

## PHASE 2 FUNDING AGREEMENT

### PHASE 2 FUNDING AGREEMENT - THE CORPORATION OF THE CITY OF LONDON

THIS AGREEMENT is made as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

#### BETWEEN:

**RECYCLING COUNCIL OF ONTARIO**, a not-for-profit organization, with a principal office address of 215 Spadina Ave, Suite 225, Toronto, Ontario M5T 2C7

("RCO")

AND

The Corporation of the City of London

300 Dufferin Ave, PO Box 5035

London, Ontario , N6A 4L9

(the "**Municipality**")

#### BACKGROUND:

- A. The Ministry of the Environment selected RCO to develop and operate a Selected Household Hazardous Waste Program to reimburse eligible municipal costs incurred in connection with the proper management of Selected Household Hazardous Wastes;
- B. The Municipality has registered with RCO as a participant in the Program (as defined below) and that registration has been accepted by RCO; and
- C. The Municipality wishes to receive reimbursement under the Program in accordance with this Agreement.

#### ARTICLE 1 INTERPRETATION

1.1 **Definitions.** In this Agreement:

- (a) "**Aggregated and Cleaned Information**" is defined in Section 8.2(c);
- (b) "**Business Day**" means any day from Monday to Friday inclusive, except for any day that is a statutory holiday in Ontario;
- (c) "**Claim Deadline**" means the date on or before which the Municipality must submit a Reimbursement Claim for a given Round, as listed in the third column of the table in Schedule B;
- (d) "**Collection Period**" means the date during which the Municipality may incur Eligible Costs in a particular Round, as identified in the second column of the table in Schedule B;

- (e) **"Collection Site"** means a location where the Municipality or its Third Party Providers will accept Selected Household Hazardous Wastes for which the Municipality will submit Reimbursement Claims under this Agreement;
- (f) **"Confidential Information"** is defined in Section 7.1;
- (g) **"Deficiencies"** means any of the following: (i) the inclusion in a Reimbursement Claim of costs that are not Eligible Costs, as defined under this Agreement; (ii) missing, incomplete, inaccurate or otherwise inadequate Supporting Information in respect of a Reimbursement Claim; (iii) any calculation errors in a Reimbursement Claim or in Supporting Information; (iv) a failure to submit a Reimbursement Claim or Supporting Information in accordance with the requirements of this Agreement; or (v) any other failure of a Reimbursement Claim or Supporting Information to comply with the requirements of this Agreement.
- (h) **"Deficiency Notice"** is defined in Section 4.5;
- (i) **"Disclosed Information"** is defined in Section 8.2;
- (j) **"Disclosing Party"** is defined in Section 7.2;
- (k) **"Effective Date"** means the date of this Agreement as first written above;
- (l) **"Eligible Activities"** means the activities described in Schedule D of this Agreement, as may be amended from time to time in accordance with this Agreement;
- (m) **"Eligible Costs"** is defined in Section 3.2;
- (n) **"Eligible Wastes"** is defined in Section 3.1;
- (o) **"Event of Default"** is defined in Section 12.4;
- (p) **"Final Determination Notice"** is defined in Section 4.5;
- (q) **"Force Majeure"** is defined in Section 10.1;
- (r) **"Governmental Authority"** means any federal, state, provincial, or municipal government, parliament or legislature, or any regulatory authority, agency, tribunal, commission, ministry, board, department, institution or similar entity of any such government, parliament or legislature, or any court or other Law, regulation or rule-making entity, having jurisdiction in the relevant circumstances;
- (s) **"Governmental Authorization"** means any authorizations, approvals consents, permits, grants, licences, privileges, rights, orders, judgments, rulings, directives, ordinances, decrees, registrations and filings issued or granted by Law or by any Governmental Authority;
- (t) **"IC&I Small Quantity Generator"** means a business that is not required to submit a generator registration report with respect to the waste under subsection 18(1) of Ontario Regulation 347 under the *Environmental Protection Act* (Ontario), which currently requires that such generators deliver no more than 100 kilograms per month of municipal hazardous or special waste to a municipal depot;
- (u) **"Included Portion of Shared Costs"** is defined in Section 3.5;

