

PLEASE READ IN FULL PRIOR TO COMPLETING

bGmb

REFILLABLE BEVERAGE CONTAINER REGISTRATION APPLICATION

www.bcmb.ab.ca

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REFILLABLE BEVERAGE CONTAINER REGISTRATION APPLICATION

Introduction Letter www.bcmb.ab.ca

Thank you for submitting a Refillable Beverage Container Registration Application.

Manufacturers that wish to sell a beverage in Alberta must register their container with the Beverage Container Management Board. Each container can be registered as non-refillable or refillable. If the Manufacturer wants to register their container as a refillable container they have the option of either managing the container on their own by acting as a Collection Service Provider (CSP) or contracting an independent third-party to act on their behalf. Please review the CSP By-law on the BCMB website under the *About Us* tab.

All containers are collected through the province-wide Depot Network. If refillable, the containers are prepared by the Depot to be collected by the CSP.

Refillable Beverage Container Registration Process

The process to register a Refillable Beverage Container is as follows:

- APPLICATION: Complete the PDF fillable form found at the bottom of this document and send it via email to: <u>registrations@bcmb.ab.ca</u>. No handwritten documents will be accepted. The form requires completion of the following information:
 - a. Company/Manufacturer Information
 - b. Container Information
 - c. Container Collection and Packaging Process please review the Material Sorting Guide (Appendix A) as well as the Depot Sorting Guide (Appendix B) for possibilities on container collection and packaging requirements for Depots
 - d. Authorization please check and sign all applicable boxes
- 2. **SAMPLE OF CONTAINER**: The BCMB may also require a sample of the container to determine if the container is made of material that is accepted in Alberta. If the container is not made of material that is accepted in Alberta, the BCMB will contact you regarding next steps. For more information, please refer to the Manufacturer and Retailer By-law. This By-law can be found on the BCMB website under the *About Us* tab.
- 3. **REVIEW AND APPROVAL OF CONTAINER**: The BCMB will review the container. If it meets the requirements, as per the Manufacturer and Retailer By-law, the BCMB will approve the container for sale, distribution and collection in Alberta.
- 4. INTERIM HANDLING COMMISSION: After the container has been approved, the BCMB will provide you with an Interim Handling Commission Form and a reference number to your refillable registration application. There is a one-time, non-refundable fee of \$2500 for the assessment and establishment of an interim handling commission.

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REFILLABLE BEVERAGE CONTAINER REGISTRATION APPLICATION

Introduction Letter www.bcmb.ab.ca

Alberta Depots collect registered beverage containers from customers for purposes of returning those containers to the manufacturer for reuse. Manufacturers are required to pay a handling commission and return the deposit-refund to a Depot for every container collected and returned to the manufacturer.

Handling Commissions are established through a Handling Commission Review (HCR) process conducted by the BCMB (see the Handling Commission By-law on the BCMB website under *ABOUT US*). An Interim Handling Commission is a process used to set a Handling Commission outside of the HCR. Once the container has been approved and the collection processes established, that information is passed to the BCMB's Data Collection Agent (DCA) who establishes the interim rate. The interim handling commission set by the DCA is provided to the Membership Organization representing Depots (Alberta Bottle Depot Association) and the manufacturer requesting the rate. If both parties agree to move forward, the rate will be set in By-law and a Service Agreement and Operating Agreement will be developed.

Depots get paid to collect, sort and prepare beverage containers for shipment to manufacturers. This payment is called the handling commission.

5. AGREEMENTS:

SERVICE AGREEMENT: After completion and approval of the above steps, you will be required to enter into a Service Agreement with the Alberta Bottle Depot Association (ABDA). You will be required to work with the ABDA on the development of this agreement. The BCMB must approve the Service Agreement prior to it becoming effective. For your reference, attached as Appendix B is a sample Service Agreement.

After approval of the Interim Handling Commission, the BCMB will connect you with the appropriate ABDA personnel. Further templates for Service Agreements may be available for your consideration.

OPERATING AGREEMENT: The last step of this process is to establish an Operating Agreement with the BCMB. This agreement establishes the manufacturer relationship with the BCMB as well as reporting and evaluation criteria. A sample of an Operating Agreement is attached as Appendix C. The BCMB will work with you directly to complete this Agreement.

Please contact the BCMB Registrations Team with any questions or concerns. We are happy to provide any assistance you may require.

Blaire Charlton Vice President 780-424-3193 ext. 227 1-888-424-7671 registrations@bcmb.ab.ca



Beverage Container Management Board www.bcmb.ab.ca

COMPANY INFORMATION

Application Date (dd-mmm-yyyy):

Company/Manufacturer Name:

Company/Manufacturer Address:

Key Contact:

Key Contact's Position:

Email:

Website:

Telephone (111-111-1111):

Ext:



Beverage Container Management Board www.bcmb.ab.ca

CONTAINER INFORMATION
Is this an alcoholic Beverage?
Yes
No
Brand:
Flavour:
Container Material:
Container Size:
Container Weight:
Container Colour:
If container is painted, please describe composition:
Container Label Material:
Container Label Weight:

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Container Cap/Lid Material:

Container Cap/Lid Weight:

Describe Inserts and/or Attachments in/on Container:

Container UPC #:

Box/Carton UPC #:

Estimated annual sales volume:

Expected retail value:

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CONTAINER COLLECTION

Name of Collection Service Provider (CSP) / party responsible for collection:

CSP Address:

Key Contact Name:

Email:

Website:

Telephone (111-111-1111):

Ext:

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Describe sorting requirements:

Describe packing material/Containers (include a picture where available):

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AUTHORIZATIONS

Please confirm acceptance of each statement below by checking each box:

A Manufacturer of a beverage in a refillable Container may be required to provide a deposit or an Irrevocable Letter of Credit to the BCMB as security for the costs involved in collecting that Manufacturer's refillable Containers from Depots in Alberta.

The manufacturer making this application agrees to follow all Regulatory, by-law, policies and procedures of the BCMB.

The manufacturer making this application is prepared to enter into a Service Agreement with the Alberta Bottle Depot Association and an Operating Agreement with the BCMB prior to sale and/or distribution of the beverage product in Alberta.

The manufacturer making this application understands and accepts that the BCMB will engage in compliance enforcement actions against the manufacturer should events of non-compliance occur and further agrees to immediately remit any and all compliance fees if issued by the BCMB and correct actions of non-compliance.

FOR BCMB OFFICE USE ONLY

BCMB Registration Officer	
Registration #	
Date of Application Approval	



Approved Beverage Container Sorts



Approved Beverage Container Sorts¹

BEVERAGE CONTAINER CATEGORY	COLOUR	CONDITIONS
Aluminum	n/a	None
Glass	Any	None
PET LS	Any	None
Bag-In-A-Box	n/a	None
Biodegradable Plastic	Any	Not Approved
Bi-Metal	n/a	None
Ceramics (including clay, porcelain)	Any	Not Approved
Crystal (lead)	Any	Not Approved
Drink Pouches	n/a	None
Gable Top	n/a	None
HDPE	Any	None
Key Keg (poly-keg)	Any	None
Multiple Materials ¹	Any Combination	Must Submit Application ²
Other Plastics	Any	None
	Any	None
Polypropylene Polystyrene PVC	Any	None
PVC	Any	Not Approved
Tetra Brik	n/a	None
Other Material ¹		Must Submit Application ²

¹Container must be comprised of 98% or higher, by weight, of the category material. Closure, label and any additional components must also be in compliance.

BCMB - REGISTRATION REQUIREMENTS FOR NON-ALCOHOLIC BEVERAGE CONTAINERS



Approved Label Materials

LABEL MATERIAL	CONDITIONS
Applied Ceramic	Must Submit Application ²
Etched (no additional materials)	None
Glue Applied Paper	None
Glue Applied Plastic	None
Painted	None
Shrink-wrap	Must Submit Application ²
Standard Digital Image on Container	None
Any Other	Must Submit Application ²

*Note: Label cannot be removed as part of closure.

Approved Closure Materials (any component)

CLOSURE MATERIAL	CONDITIONS
Aluminum	None
Bi-Metal	None
Ceramic	Must Submit Application ²
Contains Lead (includes crystal)	Not Approved
Cork	None
Glass	None
HDPE	None
PET	None
Polystyrene	None
Polypropylene	None
Any Other	Must Submit Application ²

²Application must be sent to registrations@bcmb.ab.ca and include a container specifications document that outlines the composition of the container including material type, label, closure material and any inserts or attachments. Images are also required for both the front and back of the container displaying the brand, flavour, size, material and UPC. Further, a sample of the actual container that is to be registered is required to be sent to the BCMB at 100, 8616-51 Avenue, Edmonton, AB T6E 6E6 for physical examination.



