THE CORPORATION OF THE TOWNSHIP OF PELEE

BY-LAW 2026-16

"Circular Materials Agreement"

(March 24, 2026)

A By-law to enter into an Eligible Community Depot Operations Agreement with Circular Materials.

WHEREAS pursuant to Section 9 of the Municipal Act, 2001, S.O. 2001, c 25, a Council may enter into Agreements;

AND FURTHER that the Council for the Township of Pelee deems it expedient to enter into agreements with Circular Materials Ontario regarding services relating to blue box material.

THEREFORE the Council of the Corporation of the Township of Pelee hereby enacts as follows:

1. That authority is hereby granted to the Mayor and Clerk to enter into the following agreements:

    i. Eligible Community Depot Operations Agreement 2024-00-156

2. That item 1. i. forms part of this by-law.

READ A FIRST, SECOND AND THIRD TIME AND FINALLY PASSED THIS 24TH DAY OF MARCH 2026.

Original signed by:
MAYOR CATHY MILLER

Original signed by:
INTERIM CLERK MARY MASSE

ELIGIBLE COMMUNITY

DEPOT OPERATIONS AGREEMENT

Number 2024-00-156

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This Agreement (this "Agreement") is entered into as of _____ ("Effective Date")

Between

The Corporation of the Township of Pelee, a corporation incorporated under the laws of Ontario, having a place of business at 1045 West Shore Road, Pelee Island, Ontario, Canada N0R 1M0 ("Contractor")

And

Circular Materials, a federal not-for-profit corporation, having a place of business at 1 St. Clair Avenue West, Suite 700, Toronto ON, M4V 1K6, operating as Circular Materials Ontario ("CMO")

RECITALS

WHEREAS, CMO is the administrator of the common collection system for Blue Box Material; and

WHEREAS, CMO issued an offer to the Contractor in connection with the collection of Blue Box Material at Depots; and

WHEREAS, Contractor and CMO (each a "Party", and collectively the "Parties") jointly desire to enter into this Agreement respecting the collection of Blue Box Material at Depots for the applicable Eligible Community; and

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

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

1. Beginning on the Eligible Community Service Commencement Date listed in Exhibit 3, the Contractor shall perform the Work required by this Agreement for all Depots listed in Exhibit 2.

2. Unless terminated in accordance with this Agreement, the time period during which the Work required by this Agreement is to be performed is from the Eligible Community Service Commencement Date listed in Exhibit 3 until January 1, 2029. CMO and the Contractor may, by Change Order, extend this Agreement for up to three (3) further periods of one (1) year each. The initial term and any such additional term or terms are herein referred to as the "Agreement Term".

4. The full compensation for the Work under this Agreement shall be as set forth in Exhibit 4, which excludes Value Added Taxes. Value Added Taxes are payable by CMO to the Contractor on the price of this Agreement.

5. In the event of the termination of this Agreement, CMO shall only pay for the Work authorized by this Agreement which is performed prior to the termination date. For the purposes of clarity, CMO shall not be liable to make any other payments in connection with this Agreement as a result of such termination.

6. Attached and forming an integral part of this Agreement are the following exhibits:

   (i) Exhibit 1 – Scope of Work and Other Provisions;
   (ii) Exhibit 2 – Depots in Eligible Communities;
   (iii) Exhibit 3 – Service Commencement Dates; and
   (iv) Exhibit 4 – Compensation.

[Remainder of Page Intentionally Left Blank]

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

The Corporation of the Township of Pelee

By: _____
Name: Cathy Miller
Title: Mayor

By: _____
Name: Mary Masse
Title: Interim Clerk

We have authority to bind the Contractor.

Circular Materials Ontario

By: _____
Name: Allen Langdon
Title: CEO

I have authority to bind CMO.

EXHIBIT 1: SCOPE OF WORK AND OTHER PROVISIONS

ARTICLE 1
DEFINITIONS

1.1 Definitions

"AGREEMENT TERM" has the meaning set out in Section 2 of this Agreement.

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

"BLUE BOX MATERIAL" has the meaning set out in the Regulation.

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

"CHANGE NOTICE" has the meaning set in Section 8.8(a) of Exhibit 1.

"CHANGE ORDER" has the meaning set in Section 8.8(f) of Exhibit 1.

"COLLECTION" means the receipt of Blue Box Material from an Eligible Source at a Depot.

"COLLECTION SERVICES" means the Work required by this Agreement.

"CONTRACT PRICE" means the total price payable under this Agreement, as set forth in Exhibit 4.

"CONTRACTOR DEFAULT" means a failure of the Contractor to comply with the requirements of this Agreement.

"COST ESTIMATE" has the meaning set out in Section 8.8(b) of Exhibit 1.

"DEPOT" means a depot listed in Exhibit 2 or a New Depot.

"EFFECTIVE DATE" has the meaning set out in the recitals to this Agreement.

"ELIGIBLE COMMUNITY" has the meaning set out in the Regulation.

"ELIGIBLE COMMUNITY SERVICE COMMENCEMENT DATE" means the applicable date on which the Work commences in an Eligible Community.

"ELIGIBLE SOURCES" means, collectively, (i) eligible sources as defined in the Regulation and (ii) sources agreed by the Parties to be eligible sources for the purposes of this Agreement.

"EQUIPMENT" means all machinery, apparatus and other items used in completing the Work.

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

"HOUSEHOLD" means (i) a Residence, (ii) a dwelling unit contained within the type of facility described by section (a) of the definition of "facility" in the Regulation and (iii) households agreed by the Parties to be households for the purposes of this Agreement.

"LEGISLATIVE CHANGE" means changes in Applicable Law, including repeal, replacement or amendment of an Applicable Law, including the Regulation, that give rise to the Work (or any part thereof) no longer being required or necessary, as determined by CMO in its sole and absolute discretion.

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

"MANAGER" means the manager of this Agreement identified by CMO, from time to time, in writing.

"NEW DEPOT" means a new depot as agreed to by the Parties for the purposes of this Agreement.

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

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

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

"PROMOTION AND EDUCATION MATERIAL" means promotion and education materials developed by CMO or the Contractor in respect of the Blue Box Material**.**

"PROMOTION AND EDUCATION SERVICES" means promotion and education services described in Section 4.1 of Exhibit 1.

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

"RESIDENCE" has the meaning set out in the Regulation.

"RESIDENTIAL DEPOT OPERATION COSTS" has the meaning set out in Exhibit 4.

"SINGLE STREAM" means Stream 1 and Stream 2 materials combined.

"STREAM 1" has the meaning set out in Section 3.2(e)(i) of Exhibit 1.

"STREAM 2" has the meaning set out in Section 3.2(e)(ii) of Exhibit 1.