- (v) **"Indemnified Parties"** is defined in Section 9.1;
- (w) **"Industry Funding Organization"** has the meaning given under the *Waste Diversion Act* (Ontario);
- (x) **"Insolvency Event"** means, in respect of a Party, any one or more of the following: (i) if a Party files a petition in bankruptcy or for reorganization or for an arrangement pursuant to any applicable bankruptcy Law or under any similar Law, now or hereafter in effect; (ii) if a Party is adjudged bankrupt by a court of competent jurisdiction, or becomes insolvent, makes an assignment for the benefit of its creditors, admits in writing its inability to pay its debts generally as they become due, is dissolved or suspends payment generally of its obligations; (iii) if a petition is filed proposing the adjudication of a Party as bankrupt or its reorganization pursuant to any applicable bankruptcy Law or any similar Law, now or hereafter in effect, and: (A) the Party consents to that filing; (B) the petition is not discharged or denied within 60 days after that filing; or (C) the petition is not diligently defended against; and (iv) if a receiver, trustee, liquidator, or other similar official is appointed to take charge of a Party or of all or substantially all of the business or assets of a Party, and: (A) that Party consents to such appointment; or (B) the appointment is not discharged or withdrawn or action is not taken by that Party to secure the discharge of that official within 60 days after the appointment.
- (y) **"Intellectual Property Rights"** means: (i) any and all proprietary rights provided under: (A) patent Law, (B) copyright Law, (C) trade-mark Law, (D) design patent or industrial design Law, (E) semi-conductor chip or mask work Law, or (F) any other statutory provision or common law principle including, without limitation, trade secret Law, which may provide a right in either ideas, formulae, algorithms, concepts, inventions or know-how generally, or the expression or use of such ideas, formulae, algorithms, concepts, inventions or know-how; and (ii) any and all applications, registrations, licences, sub-licences, franchises, agreements or any other evidence of a right in any of the foregoing.
- (z) **"Laws"** means: (i) applicable federal, provincial or municipal laws, orders-in-council, by-laws, codes, rules, ordinances, policies, regulations and statutes; (ii) applicable orders, decisions, codes, judgments, injunctions, decrees, awards and writs of any court, tribunal, arbitrator, Governmental Authority (including without limitation MOE) or other Person having jurisdiction; (iii) applicable rulings and conditions of any license, permit, certificate, registration, authorization; (iv) any Governmental Authorization; and (v) any requirements under or prescribed by applicable common law; and includes without limitation the *Environmental Protection Act* (Ontario) and regulations thereunder;
- (aa) **"Marks"** is defined in Section 8.3;
- (bb) **"MOE"** means the Ontario Ministry of the Environment;
- (cc) **"Oversubscription"** is defined in Section 4.8;
- (dd) **"Parties"** means the parties to this Agreement and Party means either of them;
- (ee) **"Payment Date"** means the date on which RCO will pay Reimbursements for a given Round, as identified in the fourth column of the table in Schedule B;
- (ff) **"Person"** means any individual, sole proprietorship, corporation, limited liability company, limited or general partnership, joint venture, association, joint-stock company, trust, incorporated organization, institution, public benefit corporation, unincorporated organization, Governmental Authority or other entity of any kind;

- (gg) **“Program Funding Agreement”** means the agreement between RCO and the Province dated as of September 4, 2012, as may be amended, restated or replaced;
- (hh) **“Program Participant”** means a Person that has applied to participate in the Program, whose application has been accepted by RCO, who remains in compliance with all of the terms of this Agreement and discharges all of the obligations of the Program and, therefore, who remains in good standing under the Program;
- (ii) **“Program”** means the Selected Household Hazardous Waste Program (also known as the Phase2 Program), including any modifications thereto or successors thereof, but only to the extent that MOE has selected RCO to design and implement the Program in accordance with the Program Funding Agreement;
- (jj) **“Proper Management”** and **“Properly Managed”** means the management of Selected Household Hazardous Wastes in accordance with: (i) all applicable Law (ii) the specific requirements for proper management set out in the table in Schedule C opposite the applicable type of Selected Household Hazardous Waste; and (iii) any other requirements for proper management as are communicated in writing to the Municipality;
- (kk) **“Province”** means Her majesty the Queen in Right of Ontario, as represented by the MOE;
- (ll) **“Receiving Party”** is defined in Section 7.2;
- (mm) **“Reimbursement Claim”** is defined in Section 4.1;
- (nn) **“Reimbursements”** is defined in Section 2.1.
- (oo) **“Residential Generator”** means a final user who generates waste which will be recycled or disposed from a residential home;
- (pp) **“Round”** means one of the six rounds of funding under this Agreement, each of which has a Collection Period, Claim Deadline and Payment Date as identified in Schedule B;
- (qq) **“Shared Costs”** is defined in Section 3.5;
- (rr) **“Supporting Information”** is defined in Section 4.2;
- (ss) **“Tax”** or **“Taxes”** includes all present and future taxes, surtaxes, duties, levies, imposts, rates, fees, assessments, withholdings, dues and other charges of any nature imposed by any Governmental Authority, including income, capital, withholding, consumption, sales, use, transfer, goods and services, harmonized sales or other value-added, excise, customs, anti-dumping, countervail, net worth, stamp, registration, franchise, payroll, employment, health, education, business, school, property, local improvement, development, education development and occupation taxes, together with all fines, interest, penalties on or in respect of, or in lieu of or for non-collection of, those taxes, surtaxes, duties, levies, imposts, rates, fees, assessments, withholdings, dues and other charges;
- (tt) **“Term”** is defined in Section 12.1;
- (uu) **“Third Party Providers”** means any Person subcontracted, retained or otherwise used by the Municipality to perform any activities for which Reimbursement is sought in connection with Selected Household Hazardous Wastes;

