

RBill Legend

Carrier
Completes

B	RBill Header information: Required: Carrier name, Trailer number, Weight Optional: RBill number
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E	Carrier signature area: Required: Driver signature, Date of pickup, Time of pickup
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Depot
Completes

A	Depot header information Required: Depot name, Shipment, Date of Plant Destination
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C	Shipment detail area: Required: Number of units, number of Mega Bags, number of glass bags, number of onway bags, and number of ABCRC pallets all items Container Code with subtotals and total weight to be either approximate or based on average per Container Code weight.
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D	Shipper signature area: Required: Depot signature
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CSA Completes

F	CSA signature area: Required: CSA signature
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G	CSA office use area: Required: Payment reference number, Approved by, Date approved
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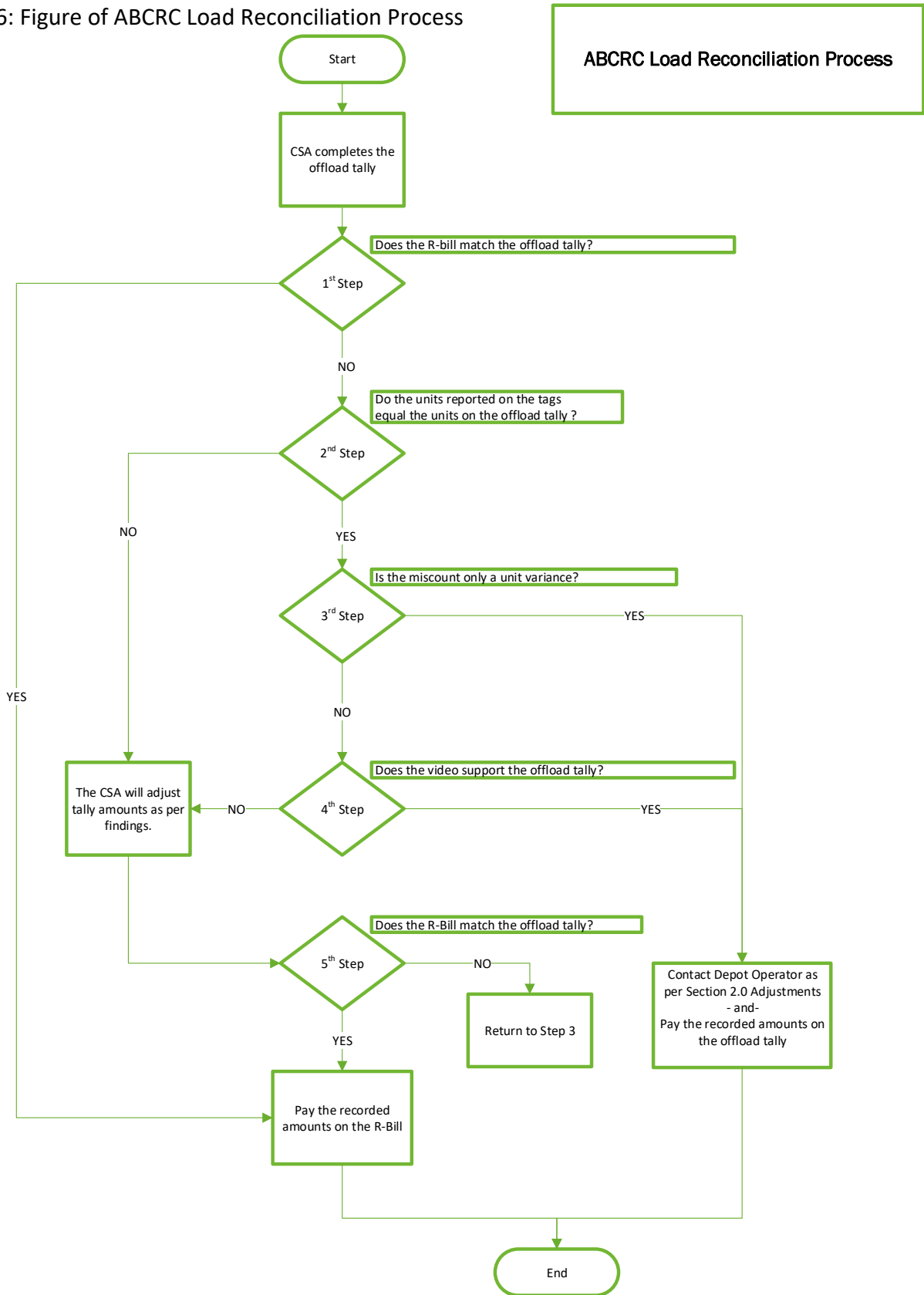
SCHEDULE "F"