Approved Additional Components (inserts or attachments)

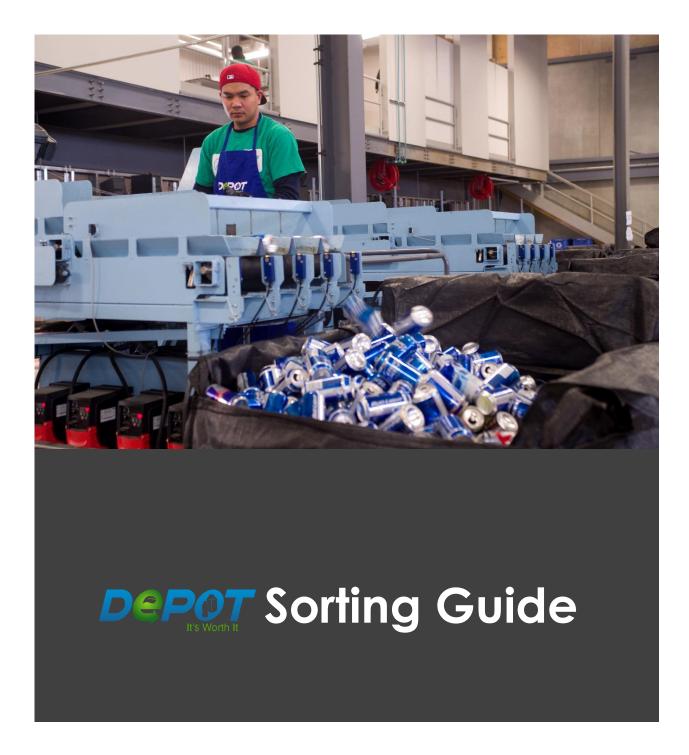
ADDITIONAL COMPONENTS	CONDITIONS
Same as Container Material (100%)	None
Different than Container Material	Must Submit Application ²
More than One Material	Must Submit Application ²
Contains Lead (includes crystal)	Not Approved

²Application must be sent to registrations@bcmb.ab.ca and include a container specifications document that outlines the composition of the container including material type, label, closure material and any inserts or attachments. Images are also required for both the front and back of the container displaying the brand, flavour, size, material and UPC. Further, a sample of the actual container that is to be registered is required to be sent to the BCMB at 100, 8616-51 Avenue, Edmonton, AB T6E 6E6 for physical examination.

For further assistance:

Beverage Container Management Board #100, 8616 - 51 Avenue Edmonton, AB T6E 6E6 Tel: 780-424-3193 ext. 221 or 224 or 1-888-424-7671 (toll-free) Email: registrations@bcmb.ab.ca

www.bcmb.ab.ca



Issued by the Beverage Container Management Board (BCMB) May 10, 2018



To reflect the changes to the Service Agreement, approved by the BCMB on September 1, 2019, this sorting guide has been updated. The following pictures will demonstrate each sort included in Schedule A (Approved Beverage Container Counts, Sorts and Shipping Containers) of the Service Agreement.

This document may be updated to reflect new material streams or sorting practices as agreed to by industry stakeholders.

For more information, please contact the BCMB at (888) 424-7671 or visit our website at www.bcmb.ab.ca



ALUMINUM

<u> Aluminum 0 – 1 Litre</u>

- CRIS Code: 1006
- Standard Count: 2160 (180 dozens)



PET

The PET sort includes only clear and translucent blue-tint PET containers.

Note: Any PET container that is opaque/solid blue (light does not pass through/you cannot see through) should be sorted as Plastics (Other). All PET containers with a translucent blue tint (light passes through/you can see through the container) will be placed in the PET sort.

PET Over 1 Litre Clear & Blue Tint

- CRIS Code: 4003
- Standard Count: **360** (30 dozens)







Depot

Pet 0 – 1 Litre Clear & Blue Tint

- CRIS Code: 4006
- Standard Count: **1200** (100 dozens)





HDPE

The HDPE sort includes <u>only Over 1L Natural HDPE</u>. Please use Milk Jugs and Sunny D as a point of reference for determining if a container is HDPE Natural because these containers do not have any tint added.

Note: White and Colour HDPE Over 1L are included in the Plastics (Other) Over 1L sort.

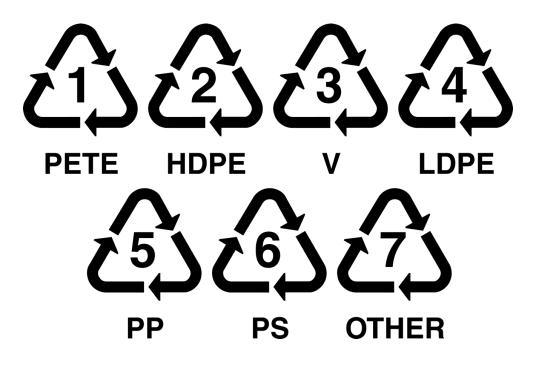
HDPE Over 1 Litre (natural)

- CRIS code: 4303
- Standard Count: 240 (20 dozens)





PLASTICS (OTHER) SORT



The Plastics (other) sort contains all 0-1L and Over 1L plastics, other than clear and translucent blue tint PET and Over 1L HDPE Natural. This sort is separated by size and includes the following materials:

Plastic (Other) 0 – 1 litre

- PET Colour (#1)
- HDPE Natural (#2, 4)
- HDPE White and Colour (#2, 4)
- Polypropylene (#5)
- Other Plastics (#3, 6, 7)

Plastics (Other) Over 1 litre

- PET Colour (#1)
- HDPE White & Colour (#2, 4)
- Polypropylene (#5)
- Other Plastics (#3, 6, 7)

Depot

Plastics (Other) Over 1 litre

- CRIS Code: 4603
- Standard Count: **300** (25 dozens)





Depot

Plastics (Other) 0 – 1 litre

- CRIS Code: 4606
- Standard Count: **1800** (150 dozens)





Glass

Glass Over 1 litre

- CRIS Code: 3003
- Standard Count: 420 (35 dozens)





<u>Glass 0 – 1 litre</u>

- CRIS Code: 3006
- Standard Count: 960 (80 dozens)





Tetra Brik

Tetra Brik can easily be identified by the Tetra Brik symbol found on the bottom of most Tetra Brik containers. Tetra Brik containers can also be identified by the metallic foil that lines the inside the container.

Tetra Brik Over 1 litre

- CRIS Code: 5003
- Standard Count: 420 (35 dozens)



DEPOT

<u>Tetra Brik 0 – 1 litre</u>

- CRIS Code: 5006
- Standard Count: **1440** (120 dozens)





Gable Top

Gable Top over 1 litre

- CRIS Code: 6003
- Standard Count: **360** (30 dozens)



Depot

<u>Gable Top 0 – 1 litre</u>

- CRIS Code: 6006
- Standard Count: 900 (75 dozens)





Bi-Metal

Bi-Metal over 1 litre

- CRIS Code: 2003
- Standard Count: 360 (30 dozens)





Bi-Metal 0 – 1 litre

- CRIS Code: 2006
- Standard Count: **1500** (125 dozens)





Bag-in-a-box/Drink Pouch

<u>Drink Pouches 0 – 1 litre</u>

- CRIS Code: 7006
- Standard Count: 1200 (100 dozens) in a One-Way Bag





Bag-in-a-Box/Drink Pouch Over 1 litre

- CRIS Code: 8001
- Standard Count: **120** (10 dozens)

The bag in a box does not need to be sorted by size.

Note: both the bladder and the box need to be included when shipping bag-in-a-box to ABCRC





Plastic One-Way Keg

- CRIS Code: 4023
- Standard Count: **36** (3 dozens)

Note: This material stream includes a variety of Plastic One-Way Kegs, including types like Keg Kegs, Petainers, Poly Kegs, etc. In some cases, a special tool is required to release all pressure from the keg before it can be broken down for shipping.





Ceramics

- CRIS Code: 3501
- Standard Count: **12** (1 dozen) in a One-Way Bag

Please note: extra care needs to be taken when handling ceramic beverage containers as they are a significant contamination to the Glass stream and **MUST** be separated effectively from Glass.



Brewers' Distributors Ltd. (BDL) Bottle Handling Guidebook

In accordance with Alberta Beer Container Corporation (ABCC)

Updated September 2019

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Refillable Handling Quick Reference Guide



Container Sorting



General

In providing sorting services for refillable containers, Depots must follow the approved container sort and palletization requirements outlined in this guide. If the container sort requirements are amended, ABCC will work with the BCMB and ABDA to issue a notice to each Depot not less than 30 days prior to the effective date, unless otherwise specified by the BCMB or agreed to mutually by ABDA and ABCC. In the event of a discrepancy between this guide and the ABCC-ABDA Service Agreement, the Service Agreement will be deemed to be correct and accurate.

All approved containers must be sorted into cases or BDL-supplied repack trays and stacked on a pallet. Industry Standard Bottles must be shipped from the Depot in full pallets. Private Mold Bottles may be palletized in full pallets but depending on volume may also be consolidated in full layers on a single pallet along with full layers of Industry Standard Bottles.

Approved Container Sorts

The table below outlines refillable containers handled by ABCC. Containers must be sorted by container code as listed below. In the event of changes in approved containers, BDL will issue a notice to each Depot providing details and effective date. Examples of each container can be found in the following pages.

Container Code	Container Description	Deposit Value	
1	Industry Standard Bottle (ISB)		
44	Non-Usable Refillable Bottle (Dirty, Obsolete, Damaged)	\$0.10	
311	Miller Genuine Draft Bottle (MGD clear)		
865	Steam Whistle Bottle (green)		
903	Moosehead Bottle (green)		
1401	Sleeman Bottle (clear)		

Industry Standard Bottle (ISB)

Container Code: # 1 Quantity per layer: 24 dozen / 288 units Layers per pallet: 5 or 7



Industry Standard Bottle is an amber, refillable, screw top, 341mL bottle used by domestic Canadian brewers exclusively under contract as per their agreement with Beer Canada

Non-Usable Refillable Bottle (Dirty, Obsolete, Damaged)

Container Code: # 44 Quantity per layer: dependent on volume Layers per pallet: dependent on volume – refer to palletization requirements on pg 12



Miller Genuine Draft

Container Code: # 311 Quantity per layer: 24 dozen / 288 units Layers per pallet: 4* or 7

Steam Whistle

Container Code: # 865 Quantity per layer: 24 dozen / 288 units Layers per pallet: 4* or 7



*Layers per pallet dependent on Depot volume. Please refer to palletization requirements.