- (vv) **"Toxic Taxi"** means a collection service in which selected wastes are collected directly from residential homes, using an appointment system to arrange for pick-up.

1.2 **Interpretation.** In this Agreement, except as expressly stated otherwise or unless the context otherwise requires:

- (a) headings and the rendering of text in bold and italics are for convenience and reference purposes only and do not affect the meaning or interpretation of this Agreement;
- (b) words importing the singular include the plural and vice versa and the masculine, feminine and neuter genders include all genders;
- (c) the words "hereof", "herein", and "hereunder" and words of similar import shall refer to this Agreement as a whole and not to any particular provision of this Agreement;
- (d) a reference to an Article, Section, Party, or Schedule is a reference to that Article or Section of, Party to, or Schedule to this Agreement unless otherwise specified;
- (e) a reference to a document or agreement, including this Agreement shall mean such document, agreement or this Agreement including any amendment or supplement to, or replacement, novation or modification of such document, agreement or this Agreement, but disregarding any amendment, supplement, replacement, novation or modification made in breach of such document, agreement or this Agreement;
- (f) a reference to a Person includes that Person's successors and permitted assigns;
- (g) the term "including" (or a variation thereof) means "including without limitation" and any list of examples following such term shall in no way restrict or limit the generality of the provision in respect of which such examples are provided;
- (h) references to any statute, code or statutory provision are to be construed as a reference to the same as it may have been, or may from time to time be, amended, modified or re-enacted, and include references to all bylaws, instruments, orders and regulations for the time being made thereunder or deriving validity therefrom unless the context otherwise requires;
- (i) in the event of a conflict, a mathematical formula describing a concept or defining a term shall prevail over words describing a concept or defining a term;
- (j) references to any amount of money shall mean a reference to the amount in Canadian Dollars; and
- (k) the expression "and/or" when used as a conjunction shall connote "any or all of".

1.3 **Schedules.** The following Schedules form a part of this Agreement and are incorporated by reference herein:

- Schedule A - Collection Site Information
- Schedule B - Collection Periods and Relevant Dates
- Schedule C - Selected Household Hazardous Wastes and Requirements for Proper Management of Same
- Schedule D - Eligible Activities
- Schedule E - Supporting Information Requirements

- Schedule F - Estimated Annual Administration and Marketing Reimbursements
- Schedule G - Reimbursement Claim Verification Protocol
- Schedule H - Claims Exceed Funds Protocol

1.4 **Amendments to Schedules.** The Municipality may amend Schedules A and F by giving written notice to the RCO no later than 60 days prior to the end of any funding round. RCO may amend Schedules B through G, inclusive, by giving 60 days' written notice of the amendment to the Municipality.

## **ARTICLE 2 PROGRAM PARTICIPATION**

2.1 **Participation.** Subject to the terms and conditions of this Agreement, RCO agrees to pay to the Municipality the amount of any Eligible Costs submitted to RCO during the Term (such payments being "**Reimbursements**").

2.2 **RCO Conditions.** RCO's obligations under this Agreement are subject to the continuing satisfaction of the following conditions:

- (a) that RCO is and remains the Person that MOE has selected to design and implement the Program; and
- (b) that the Municipality is a Program Participant as of the Effective Date and remains a Program Participant in good standing.

The foregoing conditions are for the sole benefit of RCO and may be waived in writing by RCO in its sole and absolute discretion.