LOAD RECONCILIATION AND ADJUSTMENTS

- 1.0 Load Reconciliation
 - 1.1 The CSA will ensure that their video camera that will record the offload is in working order, and if it isn't then the CSA will complete an independent secondary offload tally and capture the elements in paragraphs 1.2.1 and 1.2.2 below and the secondary offload tally will be used in place of the video element in paragraph 1.3.3, step 3 below.
 - 1.2 For every shipment from a Permit Holder CSA will create an offload tally, either by video or by independent tally sheet, that will capture the following information:
 - 1.2.1. the type (Container Code) of Containers in each Shipping Container and will evidence this to the camera or secondary tally by placing a Container from the bag into the bag handle for non-glass Containers; or, for glass Containers opening the top of the glass bag;
 - 1.2.2. the quantity and type (Container Code) of Containers in each Shipping Container;
 - 1.2.3. the quantity and type of Shipping Container received on the load including those Shipping Containers that are damaged or have been returned empty;
 - 1.2.4. the unique serial number noted on the bag tag; and
 - 1.2.5. the unique serial number noted on the Shipping Container.
 - 1.3. Once CSA has completed the offload tally CSA will complete the following evaluation:
 - 1.3.1. Step 1 – Does the RBill match the offload tally?
 - 1.3.1.1. If yes, pay the recorded amounts on the RBill.
 - 1.3.1.2. If no, move to Step 2.
 - 1.3.2. Step 2 – Do the units reported on the tags equal the units on the offload tally?
 - 1.3.2.1. If yes, move to Step 3.
 - 1.3.2.2. If no, the CSA will adjust the offload tally to match as per finding and move onto Step 5.
 - 1.3.3. Step 3 – Does the video, or secondary tally, capture support the offload tally?

- 1.3.3.1. If yes, pay the recorded amount on the offload tally, contacting the Depot as per section 2.0 Adjustments.
- 1.3.3.2. If no, CSA will adjust the offload tally to match the video findings and will move onto Step 4.
- 1.3.4. Step 4 – Does the RBill match the offload tally?
 - 1.3.4.1. If yes, pay the recorded amounts on the RBill.
 - 1.3.4.2. If no, return to Step 2.
- 1.4. Any variance from the RBill will be communicated in a Miscount Report and will include the following:
 - 1.4.1. Container Code Variance
 - 1.4.2. Quantity Variance
 - 1.4.3. Shipping Container Variance
 - 1.4.4. Bag Tag Variance
 - 1.4.5. Where the depot provides detailed information on a per Shipping Container basis, the Miscount Report will reflect a similar level of detail.
- 1.5. If the CSA cannot provide video evidence, or secondary tally, the Depot will be paid based upon the original RBill amounts.

1.6: Figure of ABCRC Load Reconciliation Process



2.0 Adjustments

- 2.1. CSA shall communicate all miscout reports and Zone 2 audit summary reports through the QMS. Zone 1 audit summary reports will be emailed to the Depot. CSA will issue a miscout report to the Depot if there is any variance between the RBill and the offload tally.
- 2.2. The Permit Holder will have until the end of the next scheduled Day of Depot Operations to review the miscout report or Zone 2 audit summary report and note their acceptance or challenge of the report with CSA through the QMS. Agreements resolving discrepancies will be documented through the QMS.
 - 2.2.1. Once the discrepancy is resolved, the payment will be adjusted to reflect such resolution.
 - 2.2.2. If the Depot fails to contact CSA regarding miscout reports or audit summary reports by the end of the next Day of Depot Operations, CSA will adjust the payment.
- 2.3. The Permit Holder will be contacted by CSA via the QMS.
- 2.4. CSA will provide email addresses as well as toll free phone and fax access for Permit Holders.
- 2.5. CSA will make best efforts to contact the Permit Holder during BCMB provided business hours.

