such reasonable assistance as they require in order to exercise the rights set out in this Section 7.3. Contractor will ensure that it has agreements in place with all subcontractors to enable Recycle BC

(or its audit representative) to directly exercise the audit rights under this Section 7.3 in respect of such subcontractor.

SECTION 8. REPRESENTATIONS AND WARRANTIES

- 8.1. Contractor Representations and Warranties. Contractor represents and warrants to and covenants with Recycle BC that:
- (a) it is duly incorporated, validly existing, and in good standing under the laws of its jurisdiction of incorporation, and is duly qualified to do business in all jurisdictions in which qualification is necessary in order to transact its business and perform its obligations set out in this Agreement;
 - (b) it has full power, authority, and right to execute and deliver this Agreement, to make the representations, warranties, and covenants set out herein, and to perform its obligations under this Agreement in accordance with its terms;
 - (c) this Agreement has been validly executed by an authorized representative of Contractor, and constitutes a valid and legally binding and enforceable obligation of Contractor;
 - (d) it has and will, at its own expense, procure all permits, certificates and licenses required by Applicable Law for the performance of the Services;
 - (e) the representations, warranties, covenants, claims, inducements, and agreements made by Contractor in Contractor's written response to any procurement process related to the Services or this Agreement are true and correct as of the Effective Date, including those in any proposal submitted in response to a request for proposals and any statements or claims in any completed and submitted questionnaire in response to any offer of a collection fee; and
 - (f) it has not given and will not give commissions, payments, kickbacks, gifts, lavish or extensive entertainment, or other inducements of more than minimal value to any employee or agent of Recycle BC in connection with this Agreement and, to the best of its knowledge, no officer, director, employee, agent or representative of Contractor has given any such commissions, payments, kickbacks, gifts, entertainment or other inducements to any employee or agent of Recycle BC.

SECTION 9. CONFIDENTIALITY

- 9.1. Confidentiality Covenant. The Receiving Party will: (i) take all measures reasonably required to maintain the confidentiality and security of the Confidential Information of the Disclosing Party; (ii) not use or reproduce Confidential Information for any purpose, other than as reasonably required to exercise or perform its rights or obligations under this Agreement; (iii) not disclose any Confidential Information other than to employees, agents or subcontractors of the Receiving Party ("**Representatives**") to the extent, and only to the extent, they have a need to know the Confidential Information in order for Receiving Party to exercise its rights or perform its obligations under this Agreement and who are bound by a legal obligation to protect the received Confidential Information from unauthorized use or disclosure; and (iv) be responsible for any breach of this Agreement by any of its Representatives.
- 9.2. Legal Requirement. Notwithstanding Section 9.1, the Receiving Party may disclose Confidential Information of the Disclosing Party to the extent required by a court of competent jurisdiction or other governmental authority or otherwise as required by Applicable Law, provided that, unless prohibited by Applicable Law, the Receiving Party gives the Disclosing Party an opportunity to oppose the disclosure or to seek a protective order protecting such Confidential Information prior to any such disclosure.

- 9.3. Return of Confidential Information. Upon expiry or termination of this Agreement, or upon request by the Disclosing Party, the Receiving Party will return to the Disclosing Party, or irrecoverably destroy, any Confidential Information of the Disclosing Party.
- 9.4. Privacy Laws. Contractor will not access, collect, use, disclose, dispose of or otherwise handle information of or about individuals that is subject to Applicable Laws relating to privacy (“**Privacy Laws**”) in the performance of its obligations under this Agreement, except: (a) to the extent necessary to perform the Service; (b) in accordance with all Privacy Laws; and (c) in a manner that enables Recycle BC to comply with all Privacy Laws, including that Contractor will obtain appropriate consents from the applicable individuals to allow Contractor and Recycle BC to exercise their rights and to perform their obligations under this Agreement as they relate to such information. Unless prohibited by Applicable Law, Contractor will immediately notify Recycle BC of any demand, or request by a third party (including any government or a regulatory authority) for the disclosure of any information of Recycle BC that is subject to Privacy Laws, and, to the maximum extent permitted by law, will oppose, seek judicial relief of and appeal any such demand or request. Contractor will immediately notify Recycle BC if Contractor becomes aware that Contractor has failed to comply with Privacy Laws in connection with the performance of this Agreement.