2.3 **Certain Covenants of Municipality.** The Municipality covenants as follows:

- (a) it will provide RCO with 30 days' prior notice of any changes to the list of Collection Sites or information provided in respect of same in Schedule A;
- (b) it will comply, and cause Third Party Providers to comply, with applicable Laws in respect of the performance of its obligations under this Agreement and in carrying out any activities contemplated by or under this Agreement or the Program;
- (c) it will comply with any rules, protocols, methodologies, standards or other requirements set out by RCO in respect of the Program; and
- (d) if the Municipality is required to use any software licensed by or made available through RCO for purposes related to this Agreement, which may include the Data Management and Information System, the Municipality will, if required by the licensor of the software, enter into and comply with (or cause its employees and representatives or Third Party Providers to enter into and comply with) the terms of end-user license agreements in respect of such software.

2.4 **Nature of Program and Agreement.** The Program and this Agreement only provides the Municipality with an opportunity to be reimbursed for Eligible Costs incurred by it in respect of the Proper Management of Selected Household Hazardous Wastes. RCO is not retaining the Municipality or any other Person, nor is the Municipality retaining RCO, to provide any services whatsoever, including in respect of:

- (a) the receiving, handling, storing, transportation, disposal or management of Selected Household Hazardous Wastes or any other waste; or

- (b) the identification, pre-qualification, supervision, management, oversight or payment of third parties who may be engaged by the Municipality for the purposes of receiving, handling, storing, transportation, disposal or management of Selected Household Hazardous Wastes or any other waste.

As between the Parties, the Municipality retains full and complete authority, discretion and responsibility to carry on the activities identified in Section 2.4(a) and (b), and any other activities or functions ancillary thereto, as the Municipality sees fit in its sole and absolute discretion. Nothing in this Agreement will be interpreted to create any rights or responsibilities as between RCO and the Municipality in respect of the performance of such activities.

- 2.5 **Non-exclusivity.** This is a non-exclusive Agreement. RCO may offer similar reimbursements to other municipalities or Persons, whether under this Program or any other initiative. The Municipality may undertake the Proper Management of Selected Household Hazardous Wastes without being a Program Participant or without claiming Reimbursement under this Agreement.
- 2.6 **Province.** RCO is not acting as agent for the Province under this Agreement or in respect of the Program, which is expressly acknowledged by the Municipality.

### **ARTICLE 3 ELIGIBLE COSTS**

- 3.1 **Eligible Wastes.** For the purposes of this Agreement, “**Eligible Wastes**” means all Selected Household Hazardous Wastes listed in Schedule C, subject to the following:
  - (a) for rechargeable batteries, portable fire extinguishers, fluorescent light bulbs and tubes, and mercury-containing devices, Eligible Wastes include only those that are collected from Residential Generators and IC&I Small Quantity Generators; and
  - (b) for fluorescent lights and tubes, Eligible Wastes are limited to 5 kilograms per month per generator of such Selected Household Hazardous Wastes.
- 3.2 **Eligible Costs.** The Municipality is only entitled to received Reimbursements under this Agreement in amounts equal to costs (“**Eligible Costs**”) that meet all of the basic criteria set out in Section 3.3 and, as applicable, the additional criteria set out in Sections 3.4, and 3.5.
- 3.3 **Basic Requirements.** Eligible Costs include only costs that, as verified by RCO in accordance with this Agreement, were actually and reasonably incurred by the Municipality in respect of Eligible Activities described in Schedule D that were undertaken in respect of the Proper Management of Eligible Wastes during the applicable Collection Period.
- 3.4 **Procurement.** For costs incurred with Third Party Providers, the Municipality must have either selected such Third Party Provider through a competitive bidding process or have a reasonable justification as to why a competitive bidding process was not used, to be demonstrated to RCO’s reasonable satisfaction upon request, failing which costs incurred with those Third Party Providers will not be Eligible Costs.
- 3.5 **Shared Costs.** For costs that are not wholly attributable to Eligible Activities and Eligible Wastes (“**Shared Costs**”), which may include costs in respect of the marketing or administrative activities identified in Schedule D, only the percentage of the Shared Cost that is attributable to Eligible Wastes is included in Eligible Costs (the “**Included Portion of Shared Costs**”), such Included Portion of Shared Costs to be calculated and documented in accordance with the requirements set out in Schedule F.