3.0 Untagged Bags & Mis-Tagged Bags

- 3.1. If during the offload process the CSA discovers a Shipping Container that either has no bag tag attached or has a bag tag/Container Code that does not match the Material Stream removed from the Shipping Container, the CSA shall:
 - 3.1.1. In the case of a missing tag, attach a missing tag bag tag commonly known as an "8899" bag tag, or
 - 3.1.2. In the case of a bag tag that does not match the sample Container removed from the Shipping Container, attach a mis-tag bag tag commonly known as an "8888" bag tag.
- 3.2. CSA shall open the top of each Shipping Container with an 8888 or 8899 bag tag and capture an electronic image of the material.
- 3.3. During the reconciliation process, the CSA shall determine the expected count of the bag tag attached in step 3.1 by:

- 3.3.1. referencing the information on the RBill and/or bag tags and information provided by the depot, by using a process of elimination to determine what the expected count of the Shipping Container should be.
- 3.3.2. If this process is not successful, or more than one 8888 or 8899 bag tag in a single Container Code has been applied on a R-Bill, then the deemed expected count will become the Standard Count as outlined in Schedule A for the 8888 or 8899 Shipping Containers on the load where the determination in 3.3.1 is unsuccessful.
- 3.4. Shipping Containers with an “8888” or “8899” bag tag may be selected for audit at the discretion of the CSA, and if they are selected for audit, they shall only be audited as a target/target audit type.

SCHEDULE "G"

PAYMENTS

“Payments” includes deposits, handling commissions, applicable value-added fees, GST on commissions and fees all net of deductions.

CSA shall provide a statement of each load (RBill) received detailing the payment amounts specific to each Container type received on the load. The amounts for ABDA and BCMB fees will be shown as summary totals for the load.

CSA shall make payments based on the following schedules:

Load Reconciled by CSA before 4 p.m. (MST) on:	Payment Processed	EFT Payment
Friday Monday Tuesday	Wednesday	Friday
Wednesday Thursday	Friday	Tuesday

Notwithstanding the above, no more than 9 Business Days shall pass from the date the Carrier physically picks up a shipment, and CSA has been notified of the shipment by a Permit Holder faxing or submitting their eRBill to the date of authorization of payment by CSA to its bank. CSA shall notify a Permit Holder by email of any potential delay in payment by the 8th Business Day after receipt of the RBill.

Through the term of this Agreement, all Permit Holder statements will be made available via ABCRC’s Depot Portal.

SCHEDULE “H”

NON-GLASS CONTAINER QUALITY CONTROL (“QC”)

CSA and the Permit Holders are required to provide BCMB, stakeholders and government with reliable and verifiable data to communicate the success of the Common Collection System. One of the ways of verifying the data is through a QC process.

1.0 Measuring Quality

CSA is required to perform two levels of QC audits and to report the findings to BCMB, ABDA, and the Permit Holder. The first level of QC is on the Common Collection System and is completed on a totally random basis, commonly referred to as Random/Random. The second level of QC focuses on the performance of individual Depots with the selection of samples from the targeted Depot being random, commonly referred to as Target/Random. It is understood that CSA may target a specific Shipping Container for QC but that the results of this audit will only apply to that Shipping Container and the results will not be extrapolated, referred to as a Target/Target.

Damaged Shipping Containers, as defined in Schedule C, shall be excluded from audit.

CSA is required to notify a Depot of Shipping Containers from an RBill that are in the QC process by the end of the following Business Day of off-loading the Shipping Containers. The CSA shall communicate audit results within 30 days from the date of notification. If the audit results have not been communicated to the Depot within 30 days of the date of notification, CSA will forfeit the right to make financial adjustments pertaining to the audit and the Shipping Containers will be deemed as not being audited.

1.1. System Performance – Random/Random Sampling

CSA will randomly select throughout every month at minimum a predetermined number of Shipping Containers during the off-load process. There will be no consideration given to the appearance of the Mega Bag or the Permit Holder from which it is shipped with the exception of damaged Mega Bags based on Schedule C.

The following table summarizes the minimum bi-monthly sample requirement for the measurement of the Common Collection System performance:

Material	Container Code	# of Bags
Aluminum 0 – 1 Litre	1006	72
PET 0 – 1 Litre (Clear & light blue)	4006	60
PET Over 1 Litre (Clear & light blue)	4003	60

Material	Container Code	# of Bags
HDPE Over 1 Litre (Natural)	4303	48
Tetra Brik 0 – 1 Litre	5006	60
Gable Top Over 1 Litre	6003	40
Glass 0 – 1 Litre	3006	40

The contents of the Shipping Container(s) are then counted as per the approved procedure and the results are recorded. The results of the sample group are communicated to the Permit Holder that shipped the Shipping Container(s) and an adjustment to its payment may be made if warranted. The results from these random/random selections cannot be used to extrapolate against the load from the Depot.