"SUBCONTRACTOR" means a subcontractor employed by the Contractor pursuant to Section 3.5 of Exhibit 1.

"TRANSITION DATE" means the transition date for an Eligible Community set forth in the document of the (Ontario) Ministry of Environment, Conservation and Parks entitled "Blue Box Transition Schedule" dated June 1, 2021 and amended December 15, 2022 and February 23, 2024, as revised from time to time.

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

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

(ii) preclude the safe performance of the Work.

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

"WORK" means the performance of services including the supply of all materials, Equipment, labour, facilities, supervision, services, permits, licenses, or approvals required to complete the Contractor's obligations under this Agreement, including any Change Orders agreed to by the Parties.

1.2 Interpretation

(a) Whenever inconsistent in the context, words used in the present tense include the future tense whenever the sense requires.

(b) The words authorized, directed, required, requested, approved, ordered, sanctioned, and satisfactory, unless some other meaning is obvious from the context, shall mean respectively authorized, directed, required, approved, or sanctioned by or satisfactory to CMO or its appointed representative.

(c) Where the word "including" or "includes" is used, it means "including (or includes) without limitation".

(d) The word may in this Agreement denotes permissive.

(e) The words shall and will in this Agreement denote imperative.

(f) Any capitalized term used in this Agreement that is not defined in Section 1.1 of Exhibit 1 or elsewhere in this Agreement will, if applicable, have the meaning set out in the Regulation or otherwise will have the generally accepted industry or technical meaning given to such term.

(g) Words importing the singular number will include the plural and vice versa, and words importing the use of any gender will include the masculine, feminine and neuter genders.

(h) The headings in this Agreement are solely for convenience of reference and will not be used for purposes of interpreting or construing the provisions hereof.

(i) Unless otherwise provided for herein, all monetary amounts referred to herein will refer to the lawful money of Canada.

(j) When calculating the period of time within which or following which any act is to be done or step taken pursuant to this Agreement, the date which is the reference date in calculating such period will be excluded. If the last day of such period is not a Business Day, then the time period in question will end on the first Business Day following such non-Business Day.

(k) Any references in this Agreement to any law, by-law, rule, regulation, order or act of any government, governmental body or other regulatory body, including any Applicable Law, will be construed as a reference thereto as amended or re-enacted from time to time or as a reference to any successor thereto.

(l) This Agreement shall constitute the entire agreement between the Parties and shall supersede all prior agreements, understandings, negotiations, and discussions, oral or written, between the Parties.

1.3 Managed Contract

(a) The Parties acknowledge and agree that this Agreement may be managed for CMO by a Manager. As of the Effective Date, CMO identifies RLG Systems Canada Inc. or one or more of its affiliates ("RLG") as the Manager. Notwithstanding any other provision in this Agreement, CMO may identify, in writing, its rights under this Agreement, in whole or part, that may also be exercised, or enjoyed, by the Manager.

(b) The Manager:

(i) shall receive copies of documents provided to CMO or that may be requested by CMO and may request copies of documents;

(ii) shall be notified, along with CMO, pursuant to Sections 1.5 and 1.6 of Exhibit 4 and Section 8.9(b) of Exhibit 1; and

(iii) may provide notice to the Contractor pursuant to Section 7.3(d) of Exhibit 1.

ARTICLE 2
SCOPE OF COLLECTION SERVICES

2.1 Scope of Collection Services

(a) The Contractor shall provide Collection Services, including receiving Blue Box Material from Eligible Sources at each Depot and storage of Blue Box Material at each Depot in a manner that meets or exceeds the standards, level, scope and quality of collection services the Depot (or, for a New Depot, a similar Depot) received immediately prior to the Transition Date and complies with the terms of this Agreement.

(b) Without limiting the generality of the foregoing, the Collection Services shall meet the applicable requirements of the Regulation, including Sections 24 and 25.

(c) The Contractor shall retain responsibility for, and control of, Blue Box Material at a Depot from receipt from Eligible Sources through to pick up by CMO or a contractor identified by CMO from time to time.

(d) Ownership of the Blue Box Material received at a Depot shall not transfer to the Contractor.

(e) All Applicable Law shall be complied with by the Contractor in the performance of all portions of the Work. The Contractor is familiar with all Applicable Law.

(f) If, during the Agreement Term, there is a change in Applicable Law which is in effect as of the Effective Date that results in a material impact on the performance of any act required by this Agreement, the Parties shall renegotiate the provisions of this Agreement using a Change Order pursuant to Section 8.8 of Exhibit 1. If the Parties are unable to agree on the revised terms and conditions either Party may submit the dispute to arbitration in accordance with the provisions of this Agreement.

ARTICLE 3
COLLECTION SERVICE PROVISION

3.1 Addition or Removal of Depots

CMO and the Contractor may add New Depots or remove existing Depots, and make related revisions to the relevant exhibits, by Change Order.

3.2 Blue Box Material to be Collected

(a) The Contractor will receive Blue Box Material delivered by Eligible Sources to a Depot.

(b) The Contractor will use best efforts to reduce the quantity of Non-Blue Box Material in collected Blue Box Material to no more than four percent (4%) by weight.

(c) If the average amount of Non-Blue Box Material in collected Blue Box Material picked up by CMO, or a contractor identified by CMO from time to time, from the Depots in any rolling six (6) month period exceeds four percent (4%), the Contractor will, within ninety (90) calendar days, prepare and implement a plan, working collaboratively with CMO, that includes strategies and supporting measures to mitigate the amounts of Non-Blue Box Material. If improvement does not occur within ninety (90) calendar days after the start of the plan execution, the Contractor will work with CMO to identify and implement additional changes and to adopt best practices recommended by CMO.

(d) The Contractor will use best efforts to not collect Blue Box Material containing Hazardous Waste.

(e) If Blue Box Material is collected from Eligible Sources in an Eligible Community listed in Exhibit 3 in two streams, the separation of the two streams is as follows:

(i) Stream 1 – Paper Products and the following types of Paper Packaging:

- paper laminates
- kraft paper carry-out bags
- kraft paper - non-laminated
- corrugated cardboard
- boxboard and other paper packaging

(ii) Stream 2 – Plastic Packaging, Metal Packaging, Glass Packaging and the following types of Paper Packaging:

- gable top containers
- aseptic containers

3.3 Labour Disruption

(a) If there is a lawful or legal strike, lockout, or work slowdown or other lawful or legal labour disruption or job action during the term of this Agreement (the "Lawful LD Period"), the Contractor shall, during the Lawful LD Period, conditional on the municipal council's approval of the Contractor's overall labour disruption contingency plan if council approval is required, make best efforts to encourage Eligible Sources who cannot access the depot(s) because of the Lawful LD, to separate and retain their Blue Box Material during the Lawful LD Period.