Moosehead

Container Code: 903 Quantity per layer: 24 dozen / 288 units Layers per pallet: 5 or 7*

Sleeman

Container Code: 1401 Quantity per layer: 24 dozen / 288 units Layers per pallet: 5 or 7*



*Layers per pallet dependent on Depot volume. Please refer to palletization requirements.

Palletization Requirements

All bottles must be in placed upright in original industry packaging or BDL-supplied repack trays. Cases must be dry, in good condition, and free of any garbage, debris or other foreign material.

Each pallet must:

- Be 5 Layers (120 dozen / 1440 units) or 7 layers (168 dozen / 2016 units) in height.
- Be 4 layers or 7 layers for Steam Whistle and MGD bottles
- Maintain standard 24 dozen (288 units) bottles per layer.
- Each pallet must be structurally sound and secured by twine on the middle and top layer. If an additional pallet with additional layers is placed on top of a full pallet, these layers must also be secured with twine.
- "Shipped By" sticker supplied by BDL must be placed on each pallet on the bottom layer on the narrow side of the pallet.
- Depot Name and Date Shipped must be filled out on the attached sticker for every pallet.



Example sticker placement on bottom side of pallet





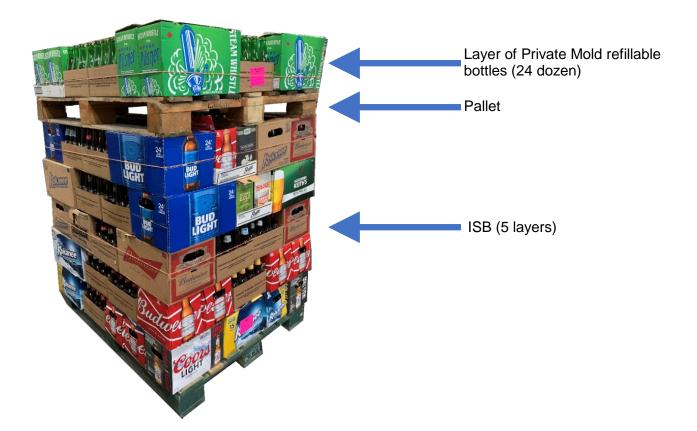


Example 7 high pallet with twine on 7th and 4th layers

Low Volume Shipping

For lower volume containers (those that would otherwise not comprise a full pallet in a **30-day period**), the Depot may create a pallet comprised of these Private Mold refillable bottles in accordance with the ABCC-ABDA Service Agreement either on a separate pallet on top of a five-layer finished ISB pallet or as otherwise agreed to between ABCC and Depot.

If you have not received sufficient Private Mold Containers in **30 days**, you may also comingle full boxes of different Private Mold Containers alongside Non-Usable Refillable Bottles onto a single layer on top of a pallet on top of other layers. You must **not** comingle different types of bottles into single boxes regardless of the timeline.



Stacking Configurations

Cases must be stacked on pallets in standard layers according to industry pallet pattern requirements set out below. Each layer must contain 288 bottles, and layers are to be alternated so that the cases will overlap vertically as the pallet is built. The following are examples of layer configurations that may be used by the Depot; however, the above requirements must still be maintained. There are a variety of combinations that can be used to achieve the correct number of containers per layer, and Depots can interchange 24 packs easily for two 12 packs or four 6 packs in most cases.

28	2	28 2		2	4
				12	12
18			18	12	10
	1	2	12	12	12
24	1	2	12	2	4

12, 18, 24 and 28 packs

15		15	15	15	5		24
				15	5		24
15	-	15	15	15	15	5	15
			1 -				
24			15				
24			15	15	15	5	15

15 and 24 packs

2	4	6	6	6	6	- 24	
6	6	6	6	6	6		
6	6	12	12		12	,	12
6	6		-	12	12	_	12
6	6	6	6	6	6		
2	4	6	6	6	6		24

6, 12, and 24 packs

12	1	2		12	12	12
12	1	2		12	12	12
12	12	12	2	12	12	12
12	1	2		12	12	12
		2		12		
12	1	2		12	12	12

12 packs

24	24	2	4	24	
24				2.4	
24	24			24	
24	24	2	4	24	

24 packs

28	28	28	2	4
			12	12
12	12	12	10	10
			12	12
24	24	24	2	4

12, 24, and 28 packs

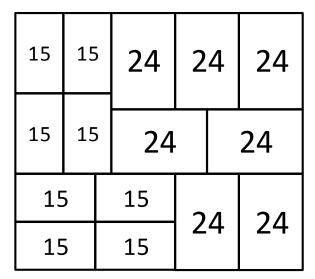
24	28	28
12	28	28
12	28	28
28	28	28

15	15	12 12		15		15
		1	8			
15	15	1	8	15	5	15
24		15 15		5		℃ 1
24		15	15	5		24

12, 15, 18, and 24 packs

24		2	4		24	24
						24
12		12	12	2	12	
1	8			1	.8	24
	_					24
	8				8	27

12, 18, and 24 packs



15 and 24 packs

Bottle Condition

Refillable beer bottles are reused an average of 15 times, although in many circumstances an individual bottle may be refilled many more times than that. Any number of factors could determine that a bottle is not suitable for reuse and therefore needs to be separated from regular returns.

Damaged, Dirty, & Obsolete Bottles

All returned bottles sorted by Container Code must be completely intact and identifiable as refillable containers. Bottles with noticeable chips, cracks, or breaks must be separated from regular returns. Bottles that contain excessive dirt or that are considered obsolete will be accepted and paid for by ABCC and should be collected by Depots from Customers. *However, these bottles must be palletized as Non-Usable Refillable Bottles separately from other bottles and noted on the RBill separately from other Container Codes.*

Crowned / Capped Bottles

Bottles must be open, and all crowns/caps removed before palletizing cases. Unopened bottles not detected during processing at the brewery are a serious safety concern and may cause risk to the quality of finished product.



Bottle Placement

Each case must contain the proper number of bottles with no comingling of other Container Codes. Bottles must be placed right-side-up (neck of the bottle at the top of the case), as improper placement of bottles may cause damage to bottles during the case removal process at the brewery.



Packaging Condition

Whenever possible, empty containers are to be returned in their original industry packaging. The condition of packaging and stability of returns is of the utmost importance to ensure safe handling and accurate counts. Cases must be intact and able to function as a shipping case with sturdy sides and bottoms. If a case is not fit for shipping and no other cases are available, Depots should use a repack tray provided by BDL.

Handling 6-Pack Cases in Can Trays

All Industry Standard 6-pack cartons are to be grouped in fours and placed inside shorter can trays (not BDL-supplied repack trays) for safer handling.

Due to shorter tray height, loose bottles must not be placed into can trays.

12, 15, or 18-pack cartons are <u>not</u> to be placed in can trays or repack cartons and should be palletized as is.







Repacking Bottles

If Customer-supplied packaging does not meet standards outlined in this guidebook or bottles are returned loose by the Customer, the bottles may be repacked into BDL-supplied repack trays. Supplies will be issued by BDL to Depots based on requests made to the BDL Ordering Desk.



Damaged Cases

Cases that have open end flaps or torn / ripped side or bottom walls may result in major problems when handling and in the uncasing process which deems these unfit for use. Place bottles from damaged cases into BDL-supplied repack trays.



Wet / Soggy / Snow filled

Packaging that has been left outside or has been in contact with snow will have moisture absorbed into the cardboard. Water content in empty cases will cause stability problems, case damage, and jamming in conveyer lines and saws. Place bottles from damaged cases into BDL-supplied repack trays.



Unacceptable Boxes

Original industry packaging or BDL-supplied repack trays are the only acceptable cases to be used to return containers to BDL. Bottles must not be returned in cases / cartons not designed specifically to hold beer bottles. Unacceptable cases include: can trays (with loose bottles and without use of 6-packs), spirit or wine boxes, fruit or vegetable cartons, paper or plastic bags.



Pallet Condition

BDL supplies pallets for return of empty containers back to ABCC. Pallets are provided to Depots as requested. Condition of BDL pallets are of utmost importance. Substandard pallets can cause health and safety concerns as well as creating loss of productivity and efficiency for both the Depot and BDL.

Broken pallets or non-BDL pallets may lead to unstable pallets, equipment or conveyor jams, and damages. Depots are to inspect pallets for damages before use and only structurally sound pallets should be used. Substandard BDL pallets can be returned to BDL along with your shipment.



Shipping / Pickups

Depots, Carriers, and ABCC must all work together to maximize safety and efficiency during loading at the Depots, while in transit, and when received at ABCC facilities or Breweries.

ABCC or an assigned Carrier will provide trailers for pickup which are clean and fit for use. Depot loading docks must be clear and free of debris; safety hazards identified at time of loading may result in refusal of pickup by the Carrier.

Carrier and Depot operators are to perform a visual inspection while loading product on trailer to ensure pallets are tagged with Depot info, proper quantities, and that containers are sorted. The Carrier reserves the right to refuse any pallet or pallets that do not comply with proper sorting or are deemed unsafe to transport.

RBill documentation must be filled out in full and be signed by both the Carrier and Depot representative. See ABCC-ABDA Service Agreement for details on RBill completion.