The cumulative results from these samples are to be statistically analyzed and a presentation to be prepared by CSA detailing the bi-monthly performance and showing the results for the last twelve months sampling. This presentation is to be provided monthly by CSA to the BCMB and ABDA on the 15th of the following month.

1.2. **Depot Performance – Target/Random Sampling**

CSA may target a specific Container Code from a Permit Holder at its discretion or when directed to do so by BCMB.

The samples from the targeted load must be selected randomly to be representative of the load. There will be no consideration given to the appearance of the Mega Bag with the exception of damaged Mega Bags based on Schedule “C”.

The target sample size shall be determined by the expected quantity of Shipping Containers of each targeted Container Code on the load.

# of Shipping Containers recorded on the RBill (by Container Code)	Target Sample Size
1 - 3	1 bag
4 - 10	2 bags
11 - 20	3 bags

# of Shipping Containers recorded on the RBill (by Container Code)	Target Sample Size
21 - 30	4 bags
31 or more	5 bags

1.2.1 Exceptions

In the event of a reporting error from the Permit Holder either on the RBill or tag information; the samples randomly selected of the affected Container Codes will be considered statistically valid and meet the minimum required for the target sample size.

If more than 50% of the Target Sample Size consists of damaged Shipping Containers, the affected Container Code will not be audited.

If an entry error of the RBill or off-load by CSA occurs, the affected Container Code will not be audited.

In the case where BCMB directs CSA to audit a previously audited bag, the results of the subsequent audit will have no financial or Compliance implications for the Depot.

1.3. Permit Holder Performance – Target/Target Sampling

CSA may target a specific Shipping Container from a Permit Holder when it feels it is required. The results from these target/target selections cannot be used to extrapolate against the load from the Permit Holder.

2.0 **Determining the Audit results**

2.1. Mis-tagged Bags (“Majority Rule”)

2.1.1. If a Shipping Container has been tagged with an “8888” or “8899” tag and has been selected for audit at the discretion of the CSA then the type of Containers that represent a majority of the Containers in the Shipping Container shall be deemed to be the expected Container Code

2.2. Expected Count:

2.2.1. The expected count of any single Shipping Container shall be the quantity reported on the tag attached to the Shipping Container.

2.2.2. If no quantity is reported by the Depot on the Shipping Container tag, or if the Shipping Container has been tagged with an “8888” or “8899” tag, then the

expected count shall be determined by means of the process defined in Schedule “F” 3.0.

2.3. Foreign Material

Foreign material is defined as any vessel, or other object that does not comply with the definition of a Container, or is a refillable Container.

2.4. Applying the Results

The results of the audit of Containers will be classified as either Zone 1 or 2 based upon the percentage variance from the expected count:

Zone	Range	Action Taken by CSA
1	<p>Within or equal to +/- 2.5%</p> <p>Or</p> <p>For non-glass Over 1 Litre Containers, the greater of 4 Containers vs +/- 2.5%</p>	<p>Quantity: as reported</p> <p>HC: paid on reported count</p> <p>Deposit Refund: paid on reported count</p>
2	<p>Greater than +/- 2.5%</p>	<p>Quantity: adjusted to actual count (by Container Code)</p> <p>HC: paid on actual count of sorted Containers (by expected Container Code)</p> <p>Deposit Refund: paid on actual count of Containers</p> <p>Adjustment based upon finding to be extrapolated against all Shipping Containers of same Container Code on the RBill</p>

In the case of a Zone 1 result CSA will not make any adjustments to the Permit Holder’s payment and the audited Shipping Containers will be processed. The Permit Holder cannot challenge the results of a Zone 1 Audit.

In the case of a Zone 2 result CSA shall:

- Quarantine all material audited until the Permit Holder has accepted the audit results or the dispute resolution process is complete;
- Communicate results of the audit through the QMS to the Permit Holder within two Business Days of the audit being completed (i.e. the last Shipping Container being counted); and
- Commits to not recounting the Shipping Container(s) (except at the direction of BCMB) once the results of the audit have been communicated to the Permit Holder.