(b) If the Contractor's employees engage in an unlawful or illegal strike, lockout, or work slowdown or other unlawful or illegal labour disruption or job action during the term of this Agreement (the "Unlawful LD Period") that remains unresolved for a period of 30 calendar days, CMO may deem a Contractor Default to have occurred.

(c) Notwithstanding any provision in this Agreement to the contrary, during the LD Period, the Contractor will not invoice CMO for the cost of collecting the Blue Box Material from Eligible Sources that do not receive collection services pursuant to this Agreement.

3.4 Access to the Work

(a) Without limiting the generality of any other provision in this Agreement, at all times requested by CMO or the Manager during operating hours upon at least 48-hours notice, the Contractor shall, at no expense to CMO or the Manager, provide CMO, the Manager and their respective professional advisors, auditors and consultants, and any Person authorized by CMO or the Manager with access to the Work (including the staff performing the Work and the Equipment being used to perform the Work) to monitor, observe and review any Work (including the staff performing the Work and the Equipment being used to perform the Work) being performed, provided that such access is not a health and safety risk to the Contractor's staff, or to CMO's or the Manager's respective personnel, and the Contractor shall, and shall cause the Subcontractors to, provide, and cooperate with CMO or the Manager in providing, such access. The Contractor shall provide access to such Work (including the staff performing the Work and the Equipment being used to perform the Work) whenever and wherever it is in progress and the Contractor shall provide sufficient, safe and proper facilities in respect of such access. Without limiting the generality of the foregoing, during such access, CMO or the Manager may monitor the Work (including the staff performing the Work and the Equipment being used to perform the Work) provided that such monitoring, observing or reviewing of the Contractor's Work or Equipment shall not cause unreasonable delays to the Contractor's performance of the Work.

(b) If any Work is found by CMO or the Manager, acting reasonably, not to be in accordance with the requirements of this Agreement, the Contractor shall, at no expense to CMO or the Manager, make good such defective Work.

(c) CMO, and other parties identified by CMO, shall be entitled to use information obtained pursuant to this Section 3.4 of Exhibit 1 for the administration of this Agreement and any internal purposes.

3.5 Subcontractors

(a) The Contractor may, subject to this Section 3.5, subcontract portions of the Work to Subcontractors. The Contractor shall, and shall cause its Subcontractors to, perform the Work in accordance with the provisions of this Agreement.

(b) The Contractor shall in all cases be fully responsible to CMO for all of its obligations under this Agreement that are subcontracted to a Subcontractor and for all acts and omissions of all Subcontractors even if such Subcontractor was preselected or approved by CMO.

ARTICLE 4
SCOPE OF PROMOTION AND EDUCATION SERVICE

4.1 Scope of Promotion and Education Services

4.2 The Contractor will have primary responsibility for providing persons associated with Households information about Collection Services, including:

- the location of every depot collection site and its hours of operation;
- a telephone number and email address at which persons may receive responses to questions or concerns relating to collection

4.3 The Contractor shall:

(i) distribute CMO's Promotional and Educational Materials at the direction of CMO;
(ii) support local Promotional and Educational events organized by CMO at the direction of CMO; and
(iii) use messaging and images provided by CMO in the Contractor's Promotion and Education Materials for the purposes of the Collection Services in this Agreement and for no other purpose.

4.4 The number of Households receiving Promotion and Education Services shall be recorded in Section 1.9(a) of Exhibit 4 and may be updated to reflect any Change Orders under this Agreement.

ARTICLE 5
REPRESENTATION AND WARRANTY

5.1 Representations and Warranties

Contractor represents and warrants to and covenants with CMO that:

(a) it is duly incorporated, validly existing, and in good standing under the laws of its jurisdiction of incorporation, and is duly qualified to do business in all jurisdictions in which qualification is necessary in order to transact its business and perform its obligations set out in this Agreement;

(b) it has full power, authority, and right to execute and deliver this Agreement, to make the representations, warranties, and covenants set out herein, and to perform its obligations under this Agreement in accordance with its terms. This Agreement has been validly executed by an authorized representative of Contractor, and constitutes a valid and legally binding and enforceable obligation of Contractor and the execution and delivery of this Agreement and the consummation of the matters contemplated by this Agreement have been duly authorized by all necessary corporate and other actions on the part of the Contractor;

(c) if applicable, it has consulted with any lower tier municipalities in which the Work will be delivered or members of the Contractor, as the case may be, and obtained any necessary authorization from such lower tier municipalities or members of the Contractor, as the case may be;

(d) it has and will, at its own expense, procure all permits, certificates and licenses required by Applicable Law for the performance of the Work;

(e) in performing its obligations under this Agreement, the Contractor shall exercise the standard of care, skill, judgment and diligence that would normally be provided by an experienced and prudent contractor supplying similar services and work; and

(f) it is a registrant within the meaning of Part IX of the *Excise Tax Act* and shall provide CMO with its harmonized sales tax ("**HST**") number.

ARTICLE 6
RECORD KEEPING AND REPORTING REQUIREMENTS

6.1 Record Keeping and Reporting Requirements

(a) The Contractor shall provide an inventory of Equipment for each Depot prior to the Eligible Community Service Commencement Date and shall submit an updated inventory of Equipment for each Depot on an annual basis.

(b) The Contractor shall retain records for the Blue Box Material that is collected including a record of the number of containers picked up by CMO or a contractor identified by CMO, or the Manager, from time to time and the date on which the containers were picked up. The Contractor will provide a copy of the Contractor's records if requested by CMO or the Manager.

ARTICLE 7
FAILURE TO PERFORM, REMEDIES, TERMINATION

7.1 Responsibility for Damages/Indemnification

(a) Contractor Indemnity

(i) The Contractor shall indemnify and hold harmless CMO, the Manager and their respective officers, directors, employees, agents and representatives (collectively, the "CMO Indemnitees") from and against any and all Losses and Claims brought against, suffered, sustained or incurred by the CMO Indemnitees, directly or indirectly arising out of this Agreement attributable, wholly or in part, to:

(A) bodily injury, sickness, disease or death or to damage to or destruction of tangible property occurring in or on the premises or any part thereof and as a result of activities under this Agreement;

(B) any negligent acts or omissions by, or willful misconduct of, the Contractor, its officers, agents, servants, employees, licensees or subcontractors, including failing to exercise the standard of care, skill judgment and diligence required pursuant to Section 5.1(e) of Exhibit 1;

(C) failure to comply with, or breach of, any of the Contractor's obligations under this Agreement;