When shipping loads, an Empty Container Shipping document (ECS / RBILL) must be completed in full:

- 1. Shipping Depot's Name
- 2. Depot BDL Number assigned by BDL
- 3. Address of Shipping Depot
- 4. Container Number and Description if not listed on ECS document
- 5. Quantity Shipped in Dozen
- 6. Carrier Name
- 7. Trailer Number
- 8. Shipping Depot's Signature
- 9. Driver's Signature

						THIS FORM	NUST BE	COMPLET	ED IN FULL
		LICENSEE	1		SHIP	LICENSEE	C	OMMON CARRIER D	DATA SECTION
		NAME	2		DATE	DOCUMENT NUMBER	SHIPMENT W	EIGHT	
		NUMBER	2		REC'D	0267198	CARRIER NA		6
		LICENSEE	3			0201200		NG CARRIER NO	
BREWERS	DISTRIBUTOR LTD.	STREET NAME			-			AILER NUMBER	7
		EMPTY CONTAINER F	RETURNS			FULL GOODS RETURNS	MU	IST BE COMPLETED	ORIGINAL SALES ORDER NO.
CONTAINER NO.	ITEM DES	SCRIPTION	UNIT OF MEASURE	QTY.			-		
1	INDUSTRY STANDARD	BOTTLES	DZ	5	ITEM NUMBER	ITEM DESCRIPTION	OTY.	REASON CODE	REASON CODES
4	6								01 STALE DATED
44	NON-USABLE INDUSTRY (Dirty / Chipped / Obsolet	e)	DZ						02 BOL IN-TRANSIT BREAKAGE
865	STEAM WHISTLE PRIVA	and the second	DZ						
900	MILLSTREET AMBER RE		DZ						03 WRONG PRODUCT SHIPPED
901	MILLSTREET CLEAR RE		DZ						AETURNED TO BOL
903	MOOSEHEAD REFILLAB	and a state of the	DZ						C KEPT BY CUSTOMER
1401	SLEEMAN PRIVATE MO	LD BOTTLES	DZ						05 KEG LEAKER 07 LICENSEE
11	ALUMINUM BEER CANS	(STORE DEPOTS ONLY)	DZ						BREAKAGE
511	5 LITRE BEER GANS (ST	TORE DEPOTS ONLY)	EACH						VIETURINED AS ORIGINALLY PACKAGED
401	IMPORT BOTTLES (STO	RE DEPOTS ONLY)	DZ						08 SALEABLE PRODUCT RETURN
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221	LABATT 59 LITRE KEG		EACH				_		10 SALES RETURN FSC
321	MOLSON 59 LITRE KEG	2	EACH						11 CONCEALED
322	MOLSON 30 LITRE KEG	1	EACH						BREAKAGE / PKG COMPLAINT
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59	PECO PALLET		EACH				BDL C	RIVER EMPLOYEE #	
	TOTA	LUNITS			WHITE COPY - LICENS PINK COPY - CARRIER	/ DAMAGED PRODUCT	BDL T	RALER #	
					GREEN COPY - EMPTI YELLOW COPY - FG W		RECE	WER'S SIGNATURE	

BDL Contact Information

BDL NORTHERN ALBERTA

EDMONTON WAREHOUSE (780) 732-6537 Hours of operation 8:30 AM TO 5:00 PM – Monday to Friday

Metro Edmonton pickup requests

To schedule Monday pickup, call must be placed Friday before noon. To schedule Tuesday to Friday pickup, call must be placed Monday before noon.

Rural areas pickup requests

Depots are assigned a Carrier. Request for pickups will be arranged directly with carrier. Carrier appointments may be made on standing schedule or on a one-off basis.

BDL SOUTHERN ALBERTA

CALGARY WAREHOUSE (403) 531-1085 / (403) 531-1063 CALGARY DISPATCH (403) 531-1060 Hours of operation 6:30 AM TO 10:30 PM – Monday to Friday

Metro Calgary pickup request

To schedule Monday pickup, call must be placed Friday before noon. To schedule Tuesday to Friday, request must be placed any day before noon and will be scheduled for the next available opening.

Rural areas pickup requests

Depots are assigned a Carrier. Request for pickups will be arranged directly with carrier. Carrier appointments may be made on standing schedule or on a one-off basis.

ORDERING SUPPLIES

ORDER DESK 7:00 AM – 3:00 PM EST. – Monday to Friday (800) 661-2337

PAYMENTS INFO

BDL ACCOUNTS PAYABLE – 7:00 AM – 3:00 PM EST. Monday - Friday BDLAP@THEBEERSTORE.CA

GENERAL INQUIRIES

1(800) 661-2337 BDL@BDL.CA

CONCERNS OR QUESTIONS

Jace Hunter – Advisor Empty Containers (604) 340-1508 Jace.Hunter@BDL.ca

SERVICE AGREEMENT

THIS AGREEMENT made as of the _____ day of _____, 20___

BETWEEN:

ALBERTA BOTTLE DEPOT ASSOCIATION, an industry association ("ABDA")

-and-

an Approved Collection Service Provider ("CSP")

The recitals of this Agreement are as follows:

- A. The Regulation provides that manufacturers of registered refillable Beverage Containers shall provide a collection service capable of recovering the manufacturer's empty refillable registered containers from all depots and retailers accepting such containers;
- B. CSP is the approved Collection Service Provider ("CSP") for refillable containers identified in this Agreement; and
- C. ABDA is an industry association of universal Depots and has entered into this Agreement on behalf of itself and Permit Holders. As specified in their operating permit, each Permit Holder is bound by the obligations placed on them pursuant to this Agreement.

NOW THEREFORE in consideration of the mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement:

- 1.1.1 "Agreement" means this service agreement, together with any attached schedules or amendments to this service agreement;
- 1.1.2 "Alberta Bottle Depot Association" or "ABDA" means the organization that has the authority to represent Depots in Alberta.
- 1.1.3 "BCMB" means the Beverage Container Management Board, the body incorporated under the laws of Alberta and established as a management board within the meaning of section 175 (jj) of the Environmental Protection and Enhancement Act for the purpose of exercising the powers and carrying out the duties conferred or imposed on it pursuant to the Environmental Protection and Enhancement Act and the Beverage Container Recycling Regulation;
- 1.1.4 "Carriers" means those persons contracted to or employed by the CSP who provide transportation for loads from the Depots;
- 1.1.5 "Collection Service Provider" means a manufacturer or its subcontractor(s) that collects empty Containers that contained a beverage manufactured by that manufacturer.
- 1.1.6 "Container" means a container as defined in the Regulation that is registered with the BCMB as refillable and has been approved for use in Alberta.
- 1.1.7 "Depot" means a place operated as a business for the collection of empty Containers.
- 1.1.8 "Depot Manager" means the individual(s) identified by the Permit Holder as the individual(s) primarily responsible for the day to day operations of a Depot;
- 1.1.9 "Effective Date" means the effective date of this Agreement;
- 1.1.10 "Manufacturer" means a person who manufactures a beverage and includes:
 - a) a person who carries on the business of filling Containers with a beverage;
 - b) a person who imports a beverage in a Container into Alberta for the purpose of distribution or sale in Alberta; and
 - c) a person contracted by the Alberta Gaming and Liquor Commission to collect empty Containers specified in this Agreement and By-law.
- 1.1.11 "Material Stream" means each category or unique sort of container for which a specific handling commission is payable as identified in this Agreement and the By-laws.
- 1.1.12 "Parties" means the parties to this Agreement and "Party" means either one of them;
- 1.1.13 "Permit Holder" means an individual or corporate entity named in a Permit.

1.1.14 "Quality" means the requirements as specified in Schedules "A", "B" and "F';

- 1.1.15 "Quality Monitoring System" means the system administered by the BCMB for the purpose of communication and issue management and resolution.
- 1.1.16 "RBill" means a waybill that records a shipment from a Depot to CSP;

1.1.17 "Regulation" means the *Beverage Container Recycling Regulation* AR 101/97, as amended; and

1.1.18 "Shipping Container" means pallets and other platforms or containers used for the shipment of Containers.

1.1.19 Any other Definitions as needed.

1.2 Extended Meaning

All words importing the singular number shall include the plural and the plural and the singular, and all references to gender shall include male, female and neuter, as the context shall require or imply.

1.3 Articles and Headings

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof.

1.4 Meaning of Expressions

"Herein", "hereof or "hereunder" and similar expressions when used in a section shall be construed as referring to the whole Agreement and not that section only.

1.5 Applicable Law

This Agreement shall be governed by the laws of the Province of Alberta.

1.6 Intent

Recognizing that there is mutual benefit in having: industry standards of operation and practice; searching for continuous improvements in the efficiency and effectiveness of the system; and striving for continuous improvement in the level of service offered to Albertans, it is the intent of this Agreement to:

- 1. capture the individual roles and responsibilities of both the individual Depots within Alberta and the CSP; and
- 2. set out the agreed upon standards of operation and practice.

1.7 Schedules

The following Schedules and Appendices are attached to and form part of this Agreement:

Schedule "A"Approved Beverage Container SortsSchedule "B"Palletizing RequirementsSchedule "C"PaymentsSchedule "D"Scheduling of Pick-upsSchedule "E"Shipping ContainersSchedule "F"Quality Control and AdjustmentsAppendix "A"Examples of Forms

ARTICLE 2 ROLE OF DEPOT OPERATOR

2.1 Containers

The Permit Holder shall:

2.1.1 assemble for pickup and ship to CSP only those Containers that have been registered under the Regulation and that have previously contained a beverage (i.e. are not previously unused Containers);

2.1.2 accept and pay the full applicable deposit refunds for Containers that are reasonably identifiable as having contained a beverage sold by this manufacturer; and

2.1.3 report to the BCMB any containers that are not registered with the BCMB and/or are suspicious in nature, in accordance with the requirements of the Permit Holder.

2.2 Sorts and Counts

The Permit Holder shall:

2.2.1 sort Containers as required by the BCMB and in accordance with Schedule "A";

2.2.2 place Containers into Shipping Containers, after the removal of all tops and lids, for transport to CSP in accordance with Schedule "A" and Schedule "B";

2.2.3 ensure that the required number of Containers are contained within each Shipping Container in accordance with Schedule "A" and Schedule "B";

2.3 Shipping Containers

The Permit Holders shall:

2.3.1 ensure that (if applicable) appropriate inventory of supplies are maintained, based on agreed upon target levels in keeping with the guiding principles in Schedule E, and that requests for replenishing these supplies are made in a proper and timely fashion;

2.3.2 ensure each pallet of Containers has the Depot name and date identified in accordance with Schedule "B"; and

2.3.3 ensure (if applicable) any Inventory supplied by CSP remain onsite at the Depot, are handled with reasonable care and are only used for returning Containers to CSP (or its subcontractors).