The Permit Holder shall communicate its intentions regarding the audit results through the QMS by replying to the ticket issued by CSA prior to the end of the next scheduled day of Depot operations stating that they accept or are challenging the audit. Failure by the Permit Holder to communicate its intention regarding the audit results prior to the end of the next scheduled day of Depot operations shall result in their deemed acceptance of the audit.

Where the Permit Holder challenges the result, they will notify CSA through the QMS and arrange a time for a recount that will occur within five Business Days of the challenge. The Permit Holder will advise the CSA at least 24-hours in advance of the scheduled challenge which person(s) will be attending on behalf of the Depot. CSA shall communicate results of the recounted audit through the QMS publishing to the original ticket within two Business days of the recount being completed.

In regard to audited bags that are challenged by the Depot, CSA will be held to the following tolerance:

- In the case where the expected count in a bag is 400 units or less, the tolerance allowed will be 4 Containers
- In the case where the expected count is more than 400 units, the tolerance allowed will be 1% from the initial published Audit Summary Report

The results of the recount will be applied as follows

- If the recount for a specific bag is found outside of the tolerance, the specific bag will be removed from Quality Control. Any remaining bags in the Target/Random sample group will be deemed Target/Target.
- If the recount is found to be within the tolerance, the recount will stand, and the actual count will be as per the recount quantity

3.0 **General Quality Control Procedures**

The QC area will be kept clean and organized and the automated counters maintained according to a preventative maintenance schedule.

The start-up and preventative maintenance checklist, for the automated counters will be completed a minimum of every two operating hours.

A supervisor will be notified of any problems or concerns immediately, and the machine will be taken out of use until the problem has been resolved. All problems will be recorded on the preventative maintenance checklist.

3.1. Bag Selection Procedures

A random selection of Shipping Containers is generated by a computer spreadsheet or off-loading programs for sorts selected for QC.

Once a Shipping Container has been identified, the bottom portion of the tag is to be removed by the checker. The checker will enter the tag number into the off-loading program. The checker will flag the Shipping Container. The flag will be attached either to the handle of the Shipping Container, or the top-left corner of the Shipping Container. It must be clearly visible to the forklift driver.

NOTE: In all instances, the top portion of the tag must remain attached to the Shipping Container until it has been released from quarantine.

If a selected Shipping Container does not have a tag attached to it from the Depot it must be tagged by the checker using a substitute tag, before it is sent for audit. The substitute tag number will be entered into the off-loading program and a comment added to the comment box.

3.2. Automated Counting Procedures

Containers other than glass may be counted using automated technology.

3.2.1. The process:

3.2.1.1. The area must be inspected for cleanliness and for any loose Containers before a Shipping Container is emptied for counting.

3.2.1.2. The operator will check the light curtain or electronic eyes for contamination.

3.2.1.3. The operator will reset the counter to zero.

3.2.1.4. For equipment that uses:

3.2.1.4.1. A hopper feed system, the CSA will empty the contents of the Shipping Container into the hopper and place the same Shipping Container at the end

of the counting equipment. Prior to starting the count, the operator will visually inspect the Shipping Container to ensure that all Containers were emptied into the hopper.

3.2.1.4.2. A tipper feed system, the CSA will count into an empty shipping container. At the end of the audit, the original Shipping Container will be kept with the QC material until it is released for processing. Prior to completing the count, the operator will visually inspect the Shipping Container to ensure that all Containers were emptied into the tipper.

3.2.1.5. The operator will start the equipment.

3.2.1.6. The operator will monitor the flow of Containers to:

- prevent plugs and piggy-backing of Containers;
- when required, feed the Containers one at time through the counting tubes; and
- remove debris and foreign material; and
- monitor volume of improperly sorted Containers.
- When the count is complete, the operator will inspect inside the equipment and the area around the equipment to ensure that no Containers were missed.

NOTE: If there is significant volume of compacted material within a Shipping Container, regardless of the automated counter count, the bag will be directed to a manual counting technology as defined in section 3.3 below.

3.2.1.7. The operator will select the tag number from the QC screen and will record the actual count into the QC program along with any comments or observations in respect to the materials counted (including contaminants, non-target Container Code, NBC, etc.)

3.2.1.8. The operator will then remove the flag from the Shipping Container to indicate that the bag has been counted. The bag tag from the Permit Holder is not to be removed from the Shipping Container until it has been removed from the QC area.