SECTION 10. PROPRIETARY RIGHTS

- 10.1. Ownership. Except as otherwise specifically provided in any Statement of Work, or as otherwise agreed to by the parties in writing, the Work Product, together with any Intellectual Property Rights therein, will be owned by Recycle BC; accordingly, Contractor will assign and hereby assigns to Recycle BC all rights, title and interest it may have from time to time in the Work Products effective upon creation. During the Term, Contractor will have a non-exclusive, non-transferable license to use the Work Products for the sole purpose of providing and completing the Services. Contractor will obtain from all individuals involved in the development of the Work Product an express and irrevocable waiver in favour of Recycle BC, its successors and assigns of any and all moral rights arising under the *Copyright Act (Canada)* as amended (or any successor legislation of similar force and effect) or under similar legislation in other jurisdictions or at common law that Contractor or such individuals, as authors, have with respect to the Work Products. Notwithstanding the foregoing, Recycle BC shall not acquire any Intellectual Property Rights with respect to Contractor’s tools, equipment, methodologies, questionnaires, responses, and proprietary research and data, as well as any and all computer software, code or codes and technology, used by Contractor in connection with the provision of the Services under this Agreement that is created or acquired prior to the Effective Date or otherwise created or acquired independent of the Services (“**Contractor Background IP**”). Contractor hereby grants to Recycle BC a perpetual, worldwide, fully-paid, and sub-licensable license to the Contractor Background IP as necessary for Recycle BC to exercise its rights in and to the Work Product and otherwise use the Services and obtain the rights granted to Recycle BC under this Agreement. All Work Product in the possession of Contractor will be promptly delivered to Recycle BC following termination of this Agreement or at such other time as Recycle BC may reasonably request.

SECTION 11. INDEMNITY

- 11.1. Indemnity. Contractor will indemnify and save harmless Recycle BC, its Affiliates, and their respective directors, officers, contractors, employees, volunteers, and agents from and against any and all manner of actions or causes of actions, damages, costs, losses or expenses of whatever kind (including related legal fees on a solicitor and client basis) which may be sustained or incurred by reason of or directly or indirectly arising out of any act or omission of Contractor or any person for whom the Contractor is, at law or under this Agreement, responsible, in relation to the Services or this Agreement, including those arising out of any (i) breach of this Agreement; (ii) damages to persons or property, personal injury or death; (iii) breach of Applicable Law; (iv) spill, leak, contamination, or other environmental damage; or (v) infringement, violation or misappropriation of any third party’s right, including any Intellectual Property Right.

- 11.2. Available Remedies. If Contractor sustains damage in the course of performing the Services that is caused by another contractor of Recycle BC with whom Contractor is obligated under this Agreement to interact with directly (an “**Other Service Provider**”), Recycle BC will, upon Contractor’s reasonable and good faith request, use commercially reasonable efforts to exercise, for Contractor’s benefit, such contractual remedies of indemnification or receipt of Service Level Failure Credits as Recycle BC may have with the Other Service Provider that apply to the damage sustained by Contractor and the event which caused the damage; provided that Contractor: (i) has first used reasonable efforts to address the damage directly with the Other Service Provider, including exercising direct remedies Contractor may have under Applicable Law, contract or otherwise; and (ii) will have a duty to mitigate its damages.

SECTION 12. INSURANCE AND PERFORMANCE BOND

- 12.1. Insurance. During the Term, and for any additional period following the end of the Term set out in Schedule 12.1, Contractor will have and maintain in force in Canada, and will cause it subcontractors to have and maintain in force in Canada, at a minimum, the insurance coverages set out in Schedule 12.1, and Contractor will (and will cause its subcontractors to) otherwise comply with the provisions of Schedule 12.1. Failure to secure or maintain such insurance coverage, or the failure to comply fully with any of Schedule 12.1 will be deemed to be a material breach of this Agreement. None of the requirements contained herein as to types, limits and approval of insurance coverage to be maintained by Contractor are intended to and will not in any manner limit the liabilities and obligations assumed by Contractor under this Agreement.
- 12.2. Performance Bond. Contractor will comply with any performance bond requirements that may be set out in a Statement of Work.