2.4 Scheduling and Loading

The Permit Holder shall:

2.4.1 contact CSP or its Carrier to arrange a mutual agreed upon pick-up schedule as per Schedule "D"; and if applicable

2.4.2 ensure that access to the loading door is kept free of all obstructions;

2.4.3 help guide trucks safely into the loading area upon the request of a Carrier;

2.4.4 complete an RBill for each load; and

2.4.5 place palletized product as per Schedule "B" on the back of the truck/trailer to ensure the Carrier's trucks are loaded in a timely manner.

2.5 Permit Holders

Permit Holders shall ensure there is oversight of the day to day operations of the Depot, including the supervision and training of Depot staff.

2.6 Compliance

Permit Holders shall comply with all applicable federal, provincial and municipal legislation, including all applicable BCMB By-laws, policies and guidelines

ARTICLE 3 ROLE OF CSP

3.1 Shipping Containers and Pallets

CSP shall, in accordance with the procedure described in Schedule "E" hereto:

3.1.1 provide sufficient Shipping Containers and supplies to handle each Depot's volume requirement and inventory, at agreed upon target levels in keeping with guiding principles in Schedule "E";

3.1.2 replace Shipping Containers and supplies on a one for one basis as Shipping Containers are delivered to CSP (or its subcontractors) or its Carrier; and

3.1.3 in co-operation with a Permit Holder, adjust a Depot's inventory of Shipping Containers to reflect a Depot's changing volume of Container collection.

3.2 Scheduling and Loading

CSP shall, in accordance with the procedure described in Schedule "D" hereto:

3.2.1 provide transportation for loads from Depots;

3.2.2 instruct Carriers, and cause the Carriers to;

3.2.3 adhere to the agreed pick-up schedule and advise Permit Holders of any impending delays;

3.2.4 take receipt of Shipped Goods on truck/trailer and load in a safe manner; and

3.2.5 sign RBill (example in Appendix A) acknowledging receipt of the load of Containers and/or delivery of Shipping Containers.

3.3 Receiving

CSP shall:

3.3.1 receive and count both Containers and Shipping Containers delivered to CSP;

3.3.2 reconcile the count to the Depot's RBill;

3.3.3 in the event of a discrepancy between the counts in 3.3.2 and 3.3.3 contact the Depot via the Quality Monitoring System within four business days of the load being entered into CSP's system to notify the Permit Holder to resolve any discrepancy found between the count and the Depot's RBill; and

3.4 Adjustments

In the event of an adjustment being required, the adjustment will be made in accordance with Schedule "F".

3.5 Payments

3.5.1 Deposit Refunds and Handling Commissions: CSP shall reimburse deposit refunds and pay handling commissions to a Depot in accordance with the Regulation, BCMB By-laws and the Schedule "C".

3.5.2 Third Party Deductions: In accordance with the BCMB By-law and applicable sales taxes, CSP shall deduct from each payment to a Depot, the appropriate amounts required.

3.5.3 Schedule of Payments: CSP shall process payments in accordance with Schedule "C".

3.6 Alteration or Amendment of Agreement

This Agreement may be altered or amended in any of its provisions when any such changes are reduced to writing and signed by CSP and ABDA, and approved by the BCMB, but not otherwise.

ARTICLE 4 DISPUTE RESOLUTION

4.1 **Procedure for Individual Permit Holder Disputes**

CSP, ABDA and the Permit Holder shall use reasonable best efforts to settle any disputes that arise out of this Agreement. Issues, steps towards resolution and the resolution itself will be documented through the Quality Monitoring System. A QMS ticket must be issued to begin the process of dispute resolution. For disputes involving an individual Permit Holder parties will seek resolution by following these three steps:

4.1.1 Step One

The Permit Holder and the applicable **CSP Manager** shall work to resolve all issues on a timely basis. Any disputes at this level will be noted in the Quality Monitoring System as a "Level 1" dispute.

4.1.2 Step Two

If the Permit Holder and the **CSP Manager** are not able to agree upon a resolution within 4 business days from issuing of Quality Monitoring System ticket, or such other time period as agreed upon by them, either the Permit Holder or the **CSP Manager** may engage ABDA and **the General Manager of CSP** to resolve the dispute. Any disputes at this level will be noted in the Quality Monitoring Ticket as a "Level 2" dispute.

4.1.3 Step Three

If the Permit Holder or where applicable, the ABDA, and **the General Manager of CSP** are not able to resolve the dispute within 7 business days, or such other time period as agreed upon by them, and unless the dispute has not been resolved within 30 days, from the issuance of the initial Quality Monitoring System ticket, either party from step two may engage the BCMB. The BCMB's decision shall be binding on the parties except with respect to authority, jurisdiction or legal enforcement. Any disputes at this level will be noted in the Quality Monitoring System as a "Level 3" dispute.

4.1.4 Authority, Jurisdiction or Legal Enforcement

Disputes that involve authority or jurisdiction that cannot otherwise be resolved under this Section 4.1 and disputes over matters of legal enforcement beyond the authority of the BCMB shall be determined by commencing the appropriate legal proceedings in the Court of Queen's Bench of Alberta.

4.2 **Procedure for General Disputes**

CSP and ABDA shall use reasonable efforts to settle any and all disputes, differences, controversies, questions or claims arising out of or in any way related to this Agreement, not involving an individual Permit Holder's operational issue, or the negotiation, amendment, validity, interpretation, performance, existence, breach, violation or termination of this Agreement by

following the steps outlined in this Section 4.2:

4.2.1 Step One

CSP executive and ABDA executive will work to resolve the issue on a timely basis.

4.2.2 Step Two

If the executive representatives are not able to agree upon a resolution within 90 days of the point of first notification or such other time period as agreed upon by both parties, the dispute will be determined by engaging BCMB, whose decision shall be binding on the parties, except with respect to authority, jurisdiction or legal enforcement.

4.2.3 Authority, Jurisdiction or Legal Enforcement

Disputes that involve authority or jurisdiction that cannot otherwise be resolved under this Section 4.2 and disputes over matters of legal enforcement beyond the authority of the BCMB shall be determined by commencing the appropriate legal proceedings in the Court of Queen's Bench of Alberta.

4.3 Status

CSP and ABDA consent to individual Permit Holders having status to participate in dispute resolutions under this Agreement.

ARTICLE 5 TERM

Except as otherwise provided in this Agreement, or as otherwise agreed by CSP and ABDA in writing, the term of this Agreement shall commence on the date this Agreement is approved by the BCMB and shall continue for a period of three years. It is the express intention of CSP and ABDA to renew this Agreement beyond this term if they can negotiate acceptable terms. Not later than six months before the end of the term, CSP and ABDA will commence discussions aimed at that renewal facilitated by the BCMB. If an Agreement is not submitted to the BCMB within the timelines established by the BCMB, the BCMB may impose a deadline on the ABDA and the CSP for submission of an Agreement. If the CSP and the ABDA do not comply with a deadline imposed by the BCMB, the BCMB may prescribing any or all matters related to the efficient operation of the collection system by the CSP and the Depots.

ARTICLE 6 GENERAL

6.1 Trademarks

The ABDA and CSP acknowledge that this Agreement does not confer any rights to the use of any logos, trademarks or intellectual property rights of the other party.

6.2 Confidentiality

All financial information or information respecting volumes of Containers handled by Depots shall not be disclosed by CSP or ABDA and each of the Permit Holders unless required to do so by law, by the BCMB, or with the express consent and waiver of such confidentiality by the Parties. The foregoing shall not apply to statistical information provided the information is disclosed in a manner that does not identify volumes or financial information applicable to a specific Depot, except where requested by the BCMB.

6.3 Currency

All sums of money expressed in this Agreement are expressed in the lawful money of Canada.

6.4 Time of the Essence

Time shall be of the essence of this Agreement.

6.5 Further Acts

Each of the Parties to this Agreement shall, at the request of the other Party, execute and deliver any further documents and do all acts and things that Party may reasonably require in order to carry out the true intent and meaning of this Agreement.

6.6 No Partnership

Nothing in this Agreement or in the relationship of the Parties hereto shall be construed as in any sense creating a partnership among the Parties or as giving to any Party any of the rights or subjecting any Party to any of the creditors of the other Party. In the performance of its obligations under this Agreement, each of the Parties to this Agreement, including without limitation its directors, officers, agents and consultants, shall be that of an independent contractor and shall in no circumstances be construed to be an employee, agent, or fiduciary of the other Party or to have the rights to make commitments for or on behalf of the other Party except as specifically permitted under this Agreement.

6.7 Entire Agreement

This Agreement constitutes the entire agreement between the Parties relating to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, whether written or oral, of the Parties, and there are no warranties, representations or other agreements among the Parties in connection with the subject matter hereof except as specifically set forth herein.

6.8 Remedies Not Exclusive

No remedy herein conferred upon any Party is intended to be exclusive of any other remedy available to that Party, but each remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing by law or in equity or by statute.

6.9 No Waiver

No consent or waiver, express or implied, by a Party to or of any breach or default by the other Party in the performance by the other Party of its obligations hereunder shall be deemed or construed to be a consent or waiver to or any other breach or default in the performance of obligations hereunder by such Party hereunder. Failure on the part of a Party to complain of any act or failure to act of the other Party or to declare the other Party in default, irrespective of how long such failure continues shall not constitute a waiver by any such Party of its rights hereunder.