## ARTICLE 4 FUNDING PROCESS

- 4.1 **Reimbursement Claim.** For each Round, the Municipality may submit an application for Reimbursement (a “**Reimbursement Claim**”) to RCO on or before the applicable Claim Deadline identified in Schedule B. Each such Reimbursement Claim will only be in respect of Eligible Costs incurred during the Collection Period identified for that Round in Schedule B.
- 4.2 **Supporting Data and Information.** In support of its Reimbursement Claims, the Municipality will submit the data and information set out in Schedule E (“**Supporting Information**”).
- 4.3 **Method of Submittal.** The Municipality will submit Reimbursement Claims and Supporting Information in the format prescribed by RCO, which may include submitting information using a Data Management and Information System.
- 4.4 **Verification of Reimbursement Claims.** RCO will verify that all Reimbursement Claims meet the requirements of this Agreement and do not include any Deficiencies, such verification to be carried out in accordance with the protocols attached to this Agreement as Schedule G.
- 4.5 **Deficiencies in Applications** Where RCO identifies Deficiencies in a Reimbursement Claim, RCO will notify the Municipality of such Deficiencies in reasonable detail (a “**Deficiency Notice**”) and may withhold payment of Reimbursements to the extent related to such Deficiencies unless and until the Deficiencies are resolved to RCO’s satisfaction, acting reasonably. The Municipality will be given reasonable opportunity to communicate with RCO to clarify the nature of the Deficiencies and to provide additional information to RCO in response to the Deficiency Notice. RCO will reasonably consider such information and will, within a reasonable time after receipt of such information, notify the Municipality in writing whether: (a) all Deficiencies have been resolved, in which case any Reimbursements that have been withheld will be promptly paid to the Municipality, or (b) Deficiencies remain (a “**Final Determination Notice**”). Any dispute in respect of a Final Determination Notice will be resolved in accordance with Article 11.
- 4.6 **Payment.** Subject to Sections 4.4, 4.5 and 4.8 and the compliance of the Municipality with its obligations under this Agreement, RCO will pay Reimbursement Claims for each Round on the Payment Date identified in Schedule B for the applicable Round.
- 4.7 **Over-payment.** If the Municipality becomes aware that it has received amounts from RCO that exceed the amount of the Reimbursements to which it is entitled hereunder (an “**Over-Payment**”), it must forthwith notify RCO of such Over-Payment. If RCO determines that the Municipality has received an Over-Payment, it shall follow the procedure set out in Section 4.5 to notify the Municipality of the Over-Payment and to give the Municipality the opportunity to address the Over-Payment in the same manner as other Deficiencies. All Over-Payments shall be debts of the Municipality to RCO. RCO will set off the amount of any Over-Payment against amounts payable by RCO to the Municipality hereunder; provided however that if the Over-Payment is in respect of the last Round of Reimbursements under this Agreement, the Municipality shall pay the amount of the Over-Payment to RCO within 30 days of the date that the Municipality notified RCO of the Over-Payment or that RCO notified the Municipality of the Over-Payment, as applicable.
- 4.8 **Funding Restrictions.** The availability and use of funds provided by the Province to RCO for the Program is subject to the terms of the Program Funding Agreement. Notwithstanding anything to the contrary under this Agreement, RCO will only be obliged to pay Reimbursements to the Municipality to the extent that doing so is in accordance with the terms and conditions of the Program Funding Agreement. Without limiting the generality of the foregoing, Municipality acknowledges that if, at the close of a Round, RCO has received Reimbursement Claims that in aggregate exceed (or are reasonably expected to exceed) the amount of funding available for Reimbursements in respect of such Reimbursement Claims (an “**Oversubscription**”), RCO will



notify the Municipality within 30 days of the close of the Application Period of the existence (or expectation of) the Oversubscription. RCO will then disburse the available funds in accordance with the protocol attached hereto as Schedule H. RCO shall not be liable to the Municipality, and the Municipality hereby releases RCO from liability for, any and all losses, costs, damages and expenses (including legal, expert and consultant fees), causes of action, actions, claims, demands, lawsuits or other proceedings, by whomever made, sustained, incurred, brought or prosecuted, in any way arising out of or in connection with the delay or non-payment of Reimbursements as a result of an Oversubscription or of RCO's compliance with the Program Funding Agreement.