3.2.1.9. Individual bags that are part of a larger sample group of a material stream are not to be removed from quality control until the entire sample group has been completed and the resulting variance is confirmed as being either a Zone 1 or Zone 2.

3.2.1.10. For Shipping Containers that had a Zone 2 result, the Shipping Containers are not to be removed from quarantine until a supervisor authorizes their removal.

3.3. **Manual Counting Procedures**

3.3.1. Containers that are hand counted are to be counted into boxes, except for Containers over 4 liters in size, in which case CSA will count into an empty Shipping Container.

3.3.2. At the end of the audit, the original Shipping Container will be kept with the QC material until it is released for processing.

3.3.3. CSA shall select a denomination of units per box and will maintain that denomination throughout the entire audit, with exception to the residual box at the end.

3.3.4. The Process:

3.3.4.1. The area will be inspected for cleanliness and for any loose Containers before a bag is emptied for counting.

3.3.4.2. The bags contents will be counted directly out of the Shipping Container.

3.3.4.3. The Containers will be counted into boxes and the full boxes will be stacked onto a pallet.

3.3.4.4. Boxes containing less than the approved numbers of Containers will be placed on the top row of the pallet (or kept aside).

3.3.4.5. Quantities of Non-System Containers, Non Beverage Containers, and Containers that have been improperly sorted will be itemized and recorded on the Audit Summary.

3.3.4.6. The operator will select the bag number from the QC screen and will record the can count into the QC program along with any comments or observations in respect to the materials counted (including contaminants, non-target Container Code, NBC, etc.)

3.3.4.7. The operator will then remove the flag from the bag to indicate that the bag has been counted. The bag tag from the Permit Holder is not to be removed from the bag until it has been removed from the QC area and the contents are fed into the processing system.

3.3.4.8. Bags are not to be removed from QC until the Permit Holder has been notified of adjustments and a supervisor authorizes their removal.

SCHEDULE "I"

GLASS CONTAINER QUALITY CONTROL ("GQC")

CSA and the Permit Holders are required to provide BCMB, stakeholders and government with reliable and verifiable data to communicate the success of the Common Collection System. One of the ways of verifying the glass data is through a defined QC process.

- 1.0 The Depot By-law Quality Control Compliance Framework of the BCMB provides that the Collection System Agent ("CSA") is required to submit an audit protocol to the BCMB for approval. The following is the protocol ("Protocol") that will be followed with regards to audits of glass Containers and prescribes the processes by which:
 - 1.1. bags will be selected from shipments received by CSA;
 - 1.2. Depots will be notified of the audit results, and any adjustments;
 - 1.3. Depots will be able to challenge the results of any Zone 2 audit; and,
 - 1.4. any other matters considered necessary by the BCMB.
- 2.0 ABCRC is the CSA appointed by the Manufacturers and approved by the BCMB;
- 3.0 All capitalized terms not defined in this Protocol shall have the meanings set forth in the Service Agreement unless the context otherwise requires.

2. GENERAL PROVISIONS

- 2.1. CSA, ABDA and Permit Holders agree that recovered glass Containers are best sorted, processed and shipped intact but in practice some degree of breakage can occur. The Permit Holder will take reasonable commercial measures during the collection, sorting and processing of these Containers at the Depot so as to limit the amount of breakage to within the tolerance levels established by the Industry Leadership Committee.
- 2.2. Whole Containers are to be hand counted into boxes, except for Whole Containers over 4 liters in size, in which case CSA may count into an empty Shipping Container. CSA shall select a denomination of units per box and will maintain that denomination throughout the entire audit, with exception to the residual boxes for each sort.
- 2.3. At the end of the audit, the original Shipping Containers will be kept with the QC material until it is released for processing.
- 2.4. Any cullet found in the Shipping Container will be transferred to an empty box(es) and weighed.

- 2.5. The Industry Leadership Committee may update the conversion factors and the limits used in the determination of the Deemed Cullet Count from time to time.
- 2.6. It is understood that some of the definitions from the Service Agreement flow forward to this Protocol and that the definitions contained in this Protocol apply only to this Protocol and do not back flow into the Service Agreement.