6.10 Enurement

This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

6.11 Assignment

Except as set forth in Section 3.6 hereof, neither the benefit nor the burden of this Agreement may be sold, transferred or assigned without the prior consent of the other Party.

6.12 Notice

6.12.1 Any notice, election, consent, demand or other communication between the Parties shall be in writing and shall be delivered, emailed, or faxed:

To: Alberta Bottle Depot Association #202, 17850 105 Avenue Edmonton, Alberta T5S 2H5 Email: <u>president@albertadepot.ca</u> Fax#: (780) 454-0464

To: CSP ADDRESS CITY, PROVINCE

<mark>POSTCODE</mark> Email:

6.12.2 A notice shall be deemed to be delivered:

- (a) on the day it was delivered personally, faxed or emailed,
- (b) three business days after it was mailed by regular post; or
- (c) the day it was delivered by courier or registered mail.

6.12.3 A Party may change their address for notice by providing written notice of such new address to the other Party.

ARTICLE 7 EXECUTION

In witness whereof, the Parties have executed this Agreement as of the day of year first above written. This Agreement may be executed in counterparts.

ALBERTA BOTTLE DEPOT ASSOCIATION Per: Name: Title: CSP Per: Name: Title:

SCHEDULE "A" **APPROVED CONTAINER SORTS**

To be provided:

- Container Code (s) i.
- ii.
- Container Type (s) Type of Shipping Method (s) Unit of Measure (s) iii.
- iv.
- Other Information as needed v.

SCHEDULE "B" PALLETIZING REQUIREMENTS

PRODUCT MUST BE PALLETIZED FOR SHIPMENT AS FOLLOWS:

1.0 <u>Standard Pallet Requirements:</u>

Standard pallets shall be built with the intent of:

- 1.1 Ensuring safety while stacking pallets at the Depot, loading trucks and handling at CSP's (or its subcontractor's) processing facilities.
- 1.2 Protecting the integrity of the Shipping Container.
- 1.3 Facilitating accurate counts.
- 1.4 Optimizing shipment space and handling efficiencies.

Describe how pallet is to be formed/built by Depot

On behalf of CSP (or its subcontractor), the Carrier shall advise the Depot of any palletized Containers not complying with the standards as described here and maintains the right to either have the Depot remedy the issue in a timely manner or refuse the Containers until the next scheduled pickup providing the issues have been corrected.

If the last two positions of the trailer are being loaded with pallets of Containers, they should be also shrink-wrapped to provide stability during transport.

Specific Handling Guides should be defined and summarized here

SCHEDULE "C" PAYMENTS

"Payments" include: deposit refunds, handling commissions, G.S.T. on commissions, the required BCMB Container fees or levies and applicable G.S.T. on BCMB Container fees or levies.

CSP shall make payments based on the following schedules:

Load Received at CSP	Payment Processed	EFT Payment
Friday Monday Tuesday	Wednesday	Friday
Wednesday Thursday	Friday	Tuesday

Notwithstanding the above, no more than 9 calendar days (excluding statutory holidays) shall pass from the date the Carrier picks up a shipment, and CSP has been notified of the shipment (via receiving the RBill from the applicable Carrier), from the Depot Operator to the date of authorization of payment by CSP to its bank.

In the event of a statutory holiday, and with 30 days' notice to Depots, CSP may make modifications to this Schedule to maintain the format of one payment prior to the weekend and one payment following the weekend.

Payment or statement inquiries may be made to *email here*

SCHEDULE "D" SCHEDULING OF PICK-UPS

1.0 <u>Guiding Principles</u>

- 1.1 The schedule is prepared by CSP with the intent to recognize the individual needs of each Depot operator, the transportation logistics, and the CSP.
- 1.2 Appointments will be scheduled or applied on a fair and equitable basis for all Depots giving consideration to Depot volumes.
- 1.3 The intent of scheduling is to minimize the Containers left at the Depots at the end of business each week.
- 1.4 Service in all regions will be coordinated with CSP's pick-up schedule.

2.0 Carrier Direct Depot Appointments

For Carrier Direct Depots, who often are located in rural areas:

- 2.1 Depots are assigned a Carrier who provides equipment to accommodate Depot volumes and frequency of pickups.
- 2.2 Requests for pickups will be arranged directly with the assigned Carrier.
- 2.3 Carrier appointments may be made on a standing schedule or on an ad hoc basis.

3.0 <u>Other</u>

For Depots located in xxx:

3.1

4.0 Transportation Deficiencies

- 4.1 The Depot shall notify the Carrier/CSP of any transportation deficiency such as known problems with the loading dock, forklift malfunction, etc. as soon as is reasonably possible.
- 4.2 The Carrier/CSP shall notify the Depot of any delay or transportation deficiency at least 1 hour prior to the appointment.
- 4.3 The Carrier/CSP and the Depot shall work to resolve the reported deficiency within 4 hours of notification.

<u>SCHEDULE "E"</u> SHIPPING CONTAINERS

1.0 <u>Guiding Principles</u>

- 1.1 Depots, Carriers and CSP must utilize Shipping Containers to maximize safety and efficiency at the individual Depots, in transit from the Depots, and at CSP processing facilities and breweries.
- 1.2 All parties will work to protect the integrity of the Shipping Containers. Depots shall handle and store the Shipping Containers in a reasonable and secure manner to minimize damage and loss.
- 1.3 CSP will provide the required Shipping Containers, as mutually agreed to with each Depot, at no cost to the Depot Operator.
- 1.4 Depot Operators may request additional Shipping Containers in excess of agreed targets.
- 1.5 Damaged or unusable Shipping Containers are to be returned to CSP in a manner easily accounted for and identified on the inbound RBill for credit to Depot inventory levels.
- 1.6 The recycling and/or disposal and replacement of damaged or non-usable Shipping Containers will be performed by CSP in order to maximize safety and maintain the integrity of the system's inventory.
- 1.7 Shipping Containers supplied by CSP remain the property of CSP at all times.
- 2.0 Supply Targets
- 2.1 Each Depot Operator shall:
- 2.1.1 work with CSP to establish an inventory target based on a reasonable business model;
- 2.1.2 Define any other Misc Supplies (tags etc) Ordering Process here
- 2.2 CSP shall:
- 2.2.1 work with each Depot Operator to establish an inventory target based on a reasonable business model;
- 2.2.2 replace each Shipping Container on a one for one basis;
- 2.2.3 at the Depots request, temporarily adjust their inventory target to reasonably manage changes in Beverage Container volumes (i.e. bottle drives, local festivals, etc.);
- 2.2.4 respond to any requests for Shipping Containers and/or consumables from a Depot Operator within one Business Day including a timeline.

SCHEDULE "F" QUALITY CONTROL AND ADJUSTMENTS

IF REQUIRED BY PARTIES:

QUALITY CONTROL

- 1.0 <u>Intent</u>
- 1.1 *To be defined and agreed upon here*

2.0 Process

2.1 *To be defined and agreed upon here*

DEPOT PERFORMANCE - ACCURACY

- 1.0 <u>Intent</u>
- 1.1 To be defined and agreed upon here

to the actual count found.

- 2.0 <u>Process</u>
- 2.1 To be defined and agreed upon here

DEPOT PERFORMANCE – QUALITY

- 1.0 Ongoing Compliance
- 1.1 If a shipment of Containers is found to be of poor quality with regard to but not limited to container sort, pallet stability or box quality, the Permit Holder will be advised by CSP through a ticket in the Quality Monitoring System.
- 1.2 Notification to the Permit Holder will include the details of the shipment and images where appropriate of non-compliance. If CSP deems further auditing is required the BCMB will be engaged to make the appropriate arrangements.

Appendix A – Examples of Forms

Examples of Forms/Tags and other Administrative Supplies to be included here

Example of RBill/Shipping Document

Example of Shipping Documents to be included here

CSP OPERATING AGREEMENT

BEVERAGE CONTAINER MANAGEMENT BOARD

- and -

XX BEVERAGE CONTAINER MFR

Dated:

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COLLECTION SERVICE PROVIDER OPERATING AGREEMENT

This Agreement made as of _____ day of _____, 2018.

BETWEEN:

Beverage Container Management Board, a society incorporated under the laws of Alberta (the "BCMB")

- and -

xx, a corporation incorporated under the laws of Alberta (the "MANUFACTURER")

The recitals of this Agreement are as follows:

- A. The BCMB regulates the beverage container system of Alberta pursuant to the Regulation;
- B. The Regulation provides that Manufacturers shall use a Collection Service Provider for recovery and recycling of empty refillable Containers from Depots and that Manufacturers shall appoint a Collection Service Provider;
- C. The Collection Service Provider (CSP) appointed to act on behalf of a Manufacturer must be satisfactory to the BCMB;
- D. The CSP and the Depot Membership Organization have entered into, and the BCMB has approved, a Service Agreement which outlines certain duties and obligations owed by the CSP to Depots and owed by Depots to the CSP in relation to the collection and payment of certain refillable containers;
- E. The By-laws require that an agreement be entered into between the BCMB and the MANUFACTURER with respect to the operation of the Collection Service;

ARTICLE 1 - INTERPRETATION

1.1 **Definitions**

Whenever used in this Agreement, the following words and terms shall mean:

- 1.1.1 "Act" means the Environmental Protection and Enhancement Act (Alberta).
- 1.1.2 "Agreement" means this Operating Agreement, including all schedules.
- 1.1.3 "Alberta Bottle Depot Association" or "ABDA" means the organization that has the authority to represent Depots in Alberta.
- 1.1.4 "Compliance Fee" means a charge levied by the BCMB to the MANUFACTURER for costs associated with monitoring deficiencies related to this Agreement not covered in other fees.
- 1.1.5 "BCMB" means the Beverage Container Management Board. The BCMB is a management board within the meaning of the Environmental Protection and Enhancement Act (Alberta) whose mandate is to regulate and enhance a leading beverage container system that protects Alberta's environment.
- 1.1.6 "Container" means a bottle, can, plastic cup or paperboard carton or a package made of metal, plastic, paper, glass or other material, or a combination of them, that contains or has contained a beverage.
- 1.1.7 "By-laws" means by-laws made by the BCMB in accordance with the Regulation.
- 1.1.8 "Collection Service Provider" or "CSP" means a manufacturer that collects empty refillable Registered Containers that contained a beverage manufactured by that manufacturer or a person contracted by a manufacturer to collect empty refillable Registered Containers that contained a beverage manufactured by that manufacturer.
- 1.1.9 "Depot" means a place operated as a business for the collection of empty Containers.
- 1.1.10 "Permit Holder" means an individual or corporate entity named on a Permit.
- 1.1.11 "Manufacturer" means a person who manufactures a beverage and includes:
 - 1.1.11.1 a person who carries on the business of filling containers with a beverage;
 - 1.1.11.2 a person who imports a beverage in a container into Alberta for the purpose of distribution or sale in Alberta.
- 1.1.12 "Material Stream" means each category of container for which a specific handling commission is payable as identified in the By-laws.
- 1.1.13 "Processing Facilities" means the facilities used by the MANUFACTURER to conduct the business of collection and distribution of Containers.

- 1.1.14 "Regulation" means the Beverage Container Recycling Regulation, AR 101/97, as amended.
- 1.1.15 "Service Agreement" means an agreement entered into between the Alberta Bottle Depot Association and a Collection System Agent or Collection Service Provider, prescribing the manner and frequency of Container collections, the manner and frequency of payments and other matters related to the efficient operation of the beverage container system.

1.2 **References**

In this Agreement except where expressly otherwise provided or where the context otherwise requires:

- 1.2.1 words in the singular include the plural and vice versa and words importing any one of the masculine, feminine or neuter genders include the other genders;
- 1.2.2 a reference to a statute or regulation or a provision thereof means the statute or regulation or provision as amended or superseded from time to time;
- 1.2.3 unless otherwise provided a reference to dollars or amounts of money means lawful money of Canada; and
- 1.2.4 a reference to an article, section, subsection number or schedule shall, unless otherwise stated, be a reference to an article, section, subsection or schedule of this Agreement.

1.3 Headings and Table of Contents

This Agreement is provided with a table of contents and headings and is divided into sections and subsections for convenience of reference only and such shall not affect its construction or interpretation.

1.4 Governing Law

This Agreement shall be interpreted and governed by the laws in force in the Province of Alberta from time to time and any proceedings in respect of it shall be brought and carried on before the courts of the Province of Alberta and all parties attorn irrevocably to the exclusive jurisdiction of such courts.

1.5 Meaning of Expressions

"Herein", "hereof" or "hereunder" and similar expressions when used in a section shall be construed as referring to the whole Agreement and not that section only.

1.6 Schedules

The following schedules are attached to and form part of this Agreement:

Schedule "A"	Levies and Fees
Schedule "B"	Reporting and Record Keeping
Schedule "C"	Evaluation against Performance Standards

ARTICLE 2 - NATURE OF RELATIONSHIP

2.1 Confirmation of the CSP

The BCMB hereby confirms that, as of the date of this Agreement, that xxx is satisfactory to the BCMB as the Collection Service Provider appointed by the MANUFACTURER.

2.2 No Partnership

Nothing in this Agreement or in the relationship of the MANUFACTURER and the BCMB shall be construed as in any sense creating a partnership among the parties or as giving to any party any of the rights or subjecting any party to any of the creditors of another party.

2.3 **Confidentiality**

Certain information within the System is critical to the competitive positions of Manufacturers and Permit Holders and must be kept confidential. Therefore:

- 2.3.1 where the BCMB acquires information referred to in section 17(1) of the Regulation and the information related to a trade secret, process or technique that the Permit Holder, the MANUFACTURER or Manufacturers otherwise keeps confidential, the BCMB shall take all reasonable steps to ensure that the information is not used or released in a form or manner that is likely to undermine the confidentiality of the information;
- 2.3.2 all financial information and information concerning Container volumes of individual Depots shall be kept confidential by the MANUFACTURER and the BCMB without the prior consent of the Permit Holder; and
- 2.3.3 The MANUFACTURER and the BCMB shall keep as confidential all trade secrets, processes or techniques that it learns as a result of its position within the Collection Service.

ARTICLE 3 - ROLE OF THE BCMB

3.1 Industry Governance

In conjunction with the powers and duties conferred or imposed upon it by the Regulation, the BCMB shall, without limiting the breadth of its activities and obligations outside of this Agreement:

- 3.1.1 establish By-laws in accordance with article 18 of the Regulation;
- 3.1.2 approve the Collection Service Provider appointed by Manufacturers if satisfactory to the BCMB;
- 3.1.3 maintain a registry of Containers;
- 3.1.4 monitor, inspect and evaluate the performance of the MANUFACTURER in accordance with the By-laws and this Agreement;
- 3.1.5 notify the MANUFACTURER of the issuance, cancellation or modification to permits issued to Permit Holders; and

ARTICLE 4 - ROLE OF THE MANUFACTURER

4.1 **Regulatory Compliance**

The MANUFACTURER shall:

- 4.1.1 appoint a Collection Service Provider;
- 4.1.2 submit a binding and valid agreement between the CSP and the MANUFACTURER;
- 4.1.3 comply with the provisions of the Regulation, By-laws, this Agreement and the Service Agreement;
- 4.1.4 collect Containers from Depots in accordance with the Regulation, By-laws, Service Agreement and this Agreement;
- 4.1.5 on collecting Containers from a Depot, cause Containers to be refilled or recycled in a manner approved by the BCMB;
- 4.1.6 in accordance with the Regulation and the By-laws, provide to the BCMB information pertaining to the sale and recovery of Containers subject to section 4.1.7;
- 4.1.7 remit Administrative Levies and Fees set out in Schedule "A";
- 4.1.8 maintain records and comply with the reporting requirements set out in Schedule "B";
- 4.1.9 operate the collection system in a manner that meets or exceeds the performance standards set out in Schedule "C";
- 4.1.10 submit a Service Agreement, with the concurrence of the Membership Organization, in compliance with the By-laws and this Agreement;
- 4.1.11 maintain and manage an amount of operating reserve sufficient to ensure adequate cash flow to fulfill its obligations to achieve operational and financial stability for the Collection Service responsible for the recovery of Containers; and
- 4.1.12 amend the Service Agreement, with the concurrence of the Membership Organization, to incorporate new Material Streams registered with the BCMB or changes to existing Material Streams, or changes to the By-laws of the BCMB, as necessary.

4.2 Access to Processing Facilities

The MANUFACTURER shall:

- 4.2.1 allow the BCMB access to its processing facilities during normal operating hours; and
- 4.2.2 post any signage in the processing facilities as requested from time to time.

4.3 Payments

In compliance with its obligations under section 4.1 of this Agreement, the MANUFACTURER shall, reimburse and/or pay the Permit Holder such payments as may be necessary from time to time, which payments may be reduced by the amounts referenced in section 1.2 of Schedule "A".

ARTICLE 5 - TERM

5.1 **Terms and Termination**

- 5.1.1 Except as otherwise provided in this Agreement, or as otherwise agreed by the MANUFACTURER and the BCMB in writing, the term of this Agreement shall commence on the effective date of this Agreement and shall continue until xxx.
- 5.1.2 If the BCMB rescinds the approval of the Collection Service Provider in accordance with the By-laws, this Agreement shall terminate on the effective date of such rescission.

ARTICLE 6 - GENERAL

6.1 Notices

All notices, amendments, consents, evaluations or other communications required or permitted by this Agreement shall be in writing and shall be sent by courier or other personal delivery or other electronic means and shall be directed to or addressed as follows:

If to the BCMB, to:

Beverage Container Management Board #100, 8616 – 51st Avenue Edmonton, Alberta T6E 6E6 Attention: The President Fax Number: 780-428-4620 Email: president@bcmb.ab.ca

If to the MANUFACTURER, to:

6.2 Entire Agreement

This Agreement constitutes the entire agreement between the MANUFACTURER and the BCMB relating to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, whether written or oral, of the parties, and there are no warranties,

representations or other agreements among the parties in connection with the subject matter hereof except as specifically set forth herein.

6.3 Remedies Not Exclusive

No remedy herein conferred upon any party is intended to be exclusive of any other remedy available to that party but each remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing by law or in equity or by statute.

6.4 Waiver

The waiver by any party of strict observance or performance of any term of this Agreement or of any breach of it on the part of any party shall not be held or deemed to be a waiver of any subsequent failure to observe or perform the same or any other term of this Agreement or of any breach thereof on the part of such party.

6.5 Severability

The determination that any provision of this Agreement is invalid or unenforceable shall not invalidate this Agreement, all of said provisions being inserted conditionally on their being considered legally valid, and this Agreement shall be construed and performed in all respects as if any invalid or unenforceable provisions are omitted provided the primary purpose of this Agreement is not thereby impeded.

6.6 Survival

Any sections of this Agreement, which expressly provide for, or by their nature require, survival after the expiration or termination of this Agreement, shall survive.

6.7 Enurement

This Agreement shall enure to the benefit of and be binding upon the parties and their respective successors and permitted assigns.