## **ARTICLE 5 RECORDS AND AUDIT RIGHTS**

- 5.1 **Records.** The Municipality will retain all documents and records relating to this Agreement during the Term and for a period of 2 years after the termination or expiry of the Agreement. The Municipality will retain any financial records related to this Agreement in a manner consistent with generally accepted accounting principles.
- 5.2 **Audit Right.** RCO, or an independent firm of chartered accountants retained by RCO, will have the right upon 24 hours prior notice to the Municipality during normal business hours, to inspect and copy documents and records required to be retained under Section 5.1 or to audit the books, records, facilities and practices of the Municipality related to this Agreement in order to verify that:
- (a) the Municipality has Properly Managed all Eligible Wastes;
  - (b) the requirements of Section 3.4 with respect to the procurement of services from Third Party Providers have been met;
  - (c) the Reimbursement Claims and Supporting Information are accurate in all material respects;
  - (d) Reimbursements have been made only in respect of Eligible Costs and no Over-Payments have been made; and
  - (e) the Municipality has otherwise complied with its obligations under this Agreement;
- provided that all such inspections and audits will be at RCO's expense.
- 5.3 **Inconsistencies.** Where any inconsistencies are identified in records provided in accordance with Section 5.1 or in the course of an audit under Section 5.2, RCO (or its designated accounting firm) and the Municipality will work together in good faith to resolve such inconsistencies within 30 days of the date on which the Municipality was notified of such inconsistencies. Where such inconsistencies are not resolved to the satisfaction of RCO, RCO will be entitled to demand payment of, and the Municipality will pay, an amount that reasonably reflects the nature and extent of the inconsistency, such amount not to exceed Reimbursements received by the Municipality hereunder in respect of the Collection Period(s) to which the records or audit applied.
- 5.4 **Disputes.** If the Municipality disputes the outcome of an audit, it will refer such dispute for resolution in accordance with Article 11.

## **ARTICLE 6 REPRESENTATIONS AND WARRANTIES**

- 6.1 **Mutual Representations.** Each Party represents and warrants to the other as follows:

- (a) it has all requisite power and authority to execute and deliver this Agreement and perform its obligations hereunder
- (b) all corporate, board, body politic, or other approvals necessary for its execution, delivery, and performance of this Agreement have been obtained; and
- (c) this Agreement constitutes its legal, valid, and binding obligation.

6.2 **Representations of the Municipality.** The Municipality represents and warrants to RCO as follows:

- (a) the Municipality and its Third Party Providers hold, or will hold when performing any activities for which Reimbursements are sought, all Governmental Authorizations which are necessary or desirable in connection with the Proper Management of Eligible Materials and is not in breach of or in default of any term or condition thereof; and
- (b) the Municipality, directly or through its Third Party Providers, possesses the knowledge, skill and technical expertise required to Properly Manage Eligible Materials.

## **ARTICLE 7 CONFIDENTIALITY**

7.1 **Confidential Information.** In this Agreement, “**Confidential Information**” means any and all information and materials that are designated in writing, as confidential at the time of disclosure or that a reasonable person, having regard to the circumstances, would regard as confidential, but does not include information which: (a) at the time of disclosure, is available to the general public; or (b) at a later date, becomes available to the general public or (c) receiving party can demonstrate was in its possession before receipt; or (d) is disclosed to receiving party without restriction on disclosure by a disclosing party who had the lawful right to disclose such information.

7.2 **Confidentiality.** Where a Party (the “**Receiving Party**”) has received Confidential Information from the other Party (the “**Disclosing Party**”), the Receiving Party will:

- (a) only use the Discloser’s Confidential Information in accordance with this Agreement only for the purposes contemplated under this Agreement (including Section 8.2) or related to the Program and for no other purpose;
- (b) not disclose or provide access to any Confidential Information to any Person without the Disclosing Party’s written consent except as necessary to perform its obligations under this Agreement; provided that the Recipient may disclose Confidential Information to:
  - (i) those employees and agents to the extent required to enable them to perform their duties in accordance with this Agreement, provided that they agree to maintain the confidentiality of the Confidential Information; and
  - (ii) as permitted under, and in accordance with, Sections 8.2(c) and 8.2(d), below;
- (c) take commercially reasonable precautions, at least as great as the precautions it takes to protect its own Confidential Information, to protect the Disclosing Party’s Confidential Information in the Receiving Party’s possession or control and to prevent such Confidential Information from either being accessed, disclosed, distributed, duplicated, destroyed or used in violation of this Agreement.