SECTION 13. TERMINATION

- 13.1. Termination for Convenience. Either party may, at any time and without cause, terminate this Agreement or any Statements of Work for convenience upon giving the other party one hundred eighty (180) days’ prior written notice (or such shorter amount of notice as mutually agreed in writing by the parties).
- 13.2. Termination by Recycle BC for Cause. Recycle BC may elect to terminate this Agreement or any Statements of Work by providing written notice of such termination, effective immediately or at such other time set out in the notice of termination, to Contractor in the event that:
- (a) Contractor becomes subject to proceedings in bankruptcy or insolvency, voluntarily or involuntarily, if a receiver is appointed with or without Contractor’s consent, if Contractor assigns its property to its creditors or performs any other act of bankruptcy or if the other party becomes insolvent and cannot pay its debts when they are due;
 - (b) Contractor commits a material breach of this Agreement and does not cure such breach within thirty (30) days of receipt of notice thereof from Recycle BC;
 - (c) Contractor fails to provide all or a material portion of the Services for a consecutive period of more than seven (7) days, unless this is a result of a Labour Disruption or Force Majeure as per Section 4.6;
 - (d) Contractor’s performance creates a hazard to public health or safety or to the environment;
 - (e) Contractor is assessed five separate Service Level Failure Credits during any rolling six (6) month period; or
 - (f) any other termination right described in this Agreement or a Statement of Work is triggered.

- 13.3. Termination by Contractor for Cause. Contractor may elect to terminate this Agreement or any Statement of Work by providing written notice of such termination, effective immediately, to Recycle BC in the event that Recycle BC fails to pay undisputed Fees, as they become due, in the preceding three months and Recycle BC does not cure such non-payment within sixty (60) days of receipt of notice thereof from Contractor.
- 13.4. Change in Applicable Law. Recycle BC may elect to terminate this Agreement or any Statement of Work by providing written notice of such termination, effective immediately or at such other time set out in the notice of termination, to Contractor in the event that there is a material change in Applicable Law applicable to Recycle BC or the Services, including if there is a material change to an approved plan under the Regulation or if any new plan (whether submitted by Recycle BC or any other person) is approved thereunder.
- 13.5. Disruption of Service. The parties expressly agree that the failure or inability of Contractor to perform its obligations under this Agreement will constitute a breach hereunder, and that any costs and expenses reasonably incurred by Recycle BC for any replacement services as a result of such a failure or inability will be considered direct damages hereunder.
- 13.6. Termination Obligations and Assistance. Upon termination or expiration of this Agreement, Contractor will cooperate with Recycle BC to ensure the orderly wind down of the Services including, if requested by Recycle BC, continuing to provide such Services as are necessary to ensure an orderly transfer of the Services following termination of this Agreement on terms and conditions acceptable to each of the parties acting reasonably. Upon receipt of a notice of termination by either party under this Section 13 (Termination), Contractor will prepare its statement of account on the basis of the effective date of termination specified in the notice, and immediately return all Work Product to Recycle BC, whether completed or not.
- 13.7. Survival. The following sections will survive the expiration or termination of this Agreement, regardless of the reasons for its expiration or termination, in addition to any other provision which by law or by its nature should survive: Section 9 (Confidentiality), Section 11 (Indemnity), Section 12 (Insurance and Performance Bond), Section 14 (Dispute Resolution) and Section 15 (General Provisions) in their entirety, and Sections 7.1, 7.3, 10.1, 13.6, and 13.7. The expiry or termination of this Agreement will not affect the rights of any party to make a claim for damages arising from a breach of any provision of this Agreement which occurred prior to such expiry or termination.

SECTION 14. DISPUTE RESOLUTION

- 14.1. Disputes. Any dispute that touches upon the validity, construction, meaning, performance or effect of this Agreement or the rights or liabilities of the parties or any matter arising out of, or in connection with this Agreement (a "**Dispute**"), between Recycle BC and Contractor will be addressed as follows:
- (a) The parties will first attempt to resolve the Dispute through representatives from each of Recycle BC and Contractor who work most closely with each other on related matters, within fifteen (15) days after written notice of the Dispute was first given, or as otherwise agreed upon.
 - (b) If the Dispute is not resolved in accordance with Section 14.1(a), either party may escalate the Dispute to the senior Recycle BC and Contractor representatives, who will meet and work together in good faith to attempt to resolve the Dispute within a further fifteen (15) days, or as otherwise agreed upon.
 - (c) If the Dispute is not resolved in accordance with Section 14.1(b), then either party may escalate the Dispute to non-binding third party mediation. The mediation will take place at a time and place mutually agreed by the parties and will be led by a third-party facilitator

jointly selected by the parties (who, unless otherwise mutually agreed by the parties, will be an individual accredited to provide such services). If the Dispute remains unresolved within forty-five (45) days from the point at which a party escalated the Dispute to non-binding third party mediation, either party may escalate the Dispute by delivering a written notice to the other party referring the matter to binding arbitration.