3. BAG SELECTION PROCEDURES

- 3.1. There are three classification of glass audits that will be conducted by the CSA. A Random/Random Audit which will follow the existing protocol outlined in the Service Agreement; a Target/Random Audit whereby the CSA, on its own or at the request of the BCMB, will target a depot but randomly select an appropriate sample of Shipping Containers; and a Target/Target audit will result when an individual Shipping Container containing glass, that has not been selected previously as a randomly selected bag, is selected for audit.
- 3.2. A random sample of Shipping Containers will be selected automatically by the NAV program based upon expected Shipping Containers listed on the eR-bill or R-bill provided by the Depot.
- 3.3. Once a Shipping Container has been identified, the bottom portion of the tag will be removed by the checker. The checker will enter the tag number into the off-loading program. The checker will flag the Shipping Container. The flag will be attached either to the handle of the Shipping Container, or the top-left corner of the Shipping Container. It must be clearly visible to the forklift driver.

NOTE: In all instances, the top portion of the tag will remain attached to the Shipping Container until it has been released from quarantine.

- 3.4. If a selected Shipping Container does not have a tag attached to it from the Depot it must be tagged by the checker using a substitute tag, before it is sent for audit. The substitute tag number will be entered NAV and a comment added to the comment box.

4. SAMPLE GROUP

- 4.1. CSA may target a specific Material Stream (Container code) from a Depot when it feels it is required or when directed to do so by BCMB.
- 4.2. The samples from the targeted load must be selected randomly to be representative of the load. There will be no consideration given to the appearance of the mega-bag except for damaged mega-bags based on Schedule C of the Service Agreement.
- 4.3. The target sample size shall be determined based on the expected quantity of Shipping Containers of each targeted Material Stream (Container code) expected on the load (see table below).

# of Shipping Containers recorded on the RBill (by Container code)	Target Sample Size
1 - 3	1 bag
4 - 10	2 bags
11 - 20	3 bags
21 - 30	4 bags
31 or more	5 bags

5. COUNT & WEIGHT DATA COLLECTION

- 5.1. The area will be inspected for cleanliness and for any loose Containers before the audit begins.
- 5.2. The CSA shall obtain and record on a bag by bag basis of the:
 - 5.2.1. Gross Weight;
 - 5.2.2. Tare Weight;
 - 5.2.3. The Whole Container count of:
 - 5.2.3.1. Target Container code;
 - 5.2.3.2. Non-Target Container code(s);
 - 5.2.3.3. Refillable Container;
 - 5.2.3.4. Non-System Beverage Container;
 - 5.2.3.5. Non-System Non-Beverage Container; and
 - 5.2.4. Net Cullet Weight

6. Manual Counting Procedures

- 6.1. Containers that are hand counted are to be counted into boxes, except for Containers over 4 liters in size, in which case CSA will count these into an empty Shipping Container.
- 6.2. At the end of the audit, the original Shipping Container will be kept with the QC material until it is released for processing.
- 6.3. CSA shall select a denomination of units per box and will maintain that denomination consistently throughout the entire audit, with exception of the residual box at the end.
- 6.4. The Process:
 - 6.4.1. The area will be inspected for cleanliness and for any loose Containers before a bag is emptied for counting.

- 6.4.2. The bags contents will be counted directly out of the Shipping Container.
- 6.4.3. The Containers will be counted into boxes and the full boxes will be stacked onto a pallet.
- 6.4.4. Boxes containing less than the approved numbers of Containers will be placed on the top row of the pallet (or kept aside).
- 6.5. Quantities of Non-System Containers and Non-Beverage Containers, and Containers that have been improperly sorted will be itemized and recorded on the Audit Summary.
 - 6.5.1. The operator will select the bag number from the QC screen and will record the Container count into the QC program along with any comments or observations in respect to the materials counted (including contaminants, improperly sorted Containers (Container code), etc.)
 - 6.5.2. The operator will then remove the flag from the bag to indicate that the bag has been counted. The bag tag from the Permit Holder is not to be removed from the bag until it has been removed from the QC area and the contents are fed into the processing system.
 - 6.5.3. Bags are not to be removed from QC until the Permit Holder has been notified of adjustments and a supervisor authorizes their removal.

7. Conversion of Cullet

- 7.1. If the audit of an individual bag of glass Containers results in a volume of cullet:
 - 7.1.1. Equal to or less than the Maximum Allowable Cullet identified in section 7.2, then there will full conversion of the cullet utilizing the factors approved by ILC;
 - 7.1.2. Greater than the Allowable Cullet identified in section 7.2, then there will be no conversion of any cullet in the bag.