(D) damages caused by the Contractor, its officers, agents, servants, employees, licensees or subcontractors, or arising from the execution of the Work, or by reason of the existence or location or condition of Work or any materials, plan or Equipment used thereof or therein, or which may happen by reason of the failure of the Contractor, its officers, agents, servants, employees, licensees or subcontractors to do or perform any or all of the several acts or things required to be done by them under this Agreement;

(E) any assessment (including compliance orders and administrative penalties) or allegations of non-compliance under the Regulation or the (Ontario) *Resource Recovery and Circular Economy Act, 2016* directly attributable, in whole or in part, to the acts or omissions of the Contractor, its officers, agents, servants, employees, licensees or subcontractors, except to the extent such assessment is attributable to the negligence, willful misconduct or breach of this Agreement by CMO;

(F) any failure or delay by CMO to submit any required report or other information to the registry, as defined in the (Ontario) *Resource Recovery and Circular Economy Act, 2016* resulting from the acts or omissions of the Contractor, its officers, agents, servants, employees, licensees or subcontractors;

(G) any failure of the Contractor, its officers, agents, servants, employees, licensees or subcontractors to comply with the (Ontario) *Occupational Health and Safety Act* (or the regulations thereunder);

(H) any finding or declaration that a CMO Indemnitee is an "employer" for the purposes of the (Ontario) *Occupational Health and Safety Act* in connection with a breach of the (Ontario) *Occupational Health and Safety Act* (or the regulations thereunder) by the Contractor, its officers, agents, servants, employees, licensees or subcontractors in connection with the Work; or

(I) any fines, penalties or orders of any kind that may be levied or made in connection therewith pursuant to the (Ontario) *Environmental Protection Act*, the *Ontario Water Resources Act*, the (Ontario) *Dangerous Goods Transportation Act* or other similar Applicable Law, whether federal or provincial, due to the presence of, or exposure to, or release of (including any spill discharge, escape, emission, leak, deposit, dispersion, or migration into the environment) any hazardous materials, contaminants or pollutants in, into or through the natural environment in relation to the Work.

(ii) Without limiting the generality of any other provision in this Agreement, the Contractor shall indemnify and hold the CMO Indemnitees harmless from and against any and all Losses and Claims brought against, suffered, sustained or incurred by the CMO Indemnitees attributable to, wholly or in part, any acts or omissions either in negligence or nuisance whether wilful or otherwise by the Contractor, its officers, agents, servants, employees, licensees or subcontractors.

(iii) Notwithstanding any other provision in this Agreement, indemnification by the Contractor pursuant to this Section 7.1(a) of Exhibit 1 shall include claims, demands, actions, suits and other proceeding by Persons against the CMO Indemnitees for consequential, indirect, incidental, special, exemplary, punitive or aggravated damages, loss profits or revenues or diminution in value.

(iv) The Contractor acknowledges that CMO holds the benefit of any provision in this Agreement, including under this Section 7.1(a) of

Exhibit 1, that is expressly intended to extend to include the Manager, as a third-party beneficiary, as trustee and agent for the Manager. CMO shall be entitled to enforce the rights of the Manager, as a third party beneficiary, under such provisions.

(b) CMO Indemnity

CMO shall indemnify and hold harmless the Contractor, and its respective elected officials, officers, directors, employees, agents and representatives (the "Contractor Indemnitees") from and against any and all Losses or Claims brought against, suffered, sustained or incurred by the Contractor Indemnitees, directly or indirectly arising out of this Agreement attributable, wholly or in part, to any negligent acts or omissions by, or willful misconduct of, CMO, its officers, agents, servants, employees, licensees or contractors (other than the Contractor).

7.2 Limited Liabilities

(a) Subject to Section 7.2(b) of Exhibit 1, the total cumulative liability of the Contractor to CMO for all Losses and Claims of any kind with respect to this Agreement, whether based on tort, negligence, contract, warranty, strict liability or otherwise shall be the total amount of the Contract Price paid to the Contractor for the Work, provided that in the first twelve (12) months after the Effective Date, such total cumulative liability shall be the greater of (i) the total amount of the Contract Price paid to the Contractor for the Work and (ii) CMO's reasonable estimate of the Contract Price expected to be paid to the Contractor for the Work during the first twelve (12) months after the Effective Date (the "Contractor Liability Threshold").

(b) The Contractor Liability Threshold and Section 7.2(a) of Exhibit 1 shall not apply to any Losses and Claims arising out of, or in consequence of, any one or more of the following for which there shall be no limit of liability:

(i) all costs to complete the Work, in accordance with this Agreement that are in excess of Contract Price; and

(ii) indemnification by the Contractor as set out in Section 7.1(a) of Exhibit 1.

(c) Subject to 7.2(d) of Exhibit 1, the total cumulative liability of CMO to the Contractor for all Losses and Claims of any kind with respect to this Agreement, whether based on tort, negligence, contract, warranty, strict liability or otherwise shall be the total amount of the Contract Price paid to the Contractor for the Work, provided that in the first twelve (12) months after the Effective Date, such total cumulative liability shall be the greater of (i) the total amount of the Contract Price paid to the Contractor for the Work and (ii) CMO's reasonable estimate of the Contract Price expected to be paid

to the Contractor for the Work during the first twelve (12) months after the Effective Date (the "CMO Liability Threshold").

(d) The CMO Liability Threshold and Section 7.2(c) of Exhibit 1 shall not apply to any Losses and Claims arising out of, or in consequence of, indemnification by CMO as set out in Section 7.1(b) of Exhibit 1 for which there shall be no limit of liability.

7.3 Force Majeure

(a) Subject to Section 7.3(b) of Exhibit 1, "Force Majeure Event" means any event or circumstance beyond the reasonable control of either CMO or the Contractor (other than a lack of funds or other financial reason) including the following:

(i) Unusually Severe Adverse Weather Conditions; and

(ii) riots, war, rebellion, sabotage and atomic or nuclear incidents.

(b) A Force Majeure Event shall not include the following events or circumstances:

(i) weather conditions that are not Unusually Severe Adverse Weather Conditions;

(ii) an electricity system outage, unless the electricity system outage affects an entire Eligible Community and persists for at least forty-eight (48) hours and is caused by a Force Majeure Event;

(iii) unavailability of, or delays in delivery or breakage of, or shortage of, Equipment or materials, unless such unavailability, delays, breakage or shortage are caused by a Force Majeure Event;

(iv) the quantity of Blue Box Material collected or received differs from the Contractor's expectations;

(v) delay or other failure arising out of the nature of the Work to be done, or from any normal difficulties that may be encountered in the performance of the Work, having regard to the nature thereof;

(vi) if and to the extent the Party seeking to invoke the Force Majeure Event has caused the applicable Force Majeure Event by its (and, in the case of the Contractor, Subcontractor's) fault or negligence; or

(vii) if and to the extent the Party seeking to invoke the Force Majeure Event has failed to use reasonable efforts to prevent or remedy the Force Majeure Event, so far as possible and within a reasonable time period.