- (d) If the Dispute is not resolved in accordance with Section 14.1(c) unless otherwise mutually agreed by the parties in writing, the Dispute will be conclusively settled by means of private and confidential binding arbitration, to the exclusion of courts of law. The arbitration will take place before a single arbitrator in Vancouver in the English language and will otherwise be undertaken under the auspices and rules of the British Columbia Arbitration & Mediation Institute. The decision of the arbitrator will be final and binding on the parties and will not be subject to appeal on any grounds whatsoever, and will be enforceable against Recycle BC and Contractor as the case may be. The parties will mutually agree on an arbitrator, where the parties are unable to mutually agree on an arbitrator, the arbitrator will be determined pursuant to the rules of the British Columbia Arbitration & Mediation Institute.
- (e) Notwithstanding anything to the contrary in this Section 14.1, either party may start litigation proceedings in a court of law at any time for an application for a temporary restraining order or other form of injunctive relief and each party hereby attorns to the non-exclusive jurisdiction of the courts of the province of British Columbia for such purpose.

SECTION 15. GENERAL PROVISIONS

- 15.1. Relationship of the Parties. It is acknowledged by the parties hereto that the Contractor is being retained by Recycle BC in the capacity of independent contractor and not as an employee of Recycle BC. The Contractor and Recycle BC acknowledge and agree that this Agreement does not create a partnership, joint venture, agency, or other special relationship between them. Except as may be specified in writing, neither party will have the power to obligate or bind the other party. Personnel supplied by Contractor will work exclusively for Contractor and will not be considered employees or agents of Recycle BC for any purpose.
- 15.2. Assignment. This Agreement may not be assigned by either party in whole or in part, without the other party's prior written consent, except that Recycle BC may assign this Agreement without Contractor's consent to a person with an approved plan under the Regulation, or who otherwise has obligations similar to those of Recycle BC or one or more Producers under any successor regulation or legislation, or to a person as part of a corporate reorganization of Recycle BC. Any attempt by a party to assign all or any part of this Agreement without prior written consent (where such consent is required) is void. Any assignment occurring by operation of law such as on a bankruptcy or amalgamation will be deemed to be an assignment and will be subject to this Section 15.2.
- 15.3. Force Majeure. Neither party to this Agreement or any Statement of Work will be liable to the other party for any failure or delay in fulfilling an obligation hereunder, if said failure or delay is attributable to an act of God, natural disaster, earthquake, fire, flood, war, riot, civil disturbance, epidemic, prolonged power failure or court or governmental order beyond such party's reasonable control ("**Force Majeure**"). The parties agree that the deadline for fulfilling the obligation in question will be extended for a period of time equal to that of the continuance of the Force Majeure. The party to which the Force Majeure applies will use all commercially reasonable efforts to minimize the effect of the Force Majeure on its performance under this Agreement or any Statement of Work. If Contractor's failure or delay in fulfilling its obligations under this Agreement due to a Force Majeure Event exceeds [30] days, then Recycle BC may immediately terminate this Agreement in whole or in part by giving written notice of termination.
- 15.4. Governing Law. This Agreement and any Statement of Work will be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable

therein without regard to conflicts of law that would apply a different body of law. Subject to Section 14 (Dispute Resolution), the parties hereby irrevocably attorn to the non-exclusive jurisdiction of the courts of the Province of British Columbia for any legal proceedings arising out of this Agreement, any Statement of Work or the performance of the obligations hereunder.

- 15.5. Notices. All notices, requests, demands or other communications given by one party to the other party, will be in writing, in the English language, and will be deemed duly given (i) when delivered by hand; (ii) by e-mail (with receipt confirmed), (iii), on the designated day of delivery after being given to an express overnight courier with a reliable system for tracking delivery, or (iv) six (6) days after the day of mailing, when mailed by Canada Post, registered or certified mail, return receipt requested and postage prepaid, and addressed as follows:

To Contractor:

City of Nanaimo
2020 Labieux Rd
Nanaimo, BC V9T 3K7

E-mail: david.thompson@nanaimo.ca

Attention: David Thompson

To Recycle BC:

MMBC Recycling Inc.
405-221 West Esplanade
North Vancouver, BC V7M 3J3

E-mail: agreements@recyclebc.ca

Attention: Director, Collection Recycle BC

or to such other address as may be designated by notice given by either party to the other.