7.2. Allowable Cullet:

Effective Date	Allowable Cullet
September 1, 2019	the actual cullet found to a maximum of 30 kg.
November 1, 2019	the actual cullet found to a maximum of 25 kg.
January 1, 2020	an amount agreed to by ILC using the Prosolve methodology

8. Adjustments to the Deemed Count for each individual bag:

- 8.1. If the Whole Count exceeds the Expected Count then the Deemed Count will be set to zero; or

- 8.2. If the Total Count exceeds the Expected Count then the Deemed Count will be reduced so that the Total Count will be equal to the Expected Count
- 8.3. If the variance between the Total Count and the Expected Count results in a percentage variance between -0.01% and -4.99% there will be no adjustment to Deemed Count; or
- 8.4. If the variance between the Whole Count and the Expected Count results in a percentage variance between -5.00% and -100.00% then the Deemed Count will be reduced to zero.

9. Audit Variances

- 9.1. If the final variance of the audit group between the Expected Count and the Total Count of the audit group is between -2.50% and +2.50% the result will be deemed a Zone 1 and the Permit Holder will be paid based upon the expected count for each bag in the group.
- 9.2. If the final variance of the audit group between the Expected Count and the Total Count of the audit group is outside of the limits of Zone 1 as described in section 10 above, then the result will be deemed a Zone 2 result and the following adjustments may be made if applicable:
 - 9.2.1. All refillables, and non-system Containers (beverage or non-beverage) will not be eligible for compensation;
 - 9.2.2. All non-glass Containers found will be compensated for the deposit value only.
 - 9.2.3. Unlabelled Containers will be treated in accordance with allowances that are established by the BCMB.

10. Extrapolation of Audits Results

- 10.1. Any results from a Random/Random or Target/Target Audit will apply solely to the bag that was counted and not be subject to extrapolation;
- 10.2. All Target/Random Zone 2 results (a variance outside of the range of -2.50% to +2.50%) will be eligible for extrapolation across the remaining bags on the load from which the bags were sampled from, if a proper Sample Group was selected, and the extrapolation will be based on the total cumulative results of the Sample Group selected from the individual RBill for the Container code.

11. Communicating of Payment Amounts and Extrapolation of Results to Depots

- 11.1. In the case of a Zone 1 result CSA will not make any adjustments to the Permit Holder's payment. A Zone 1 result may not be challenged by the Permit Holder, or ABDA.
- 11.2. In the case of a Zone 2 result CSA shall:

- 11.2.1. quarantine all materials and Shipping Containers audited until the Permit Holder has accepted the audit results or the dispute resolution process is complete; and
- 11.2.2. communicate results of the audit through the QMS to the Permit Holder within two Business Days of the audit being completed (i.e. the last Shipping Container counted).
- 11.3. The Permit Holder shall communicate its intentions regarding the audit results through the QMS by replying to the ticket issued by CSA prior to the end of the next scheduled day of Depot operations stating that they accept or are challenging the audit. Failure by the Permit Holder to communicate its intention regarding the audit results prior to the end of the next scheduled day of Depot operations shall result in their deemed acceptance of the audit.
- 11.4. Where a Permit Holder challenges the result, they will notify CSA by responding to the QMS ticket initiated by ABCRC and arrange a time for a recount that will occur within five Business Days of the challenge. A Permit Holder may attend the recount and/or request a representative from the ABDA to attend on their behalf.
- 11.5. CSA shall communicate results of the recounted audit through the QMS publishing to the original ticket within two Business days of the recount being completed.
- 11.6. Regarding the audited bags that are challenged by the Depot, CSA will be held to the following tolerance as published on the Audit Summary Report:
 - 11.6.1. In the case where the expected count in a Shipping Container is 400 units or less, the recount amount must be within +/- four (4) Containers of the Deemed Count; or
 - 11.6.2. In the case where the expected count in a Shipping Container is more than 400 units, the recount amount must be within +/- 1% of the Deemed Count.
- 11.7. The results of the recount will be applied as follows:
 - 11.7.1. If the recount for a specific Shipping Container is found outside of the tolerance, the specific bag will be removed from Quality Control. Any remaining bags in a Target/Random sample group will be deemed Target/Target.
 - 11.7.2. If the recount is found to be within the tolerance, the recount will stand, and the actual count will be as per the recount quantity.