- 7.3 **Disclosure Required by Law.** Notwithstanding Section 7.2, a Receiving Party may disclose the Disclosing Party's Confidential Information to the extent required by Law, provided that: (a) the Receiving Party gives Disclosing Party prompt written notice of the proposed disclosure and the reason for the proposed disclosure; (b) the Receiving Party provides the Disclosing Party with reasonable assistance and, if possible, reasonable time to oppose the proposed disclosure; and (c) to the extent disclosure is still required by Law, the Receiving Party takes reasonable steps to make the disclosure on a confidential basis.

## **ARTICLE 8 INTELLECTUAL PROPERTY**

- 8.1 **Ownership.** Except as provided herein, no Intellectual Property Rights are granted or transferred under this Agreement. As between RCO and the Municipality, all Intellectual Property Rights in data and information generated or collected by or for the Municipality, whether or not provided to RCO, in the course of the Municipality's performance of its obligations under this Agreement will belong to the Municipality.
- 8.2 **License, Data and Information.** With respect to all information disclosed to RCO by the Municipality under this Agreement ("**Disclosed Information**"), the Municipality hereby grants a non-exclusive, irrevocable, worldwide, royalty-free license in perpetuity to:
- (a) use and modify the Disclosed Information for the purposes of administering the parties rights and responsibilities under this Agreement;
  - (b) use, modify and combine Disclosed Information with other information for the purposes of evaluating the performance of the Program;
  - (c) provide Disclosed Information that RCO has:
    - (i) aggregated with other information of RCO and other Program Participants; and
    - (ii) cleaned of detail that specifically attributes information to the Municipality
- ("Aggregated and Cleaned Information")**
- to MOE for the purposes of complying with RCO's obligations under the Program Funding Agreement; and
- (d) provide Aggregated and Cleaned Information to the public for the purposes of describing the Program and its effect.
- 8.3 **Use of Marks.** During the Term of this Agreement, and subject to the terms and conditions of this Agreement, RCO's trademarks, trade name, colours and logos, including those specific to the Phase2 program (the "**Marks**") may be used by the Municipality for purposes of acknowledging the support provided by RCO under this Agreement, provided that:
- (a) all such use is strictly in accordance with any instructions or standards specified from time to time by RCO;
  - (b) the Municipality obtains RCO's prior approval of all uses of the Marks, including approval of proposed copy, layouts, drafts or other mock-ups incorporating the Marks.

The Municipality will not claim, use, display, reproduce or apply to register, record or appropriate any trademark, trade name, colour, logo or other identifier that incorporates, reproduces, is

confusing with, is derived from, or is based on the Marks, or assist, permit or encourage any other person or entity to do so.

## **ARTICLE 9 RISK MANAGEMENT**

- 9.1 **Indemnity.** The Municipality hereby agrees to indemnify and hold harmless RCO and its members, directors, officers, employees, representatives and agents (the "**Indemnified Parties**") from and against any and all liability, loss, costs, damages and expenses (including legal, expert and consultant fees), causes of action, actions, claims, demands, lawsuits or other proceedings, by whomever made, sustained, incurred, brought or prosecuted, in any way arising out of or in connection with the Municipality's participation in the Program or otherwise in connection with this Agreement, unless solely caused by the negligence or wilful misconduct of any of the Indemnified Parties.
- 9.2 **Limitation of Liability.** Subject to RCO's payment obligations hereunder, the Indemnified Parties shall not be liable to the Municipality or any of the Municipality's officials, officers, employees, agents, subcontractors or representatives for any costs, losses, claims, liabilities and damages howsoever caused (including any incidental, indirect, special or consequential damages, injury or any loss of use or profit) arising out of or in any way related to the Program or otherwise in connection with the Agreement, unless solely caused by the negligence or wilful misconduct of the Indemnified Parties.

## **ARTICLE 10 FORCE MAJEURE**

- 10.1 **Force Majeure.** Subject to Section 10.2, "**Force Majeure**" means an event that: is beyond the reasonable control of a Party; and makes a Party's performance of its obligations under the Agreement impossible, or so impracticable as reasonably to be considered impossible in the circumstances. Force Majeure may include includes without limitation: infectious diseases, war, riots and civil disorder; storm, flood, earthquake and other severely adverse weather conditions; lawful act by a public authority; and strikes, lockouts and other labour actions.
- 10.2 **Exclusions.** Force Majeure shall not include: (a) any event that is caused by the negligence or intentional action of a Party or such Party's agents or employees; or (b) any event that a diligent Party could reasonably have been expected to: (i) take into account at the time of the execution of the Agreement; and (ii) avoid or overcome in the carrying out of its obligations under the Agreement.
- 10.3 **Failure to Fulfil Obligations.** Subject to Section 12.4(e), the failure of either Party to fulfil any of its obligations under the Agreement shall not be considered to be a breach of, or Event of Default under, the Agreement to the extent that such failure to fulfill the obligation arose from an event of Force Majeure, if the Party affected by such an event has taken all reasonable precautions, due care and reasonable alternative measures, all with the objective of carrying out the terms and conditions of the Agreement.