(c) A Party that experiences a Force Majeure Event shall use all commercially reasonable efforts to end the Force Majeure Event, ensure the effects of the Force Majeure Event are minimized and resume full performance under this Agreement.

(d) In the event that either CMO or the Contractor shall be unable to fulfil, or shall be delayed, or shall be prevented from the fulfilment of, its obligation under this Agreement by reason of a Force Majeure Event, then either Party shall forthwith notify the other in writing and CMO shall:

(i) terminate this Agreement or any affected Statements of Work as soon as reasonably practicable in writing and without any further payments being made; and

(ii) perform, or engage others to perform, the obligations under this Agreement that are impacted by the Force Majeure Event; or

(iii) authorize the Contractor to continue the performance of this Agreement in writing with such adjustments and/or amendments as required by the existence of the Force Majeure Event and as agreed upon by both Parties acting reasonably. If the Parties cannot agree upon the adjustments and/or amendments, it is agreed by the Parties that this Agreement shall be immediately terminated with no further obligations by either Party.

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

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

7.4 Agreement Termination

(a) Any termination of this Agreement or termination of the Contractor's right to perform the Work (or any part thereof) by CMO shall be without prejudice to any other rights or remedies CMO may have.

(b) Without prejudice to any other right or remedy CMO may have under this Agreement, CMO may terminate this Agreement or terminate the Contractor's right to perform the Work (or any part thereof) as follows:

(i) notwithstanding any other section of this Agreement, if there is a Legislative Change, immediately, upon written notice being provided to the Contractor;

(ii) if there is a Contractor Default and the Contractor has failed to cure such Contractor Default within fifteen (15) Business Days after receipt of notice of such Contractor Default, or within such other time as mutually agreed between the Parties, immediately, upon written notice being provided to the Contractor; and

(iii) if the Parties cannot agree upon a Change Order upon thirty (30) days' written notice being provided to the Contractor.

(c) If CMO terminates this Agreement as noted above, CMO is entitled to:

(i) Take possession immediately of all the Blue Box Material;

(ii) Withhold any further payments to the Contractor until the completion of the Work; and

(iii) Recover from the Contractor, any loss, damage, and expense incurred by CMO by reason of the Contractor's default under Sections 7.4(b)(ii) or 7.4(b)(iii) of Exhibit 1, which may be deducted from any monies due, or becoming due, to the Contractor.

(d) For clarity, if CMO terminates this Agreement because of a Legislative Change or pursuant to Section 7.4(b)(iii) of Exhibit 1, then, subject to the other provisions of this Agreement, CMO shall only be required to pay the Contractor for the Work performed prior to the date of termination, less any amounts already paid for Work performed, and not for lost profits.

7.5 Remedies

(a) The rights and remedies of CMO as set forth in any provision of this Agreement, including Section 7.4 of Exhibit 1, shall not be exclusive and are in addition to any other rights or remedies provided by law or in equity or otherwise.

(b) The exercise of any remedy provided by this Agreement does not relieve the Contractor from any liability remaining under this Agreement.

(c) CMO may take such steps as it considers necessary to remedy any breach of contract and any damages or expenditures thereby incurred by CMO plus a reasonable allowance for overhead may be collected by deduction or set-off pursuant to Section 7.4(b) of Exhibit 1.

(d) No waiver of any right or obligation of either Party hereto shall be effective unless in writing, specifying such waiver, and executed by the Party against whom such waiver is sought to be enforced. Except as otherwise set forth in this Agreement, no failure to exercise, or delay in exercising, any rights, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof, nor shall any single or partial exercise of any

right, remedy, power, or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege. A waiver by either Party of any of its rights under this Agreement on any occasion shall not be a bar to the exercise of the same right on any subsequent occasion or of any other right at any time.

7.6 Disputes

(a) If there is a dispute between CMO and the Contractor as to their respective rights and obligations, the Parties shall use the following dispute resolution procedures to resolve such dispute:

(i) The Parties shall attempt to resolve the dispute through informal discussions with the assistance of the Manager;

(ii) If, after a period of ten (10) Business Days, either Party believes the dispute will not be resolved through informal discussion, the dispute shall be referred by the Parties to non-binding mediation whereby the fees and expenses of the mediator will be divided equally (i.e., 50/50) between CMO and the Contractor. The mediator will be appointed jointly by the Parties; and

(iii) If the Parties are unable to resolve the dispute within a period of thirty (30) calendar days after the first mediation session, the dispute shall be resolved through binding arbitration in accordance with Section 7.7 of Exhibit 1.

7.7 Arbitration

(a) As provided for in Section 7.6(a)(iii) of Exhibit 1, disputes shall be resolved through binding arbitration in accordance with the Arbitration Act, 1991, S.O. 1991, c.17 (“Arbitration Act”), as amended from time to time.

(b) CMO and the Contractor shall agree on an arbitrator within ten (10) Business Days after either Party receives notice from the other Party. If the Parties fail to agree, either Party may apply to a court of competent jurisdiction for the appointment of an arbitrator in accordance with the Arbitrations Act, as amended.

(c) No one shall be named or act as an arbitrator who is interested in any way financially in this Agreement or in the business affairs of either Party or has been directly or indirectly involved to settle the matter.

(d) The arbitrator is not authorized to make any decision inconsistent with this Agreement, nor shall the arbitrator modify or amend any of this Agreement terms.

(e) The Parties agree that the award made by the Arbitrator shall be final and binding and shall in all respect be kept and observed.

(f) The arbitrator, or arbitral tribunal, will apportion the costs of the arbitration to the Parties.

(g) The Contractor shall be deemed to abandon the matter if no arbitrator has been appointed within six (6) months of CMO's receipt of the notice specified in Section 7.7(b) of Exhibit 1.

(h) No matter may be submitted to arbitration except in accordance with the above provisions.

7.8 Choice of Forum

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

ARTICLE 8 STANDARD CONDITIONS

8.1 Governing Laws

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

8.2 Compliance with Laws and Permits

(a) The Contractor shall comply in all material respects with Applicable Laws and shall perform and complete the Work, and cause the Work to be performed and completed, in accordance with and in compliance with all Applicable Laws, including all Applicable Laws related to the environment and health and safety. If there is a conflict between the standards required by Applicable Laws, then Contractor shall perform and complete the Work in compliance with the higher or more rigorous standard.