- 15.6. Further Assurances. The parties will do, execute or deliver all such further acts, documents and things as the other party may reasonably require from time to time for the purpose of giving effect to this Agreement and will use reasonable efforts and take all such steps as may be reasonably within its power to implement to their full extent the provisions of this Agreement.
- 15.7. No Publicity. Contractor will not use the name or trademarks of Recycle BC nor make any statement or issue any advertisement, publicity release, press releases to the public or the media with respect to this Agreement or Recycle BC, unless it has obtained Recycle BC's prior written approval, including that Contractor will not disclose or otherwise publicly report on any Service performance metrics (including volumes of material collected or processed).
- 15.8. Timing. Time will be of the essence of this Agreement and of every part hereof and no extension or variation of this Agreement will operate as a waiver of this provision.
- 15.9. Severability. If any provision, or portion thereof, of this Agreement or any Statement of Work is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable, such determination will not impair or affect the validity, legality or enforceability of the remaining provisions of this Agreement or any Statement of Work, and each provision, or portion thereof, is hereby declared to be separate, severable and distinct.

- 15.10. Waiver. A waiver of any provision of this Agreement or any Statement of Work will only be valid if provided in writing and will only be applicable to the specific incident and occurrence so waived. No omission, delay or failure to exercise any right or power, or any waiver by either party of any breach or default, whether expressed or implied, or any failure to insist on strict compliance with any provision of this Agreement, will be a waiver of any other provision. Any waiver of any provision or breach of this Agreement will not be a continuing waiver unless otherwise stated.
- 15.11. Remedies Cumulative. No single or partial exercise of any right or remedy under this Agreement or any Statement of Work will preclude any other or further exercise of any other right or remedy in this Agreement or any Statement of Work or as provided at law or in equity. Rights and remedies provided in this Agreement or any Statement of Work are cumulative and not exclusive of any right or remedy provided at law or in equity.
- 15.12. Amendment. This Agreement or any Statement of Work may only be amended by written agreement duly executed by authorized representatives of the parties.
- 15.13. Entire Agreement. This Agreement, including all Schedules hereto, and any Statement of Work will constitute the entire agreement between the parties with respect to the subject matter hereof and will replace all prior promises or understandings, oral or written. There is no representation, warranty, collateral term or condition or collateral agreement affecting this Agreement, other than as expressed in writing in this Agreement. Any purchase order or other instrument of Contractor accompanying a Statement of Work, an invoice or otherwise is for Contractor's internal use only and its terms will not alter or amend the terms of this Agreement.
- 15.14. Counterparts. This Agreement and any Statement of Work may be executed in any number of counterparts, each of which will be deemed to be an original and all of which taken together will be deemed to constitute one and the same instrument. Delivery of an executed signature page to this Agreement or any Statement of Work by any party by electronic transmission will be as effective as delivery of a manually executed copy of this Agreement or the Statement of Work by such party.

(Signature page follows.)

IN WITNESS WHEREOF the parties have executed this Agreement effective as of the Effective Date.

MMBC RECYCLING INC.

Per: _____
(I have authority to bind Recycle BC)

Name: _____
(Please Print)

Title: _____

CITY OF NANAIMO

Per: _____
(I have authority to bind Contractor)

Name: _____
(Please Print)

Title: _____

Per: _____
(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 Agreement to Recycle BC, Contractor and the first signatory represent that no additional signatories are required).

SCHEDULE 4.2 RECYCLE BC POLICIES AND STANDARDS

As of the Effective Date, the following are Recycle BC Policies and Standards:

1. Recycle BC's Weight and Measurement Standards, a copy of which is set out below:

Recycle BC requires that materials collected by Contractor in connection with the Services ("**Inbound Material**") be weighed, and that accurate weights be reported to Recycle BC.

Weight is defined by Recycle BC as the following:

"Gross Weight" means the weight of the truck or container plus its contents, measured in kilograms unless otherwise noted.

"Tare Weight" means the weight of the empty truck, container or equipment without its contents, measured in kilograms unless otherwise noted.

"Net Weight" means the weight of the contents of the container or truck, calculated as Gross Weight minus Tare Weight, measured in kilograms unless otherwise noted.

The following equation must always be true.

$$\text{Net Weight} = \text{Gross Weight} - \text{Tare Weight}$$

Measurement Canada has produced a comprehensive guide on taking and recording weights, available at <http://www.ic.gc.ca/eic/site/mc-mc.nsf/eng/lm00205.html>.