6.8 Assignment

Except as expressly provided elsewhere in this Agreement, any rights or obligations of this Agreement are non-assignable by any party without the prior permission of the other party, such permission not to be unreasonably withheld.

6.9 **Time**

Time shall be of the essence in this Agreement.

ARTICLE 7 - EXECUTION

7.1 Execution

IN WITNESS WHEREOF the BCMB and the Manufacturer have executed this Agreement as of the day and year first above written.

Beverage Container Management Board

Per:
Manufacturer
Per:

SCHEDULE "A"

LEVIES AND FEES

1. BCMB Fee By-law

The MANUFACTURER shall remit:

- 1.1 the sum identified in section 4(1) of the BCMB Fee By-law for each Container recovered; and
- 1.2 on behalf of each Depot the sum identified in section 4(2) of the BCMB Fee By-law for each Container recovered.

2. Additional Administrative Levies

The MANUFACTURER shall pay to the BCMB any fees as determined by the BCMB, acting reasonably, to address additional costs and expenses incurred by the BCMB that arise from the BCMB's efforts to monitor and evaluate the MANUFACTURER's compliance with the Regulation, the By-laws, the Service Agreement or this Agreement.

3. Operating Agreement Fee

The Manufacturer shall pay the BCMB a fee of \$xx for the execution of this Operating Agreement.

SCHEDULE "B"

RECORD KEEPING AND REPORTING

The MANUFACTURER shall keep or cause to be kept books, documents, records and accounts for the purpose of this Agreement, the Regulation and the By-laws. The BCMB may request any information it considers reasonably necessary for the administration of this Agreement and the Regulation from time to time.

The MANUFACTURER shall report to the BCMB for the purposes of this Agreement, the Regulation and the By-laws.

- 1. The MANUFACTURER shall provide the following information to BCMB on a monthly basis:
 - 1.1 Aggregate number of Containers reported as sold in each Material Stream;
 - 1.2 Aggregate number of Containers recovered from Depots in each Material Stream;
 - 1.3 Number of Containers collected from each Depot in each Material Stream;
 - 1.4 In relation to Payments as referenced in the Service Agreement:
 - 1.4.1 number of payment transactions;
 - 1.4.2 number of instances when the date of authorization of payment by the MANUFACTURER to its financial institution is more than 9 calendar days from the date carrier picks up shipment and notifies the MANUFACTURER; and
 - 1.4.3 number of payments that were adjusted.
- 2. The MANUFACTURER shall provide the following information to the BCMB within 6 months of each fiscal year end:
 - 2.1 In relation to the disposition of Containers:
 - 2.1.1 number of Containers recycled or not recycled under the Regulation;
 - 2.1.2 information regarding the end of life disposition of Containers recycled under the Regulation organized by Material Stream or the method of recycling of those Containers;
 - 2.1.3 confirmation that all contracts with third party recycling agents include the following contractual obligations:
 - A. the obligation to disclose recycling methodology and other particulars in respect of the disposition of materials;
 - B. adequate security measures to prevent theft and/or duplicate credit for the same materials and to otherwise safeguard against fraudulent, illegal or

other inappropriate behaviour that has a reasonable possibility of harming the integrity of the collection system; and

- C. the provision of an appropriately verified reconciliation of the amount of material received, recycled and disposed of.
- 2.2 In relation to Manufacturer Reporting;
 - 2.2.1 Verification of reported sales of volumes into Alberta;
 - A. verification by external auditors for Manufacturers whose total reported annual Beverage Container sales volumes are equal to or exceed 10 million Beverage Containers;
 - verification by external or internal auditors for Manufacturers whose total reported annual Beverage Container sales volumes are less than 10 million Beverage Containers but equal to or greater than 5 million Beverage Containers;
 - C. verification by external or internal auditors or the senior operating officer for Manufacturers whose total reported annual Beverage Container sales volumes are less than 5 million Beverage Containers;
 - 2.2.2 A letter from a MANUFACTURER representative to a BCMB representative to confirm the existence of any audit issues.
- 2.3 In relation to risk management:
 - 2.3.1 Written self-disclosure of any breaches of confidentiality of information pertaining to depots;
 - 2.3.2 A summation of the processes taken to ensure the effectiveness and continuity of business in the event of an emergency or disaster; and
 - 2.3.3 A summation of a mitigation strategy and its effectiveness with regards to minimizing the risk of system fraud.

SCHEDULE "C"

EVALUATION AGAINST PERFORMANCE STANDARDS

The BCMB shall evaluate in accordance with the By-laws the MANUFACTURER's contribution to the BCMB goals for the beverage container system of Alberta as set out in the BCMB Business Plan, the efficiency and effectiveness of the MANUFACTURER's operation of their collection system and the MANUFACTURER's compliance with the Regulation, By-laws, Service Agreement and this Agreement.

- 1. Accountability
 - 1.1 The MANUFACTURER operates their collection system in compliance with the Act, Regulation, By-laws and this Agreement and demonstrates a focus on:
 - 1.1.1 collaboration and cooperation;
 - 1.1.2 alignment of the MANUFACTURER annual operating plan with the BCMB Business Plan and strategic priorities; and
 - 1.1.3 participation in the Quality Monitoring System.
 - 1.2 The MANUFACTURER is in compliance with to the terms of the Service Agreement and any other agreement between the CSA and the ABDA, in particular:
 - 1.2.1 scheduling and loading;
 - 1.2.2 shipping supplies;
 - 1.2.3 payments; and
 - 1.2.4 confidentiality.
 - 1.3 The MANUFACTURER is in compliance with to the terms of this Agreement and in particular:
 - 1.3.1 causes Containers to be recycled in a manner approved by the BCMB; and
 - 1.3.2 submits a Service Agreement, with the concurrence of the ABDA, in compliance with the By-laws.
 - 1.4 The MANUFACTURER maintains records sufficient to, without limitation, provide monthly, annual and term reporting on key performance metrics as outlined in Schedule B of this Agreement.
- 2. Performance Standards
 - 2.1 Transportation

- 2.1.1 Standard: Depots are provided dependable carrier pick up
- 2.1.2 Measure: No-show. A "No Show" is characterized as a transportation carrier failing to show up without any communication from the MANUFACTURER to the Depot notifying them of the cancellation at least one hour prior to the scheduled pick-up time.
- 2.1.3 Compliance: Progressive enforcement action will be taken using the Compliance Framework
- 2.2 Shipping Containers
 - 2.2.1 Standard: Depots have adequate shipping supplies.
 - 2.2.2 Measure 1: Lack of supplies is demonstrated, and the MANUFACTURER fails to meet the standard when a Depot is required to close, or the Depot indicates that they need supplies urgently or else will be forced to close. The MANUFACTURER fails to meet the standard where the MANUFACTURER does not respond to the request before closure is within 24 hours as determined by dispute resolution.
 - 2.2.3 Measure 2: Lack of supplies is demonstrated, and the MANUFACTURER fails to meet the standard when a Depot is required to ship materials in incorrect shipping containers.
 - 2.2.4 Compliance: Progressive enforcement action will be taken using the Compliance Framework
- 2.3 Payment to Depot
 - 2.3.1 Standard: Depots get paid on time
 - 2.3.2 Measure: As defined within Service Agreement. The MANUFACTURER fails to meet the standard when payment to a Depot exceeds the agreed to maximum period.
 - 2.3.3 Compliance: Progressive enforcement action will be taken using the Compliance Framework
- 2.4 Operating Agreement
 - 2.4.1 Standard: The CSA holds itself accountable to the performance and reporting requirements of this Agreement
 - 2.4.2 Measure: Performance against section 1 of this Schedule and Reporting against Schedule "B"
 - 2.4.3 Compliance: Compliance Framework
- 2.5 Use of QMS

- 2.5.1 Standard: Depot Operator tickets are responded to and resolved in a timely manner
- 2.5.2 Measure: Response Time by QMS Service Level Agreements. The MANUFACTURER fails to meet the standard when response and resolution times exceed those agreed to.
- 2.5.3 Compliance: Based on monthly performance achieving the following standards:
 - A. 100% compliance on first response time
 - B. 95% compliance on resolution time for supplies tickets (24 hours)
 - C. 80% compliance on next response times for all other tickets (24 hours)

3. Compliance Framework

- 3.1 A failure of the CSA to meet the standards set out in sections 2.1, 2.2, 2.3 and 2.4 of this Schedule will result in progressive enforcement actions.
 - 3.1.1 Each infraction will be exclusive by depot and type.
 - 3.1.2 There are three enforcement levels applicable to these sections.
 - 3.1.3 Where the CSA fails to meet a standard in these sections, the BCMB shall send the CSA a Level One Warning Letter advising of the failure.
 - 3.1.4 The CSA will be given 10 days to rectify the problem following which, where the CSA fails to meet the standard a second time, the BCMB shall send to the CSA a Level Two Warning letter advising of the failure and the CSA shall pay a Compliance Fee.
 - 3.1.5 The CSA will be given a further 10 days to rectify the problem following which, where the CSA fails a third time to meet the standard the CSA shall pay a Compliance Fee and CSA Senior Management shall attend a meeting with the BCMB.
 - 3.1.6 The CSA may apply to the BCMB to move down a Level in the Compliance Framework by demonstrating that procedures have been corrected in order to prevent another failure to meet the standard.
- 3.2 Where the CSA fails to meet a standard set out in section 2.5 the CSA shall pay a Compliance Fee.
- 4. Compliance Fee
 - 4.1 A Compliance Fee will be levied for each infraction identified within the compliance framework at level 2 and level 3.
 - 4.2 A Compliance Fee will be levied for each failure to achieve the agreed performance standard outlined in sections 2.4, and 2.5 of this Schedule.

4.3 The Compliance Fee is set in the Fee By-law.