(b) The Contractor shall obtain, and shall ensure Subcontractors obtain, all permits, permissions, licences, and approvals required to perform the Work.

8.3 Assignment

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

8.4 Contractor to Make Examinations

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

8.5 Access to Records

(a) The Contractor shall maintain in its designated local office full and complete operations, customer and service accounts, and records, as applicable to the Work, including records related to Collection Services and Promotion and Education Services, in each case in accordance with the Regulation (collectively, the "Records") that at any reasonable time shall be open for inspection and copying for any reasonable purpose by CMO or the Manager. CMO or the Manager shall be allowed access to the Records for audit (including, as applicable

to the Work, for an audit of practices and procedures implemented in respect of Part VI of the Regulation in accordance with Section 67 of the Regulation) and review purposes.

(b) The Contractor shall make available copies of records for Blue Box Material picked up by CMO under this Agreement on request within two (2) Business Days of the request by CMO or the Manager.

(c) All records related to this Agreement, including the Records, shall be maintained, and access granted pursuant to this Section 8.5 of Exhibit 1, throughout the term of this Agreement and for at least five (5) years thereafter.

8.6 Insurance

(a) The Contractor shall at its own expense obtain and maintain for the term of this Agreement:

(i) Commercial general liability insurance on an occurrence basis for an amount not less than five million ($5,000,000) dollars per each occurrence, five million ($5,000,000) dollars general aggregate and a two million ($2,000,000) dollars products-completed operations aggregate limit. The policy shall include CMO and the Manager as additional insureds with respect to the Contractor's operations, acts and omissions relating to its obligations under this Agreement, such policy to include non-owned automobile liability, bodily injury, property damage, contractual liability, owners and contractors protective, products and completed operations, contingent employers liability, cross liability and severability of interest clauses;

(ii) Automobile liability insurance for an amount not less than five million ($5,000,000) dollars per occurrence on forms meeting statutory requirements covering all owned, non-owned, operated, hired, and leased vehicles used in connection with this Agreement. The policy shall be endorsed to provide contractual liability coverage;

(iii) Environmental impairment liability insurance (on a claims made or occurrence made basis), covering the work and services described in this Agreement including coverage for loss or claims arising from contamination to third party property damage, bodily injury, cleanup costs and legal defense during the execution of this Agreement. Such policy shall provide coverage for an amount not less than two million ($2,000,000) dollars and shall remain in force for twelve (12) months following completion of work; and

(iv) "All risks" property insurance in amounts sufficient to fully cover, on a replacement cost basis without deduction for depreciation, any building in which the Work is being performed and the Equipment contained therein and

all other property owned by the Contractor or by others located therein including equipment, furniture and fixtures.

(b) The Contractor shall not commence work until documentation evidencing the insurance requirements of the Contractor, have been filed and accepted by CMO. The documentation shall be certificates of insurance if purchased from a third party or evidence of self-insurance if applicable.

(c) The Commercial General Liability policy is to contain, or be endorsed to contain, the following provisions:

(i) The Contractor's insurance coverage shall be the primary insurance with respect to CMO, the Manager and their respective officers, directors, employees, agents and representatives. Any insurance, self-insurance, or insurance pool coverage maintained by CMO or the Manager shall be more than the Contractor's insurance and shall not contribute with it;

(ii) Coverage shall state that the Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability; and

(iii) Policies for the above must be kept continuous throughout the term of this Agreement. If any of the above policies are being cancelled, the Contractor shall notify CMO and the Manager in writing at least thirty (30) calendar days prior to the effective date of cancellation. The Contractor shall provide proof of renewal or replacement of any other policies of insurance, on or before the expiry date, at the request of the CMO or Manager. CMO reserves the right to request such higher limits of insurance or other types of policies appropriate to the Work as CMO may reasonably require.

(d) All coverages for Subcontractors shall be subject to the same insurance requirements as stated herein for the Contractor.

8.7 Changes to Agreement

(a) Changes to this Agreement may only be made in writing signed by duly authorized representatives of both Parties.

(b) No Party shall have any obligation with respect to the implementation of a Change Order unless or until the Parties have reached agreement in writing.

8.8 Change Management

(a) CMO shall be entitled to propose changes, alterations and/or amendments to the Work including removing all or a portion of the Work under any Statements of Work. If CMO deems it prudent to require a change in the Work, CMO shall notify

the Contractor of the proposed change in the Work in writing ("Change Notice"). Without limiting the foregoing, CMO may issue a Change Notice using the Manager.

(b) A Change Notice shall describe the change in the Work in sufficient detail to enable the Contractor to calculate and provide a change in cost estimate (the "Cost Estimate"), if any. The Contractor agrees that the Cost Estimate shall be provided in writing to CMO within a period of fifteen (15) Business Days or other timeline agreed to with CMO in writing from the date of receipt of the Change Notice.

(c) The Cost Estimate shall include but is not limited to the following as it relates to the change in Work:

(i) A comment on whether relief from compliance with Contractor's obligations under this Agreement is required;

(ii) Any impact on Contractor's ability to meet its obligations and the terms and conditions set out in this Agreement;

(iii) Any amendment that may be required to be made to the terms and/or conditions of this Agreement; and

(iv) Any change in the Contractor's costs.

(d) As soon as practicable after CMO receives the Cost Estimate, the Parties shall act in good faith to resolve the issues set out in the Cost Estimate and Change Notice, including providing evidence that the Contractor has used best efforts, such as (where practicable) the use of competitive quotes with its subcontractors to minimize any increase in costs and maximize any reduction in costs, demonstrating that any expenditure to be incurred or avoided has been determined in a cost effective manner, and any other evidence deemed appropriate by the Contractor and CMO, acting reasonably.

(e) If the Contractor does not intend to use its own resources to implement any change in the Work, subject to prior written approval of CMO, the Contractor may subcontract the required resources with the objective of ensuring that it obtains best value for money when procuring any Work, services, supplies, materials, or Equipment required in relation to the change in the Work.

(f) If the Parties agree to the Cost Estimate and Change Notice, as may be modified, amended or altered by the Parties, the Parties shall document the applicable changes to this Agreement ("Change Order") in respect of such modified, amended or altered Cost Estimate and Change Notice within five (5) Business Days after the Contractor receives confirmation from CMO that such Cost Estimate and Change Notice are accepted. For clarity, the Cost Estimate and

Change Notice shall not be implemented, unless and until, the Parties have entered into a Change Order in respect of such Cost Estimate and Change Notice.

(g) Any change in the Work that causes, or is expected to cause, the Contractor's costs or any subcontractor's costs to decrease shall be treated as a benefit to the Contractor with the expectation and understanding that CMO will also realize a proportional financial benefit in an amount to be negotiated in good faith between the Parties. If such an understanding cannot be reached, the Parties agree to resolve the difference through the dispute resolution provisions set out in this Agreement.