Contractor Responsibilities

All loads must be documented in a manner specified by Recycle BC, as amended by Recycle BC from time to time, including a certified scale ticket. The certified scale ticket may be provided by the Designated Post-Collection Service Provider to the Contractor if the weighing is performed by the Post-Collection Service Provider. If the Contractor is performing the actual weighing, the Post-Collection Service Provider responsibilities noted below must be followed by the Contractor.

Contractors are to maintain the following Net Weight records and provide upon request to Recycle BC:

- Curbside Collection: Tonnage of Inbound Material by collection date and individual truck number
- Multi-Family Building Collection: Tonnage of Inbound Material by collection date and individual truck number
- Depot Collection: Tonnage of Inbound Material by each container type, material category, and by the date on which the Designated Post-Collection Service Provider removed the PPP from the depot

SCHEDULE 4.4
SERVICE LEVEL METHODOLOGY

1. Contractor will measure and record all data reasonably required by Recycle BC to determine Contractor's performance of the Services against the applicable Service Levels. Contractor will retain such records in accordance with Section 7.1 of the Agreement. Upon request, and upon such frequency as Recycle BC may indicate (which may not be more frequently than monthly), Contractor will deliver to Recycle BC a report, in a form and format approved by Recycle BC, setting out details of Contractor's actual performance of the Services as measured against each Service Level during the applicable reporting period.

**SCHEDULE 12.1
INSURANCE REQUIREMENTS**

1. **Insurance Coverage.** The insurance coverage required pursuant to Section 12.1 of the main body of the Agreement is as follows:
 - (a) Comprehensive General Liability coverage with limits of not less than \$5,000,000 (five million dollars) per occurrence with a deductible not exceeding \$100,000 per occurrence, or, where Contractor is a local government, Contractor may self-insure for equivalent or better coverage (in which case Contractor will respond to all claims, actions, demands, expenses and losses by whomsoever made in the same manner as if commercial comprehensive general liability insurance was purchased for same and as if Recycle BC were included in such policy as an additional insured);
 - (b) Contractor will seek advice and obtain any necessary environmental impairment liability insurance or other such policy as may be recommended by their insurance broker or legal counsel to adequately protect against risks of environmental liability, with typical environmental impairment liability insurance for the Services having a limit of not less than \$1,000,000 (one million dollars) per occurrence with a deductible not greater than \$100,000 (for clarity, neither the amount nor type of environmental impairment liability insurance obtained by Contractor will in any manner limit or qualify the liabilities and obligations assumed by Contractor under this Agreement);
 - (c) Workers' Compensation Insurance or Workplace Safety & Insurance coverage with the applicable Provincial (including in all cases British Columbia) or Territorial Workplace Safety & Insurance Board or Employer's Liability Insurance or both with limits as required by Applicable Law covering all Contractor personnel; and
 - (d) Such other insurance coverage as may be set out in a Statement of Work.
2. **Requirements for Insurer.** All insurers must be reputable and financially creditworthy insurers with an A.M. Best financial strength rating of "A-" or higher (or equivalent rating by a similar agency, in Recycle BC's sole discretion).
3. **Recycle BC as Additional Insured.** Contractor will add Recycle BC as an additional insured on its Commercial General Liability policy with the following language: "MMBC Recycling Inc. and its affiliated entities, officers, partners, directors, employees, representatives and agents are included as Additional Insureds for Comprehensive General Liability."
4. **Evidence of Insurance.** Contractor will cause its insurers to issue to Recycle BC certificates of insurance on the Effective Date, and once each calendar year thereafter, evidencing that the coverages and policy endorsements required under this Agreement are maintained in force. Where Contractor is a local government and opts to self-insure pursuant to Section 1(a), Contractor will provide a written attestation stating and evidencing such self-insurance (including evidence of authority and financial ability to self-insure), in a form acceptable to Recycle BC, on the Effective Date and once each calendar year thereafter.
5. **Changes to Insurance Coverage.** Contractor will not reduce any insurance coverage below the requirements set out in this Schedule without Recycle BC's prior written consent. Contractor will provide not less than 30 days' notice to Recycle BC prior to any material change to its insurance coverage or to its insurer.
6. Intentionally omitted.

7. **Additional Period of Coverage.** Contractor will continue to have and maintain in force the insurance coverages set out in this Schedule, and Contractor will continue to comply with Section 12.1 of the main body of the Agreement and Schedule 12.1, beyond the end of the Term for an additional 2 years thereafter.