(h) Contractor's Proposed Change in the Work:

(i) If the Contractor seeks to propose a change in the Work in accordance with an express entitlement in this Agreement, it must notify CMO in writing. The Contractor, in proposing a change in the Work, agrees to provide CMO with the following information and details in writing:

- A description of the proposed change in the Work in sufficient detail, to enable CMO to evaluate it in full;
- Reasons in support of the Contractor's proposed change in Work;
- Set out the details and implications of the change in the Work, including any anticipated change in the costs of providing the Work by the Contractor;
- Indicate whether a variation to the Contract Price is proposed (and, if so, provide a detailed Cost Estimate of such proposed change); and
- Identify an appropriate timeframe for the implementation of the change in Work.

(ii) CMO agrees that it shall, in a timely manner, and in any event no later than fifteen (15) Business Days, evaluate the Contractor's proposed change in the Work, considering all relevant issues, including whether:

- A change in the Contract Price will occur;
- The change affects the quality of the Work or the likelihood of successful delivery of the amended Work;
- The change will interfere with any relationship of CMO with third parties;
- The financial strength of the Contractor is sufficient to perform the change; and

- The change materially affects the risks or costs to which CMO is exposed.

(iii) If CMO accepts the Contractor's proposed change in the Work, the change in the Work shall be set out in a Change Order documenting all changes to the scope of Work and/or terms and conditions of this Agreement. Where CMO accepts the Contractor's change proposal CMO shall notify the Contractor in a timely manner.

(iv) If CMO rejects the Contractor's change proposal, CMO shall provide written reasons outlining the basis upon which the change in Work is not accepted by CMO.

(v) Unless CMO specifically agrees to an increase in the Contract Price in writing, there shall be no increase in price because of a change in the Work proposed by the Contractor.

(vi) Any change in the Work proposed by the Contractor that causes or that is expected to cause the Contractor's costs or any subcontractor's costs to decrease shall be treated as a benefit with expectation that CMO will also realize a proportional financial benefit in an amount to be negotiated in good faith between the Parties. The Parties agree to take all reasonable steps to negotiate the proportional financial benefit in good faith, failing which the Parties agree to resolve the difference through the dispute resolution provisions set out in this Agreement.

(i) Except as specifically confirmed in writing by the Parties in accordance with this Section 8.8 of Exhibit 1, all Work shall remain unaltered and shall be performed in accordance with the terms and conditions of this Agreement.

8.9 Conflicts and Omissions

(a) Neither Party to this Agreement shall take advantage of any apparent error or omission in this Agreement. Any Work not herein specified which is necessary for the proper performance and completion of any Work contemplated, which may be implied as included in this Agreement, shall be done by the Contractor as if such Work had been specified and shall not be construed as a variation of the Work.

(b) If the Contractor discovers any provision in this Agreement which is contrary to, or inconsistent with any Applicable Law, the Contractor shall forthwith report the inconsistency or conflict to CMO in writing and shall not perform the Work impacted by such inconsistency or conflict until it receives instructions from CMO.

8.10 Duty to Notify

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

8.11 Confidentiality Covenant

(a) Confidential Information means information of or relating to a party (the "Disclosing Party") that is designated as confidential or that reasonably should be understood to be confidential given the nature of the information and the circumstances of disclosure and has or will come into the possession or knowledge of the other party (the "Receiving Party") whether such information is or has been conveyed verbally or in written or other tangible form, and whether such information is acquired directly or indirectly such as in the course of discussions or other investigations by the Receiving Party. Without limiting the foregoing, Confidential Information includes all technical, financial and business information, ideas, concepts or know-how, or relating to Work performance and Work delivery and the terms of this Agreement. 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 ("Confidential Information").

(b) The Receiving Party shall:

(i) take all measures reasonably required to maintain the confidentiality and security of the Confidential Information of the Disclosing Party;

(ii) not use or reproduce Confidential Information for any purpose, other than as reasonably required to exercise or perform its rights or obligations under this Agreement;

(iii) not disclose any Confidential Information other than to employees, agents or subcontractors of the Receiving Party ("Representatives") to the extent, and only to the extent, they have a need to know the Confidential Information in order for Receiving Party to exercise its rights or perform its obligations under this Agreement and who are bound by a legal obligation to protect the received Confidential Information from unauthorized use or disclosure; and

(iv) be responsible for any breach of this Agreement by any of its Representatives.

(c) Notwithstanding the above, the Receiving Party may disclose Confidential Information of the Disclosing Party to the extent required by a court of competent jurisdiction or other governmental authority or otherwise as required by Applicable Law, provided that, unless prohibited by Applicable Law, the Receiving Party gives the Disclosing Party an opportunity to oppose the disclosure or to seek a protective order protecting such Confidential Information prior to any such disclosure.

(d) Upon expiry or termination of this Agreement, or upon request by the Disclosing Party, the Receiving Party will return to the Disclosing Party, or irrecoverably destroy, any Confidential Information of the Disclosing Party.

(e) 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: (i) to the extent necessary to perform the Work; (ii) in accordance with all Privacy Laws; and (iii) in a manner that enables CMO to comply with all Privacy Laws, including that the Contractor will obtain appropriate consents from the applicable individuals to allow Contractor and CMO 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 CMO of any demand, or request by a third party (including any government or a regulatory authority) for the disclosure of any information of CMO which is subject to Privacy Laws, and, to the maximum extent permitted by Applicable Law, will oppose, seek judicial relief of and appeal any such demand or request. Contractor will immediately notify CMO if Contractor becomes aware that Contractor has failed to comply with Privacy Laws in connection with of this Agreement.

(f) Each Party agrees and acknowledges that any violation of this Section 8.11 of Exhibit 1 may cause irreparable injury to the other Party and that, in addition to any other remedies that may be available (in law, in equity or otherwise), the injured Party shall be entitled to seek an injunction, specific performance or other equitable relief against the threatened breach of this Section 8.11 of Exhibit 1 or the continuation of any such breach, without the necessity of proving actual damages or posting any bond or other security.

8.12 Severability

(a) If, for any reason, any part, term, or provision of this Agreement is held by a court of the Province of Ontario to be illegal, void or unenforceable, the validity of the remaining provisions shall not be affected, and the rights and obligations of the Parties shall be construed and enforced as if this Agreement did not contain the particular provision held to be invalid.

(b) If it should appear that any provision hereof conflicts with any statutory provision of the Province of Ontario or Government of Canada, said provision, which may conflict therewith, shall be deemed inoperative and null and void insofar as it may be in conflict therewith, and shall be deemed modified to conform to such statutory provisions.

8.13 Survival

All provisions of this Agreement which expressly or by their nature survive the expiry or termination of this Agreement shall survive the expiry or termination of this Agreement, including the following: Section 7.1 (Responsibility for Damages/Indemnification), Section 7.2 (Limited Liabilities), Section 7.4 (Agreement Termination) and Section 8.11 (Confidentiality Covenant), all of Exhibit 1.

8.14 Further Assurances

Each Party shall, at its expense, do, execute and deliver, or cause to be done, executed and delivered, such further acts and documents as the other Party may reasonably request from time to time for the purpose of giving effect to this Agreement or carrying out the intention or facilitating the performance of the terms of this Agreement.

8.15 Revisions to this Agreement

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

8.16 Counterparts

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

8.17 Notice

Unless expressly stated otherwise, any notice, request, consent, claim, demand, waiver or other communication required or permitted to be given in connection with this Agreement must be given in writing and will be given by hand or sent by courier or emailed, in each case addressed as follows, and will be deemed to have been received on the day of receipt if by hand or courier, or if given by email three (3) Business Days after confirmation of email transmission.

To CMO:

Circular Materials Ontario
1 St. Clair Avenue West, Suite 700
Toronto, ON M4V 1K6
Attention: Manager, Procurement & Vendor Management

Email: procurement@circularmaterials.ca

With a copy to Manager:

RLG Systems Canada Inc.
175 Bloor Street East, 9th Floor, South Tower
Toronto, ON M4W 3R8
Attention: Catherine McCausland

Email: Catherine.McCausland@rev-log.com

To Contractor:

The Corporation of the Township of Pelee
1045 West Shore Road
Pelee Island, Ontario, Canada N0R 1M0
Attention: Michelle Feltz, Treasurer

Email: m.feltz@pelee.ca

EXHIBIT 2: DEPOTS IN ELIGIBLE COMMUNITIES

Eligible Community	Depot Name	Street Address	City	Postal Code	Days of Operation per Calendar Month	Hours of Operation per Day
The Corporation of the Township of Pelee	Transfer Station	1419 McCormick Road	Pelee Island	N0R 1M0	Winter January 1st - April 19th Wednesday: 1:00 pm to 4:00 pm Sunday: 1:00 pm to 4:00 pm Summer April 20th - December 31st Monday: 8:00 am to 12:00 pm Wednesday: 8:00 am to 12:00 pm Friday: 8:00 am to 12:00 pm Saturday: 11:00 am to 4:00 pm Sunday: 11:00 am to 4:00 pm Canadian or US Holiday Mondays: 11:00 am to 4:00 pm	Winter Wednesday= 3 hrs Sunday = 3 hrs Summer Monday = 4 hrs Wednesday = 4 hrs Friday = 4 hrs Saturday = 5 hrs Sunday hrs Canadian or US Holiday Monday = 5 hrs

***NOTE: CMO holds no responsibility or liability for actual information that is different from the information presented in this Exhibit.**

EXHIBIT 3: SERVICE COMMENCEMENT DATES

The table included below lists the Eligible Community Service Commencement Date when services, forming the Work described by this Agreement are to commence in each Eligible Community.

Eligible Community	Eligible Community Service Commencement Date
The Corporation of the Township of Pelee	January 1, 2026

EXHIBIT 4: COMPENSATION

1.1 All amounts in this Agreement are in Canadian funds.

1.2 The Contractor shall submit an invoice to CMO within fifteen (15) days of the end of a month in respect of the Contract Price for the Work performed during such calendar month.

1.3 CMO shall pay the Contract Price for the Work performed during a calendar month, in accordance with this Agreement, on the 45th calendar day after the end of such calendar month, provided that an invoice has been received and if such day is not a Business Day then CMO shall make such payment on the next Business Day.

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

1.5 Where the Contractor disputes the amount of a payment, the Contractor shall issue a written notice to CMO describing the reasons for the disputed amount.

1.6 The Contractor shall inform CMO of any payment errors that result in overpayment by CMO in a timely manner by issuing a written notice informing CMO of the credit necessary to correct such error in the next payment or, if the overpayment is in respect of the last payment, by issuing a refund to CMO within thirty (30) calendar days.

1.7 Except for the applicable Value Added Taxes payable by CMO, all taxes, including any sales, use, excise and similar value added taxes, however denominated or measured, imposed upon the price or compensation under this Agreement, or upon the Work provided hereunder or thereunder, or based on or measured by gross receipts or net income, or measured by wages, salaries or other remuneration of the Contractor's employees, will be solely the responsibility of the Contractor. The Contractor will deposit, or cause to be deposited, in a timely manner with the appropriate taxing authorities all amounts required to be withheld.

1.8 In the event there are any monies payable to CMO by the Contractor under the terms of this Agreement, CMO shall invoice the Contractor for such amounts and the Contractor shall pay such amounts to CMO in accordance with such invoice.

1.9 For each calendar month during the Agreement Term, the Contract Price for the Work performed in accordance with the requirements of this Agreement shall be calculated as follows:

(a) $0.35 multiplied by 432 (the number Households that receive depot only Promotion and Education Services for such calendar month) and divided by twelve (12); plus

(b) Residential Depot Operation Costs.

For the purposes of this Agreement, "**Residential Depot Operation Costs**" means $1,393.00 as adjusted in accordance with this Agreement.

1.10 Total Residential Depot Operation Costs Adjustment

(a) The Residential Depot Operation Costs for each calendar month of the Agreement Term shall be determined as follows:

Residential Depot Operation Costs = Base Residential Depot Operation Costs + Non-Fuel Price Component Adjustment, where such price adjustment is applicable to the calendar month.

(b) The "**Base Residential Depot Operation Costs**" is the Residential Depot Operation Costs set out in Section 1.9 of this Exhibit 4.

(c) The "**Non-Fuel Price Component**" is 100% of the Base Residential Depot Operation Costs.

(d) For the first calendar month immediately following the first annual anniversary of the Eligible Community Service Commencement Date and for each subsequent annual anniversary, the "Non-Fuel Price Component Adjustment" shall be (1) the Non-Fuel Price Component multiplied by (2) the percentage change in the CPI Index, as most recently published, since the Eligible Community Service Commencement Date. The Non-Fuel Price Component Adjustment will be added to or subtracted, as applicable, from the Base Residential Depot Operation Costs, for such calendar month and for each of the subsequent eleven (11) calendar months.

1.11 CPI Index

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

1.12 Changes to CPI Index

If the applicable publisher materially changes, discontinues or replaces the CPI Index, the CPI Index shall be subject to revisions as agreed by the Parties.