## **ARTICLE 11 DISPUTE RESOLUTION**

- 11.1 **Negotiation.** Any dispute among the Parties arising out of or in connection with this Agreement will first be attempted to be resolved by the Parties through good faith negotiations and in connection therewith, any Party may request in writing that any other Party meet and commence such negotiations within a reasonable period of time (which shall in any event be no later than 30 days after such request is made). If within 30 days after commencement of the negotiations (or the date on which negotiations were to commence in accordance with the written request, if the

other Party declines to negotiate), the dispute has not been resolved, any Party may, by notice in writing to the other Party, refer the matter to arbitration in accordance with the provisions set out below.

- 11.2 **Arbitration.** Any dispute which has been referred to arbitration will be determined by arbitration in accordance with the *Arbitrations Act* (Ontario). There will be a single arbitrator who will have qualifications relevant and suitable to the issue in dispute, and will be disinterested in the dispute and will be impartial with respect to all parties thereto. The arbitrator will be selected by agreement of the Parties, provided that if no such agreement is reached within 30 days, the arbitrator shall be appointed by a court on application of the Parties. The determination of the arbitrator will be final and binding upon the Parties. Each Party will bear its own costs in connection with the arbitration, subject to the power of the arbitrator to award costs. The arbitrator will have the discretionary authority to grant specific performance, rectification, injunctions and other equitable relief as may be requested by a Party including interim preservation orders and any Party may, before or after an arbitration has commenced, apply for interim relief, including injunctive relief. The arbitrator(s) will not have the power to award any damages in excess of the limits set forth in or excluded under the limitations of liability provided in this Agreement. Any order of an arbitrator may be entered with a court of competent jurisdiction for the purposes of enforcement. The place of arbitration will be Toronto, Ontario. All aspects of the arbitration will be kept confidential.

## **ARTICLE 12 TERM AND TERMINATION**

- 12.1 **Term.** This Agreement commences on the Effective Date and continues until February 4, 2016, unless otherwise terminated in accordance with this Agreement (the “**Term**”).
- 12.2 **Program Termination.** RCO may terminate this Agreement by providing notice in writing to the Municipality in the event that the Province terminates the Program Funding Agreement for any reason. RCO will use reasonable efforts to provide the Municipality with such prior notice of termination as is reasonably practicable in the circumstances.
- 12.3 **Consequences of Program Termination.** In the event that RCO terminates this Agreement in accordance with Section 12.2, RCO may immediately cease making Reimbursements under this Agreement, including for any outstanding Reimbursement Claims from the Municipality, even if such Reimbursement Claims were delivered in accordance with this Agreement prior to the date of termination of the Agreement.
- 12.4 **Events of Default.** The following constitute “**Events of Default**” under this Agreement:
- (a) the material breach by a Party of its obligations under this Agreement, provided that such breach is not remedied within 30 days of notice of the breach by the non-breaching party, or such longer period as the non-breaching party may specify in such notice;
  - (b) any representation of a Party under this Agreement being or becoming untrue in any material respect;
  - (c) a condition in Section 2.2 ceasing to be satisfied;
  - (d) an Insolvency Event with respect to a Party; or
  - (e) an event of Force Majeure that continues for 60 or more consecutive days.
- 12.5 **Remedies of RCO.** Upon the occurrence of an Event of Default by the Municipality, RCO may, in addition to any rights it may otherwise have at law:

- (a) suspend the payment of Reimbursements;
  - (b) demand the repayment by RCO of Reimbursements to the extent they represent an Over-Payment as a result of the Event of Default;
  - (c) set off any amounts owing to the Municipality against claims (including indemnity claims) against the Municipality arising in connection with the Event of Default; or
  - (d) terminate this Agreement by giving notice in writing to the Municipality.
- 12.6 **Remedies of Municipality.** Upon the occurrence of an Event of Default by RCO, the Municipality may, in addition to any rights it may otherwise have at law, terminate this Agreement by giving notice in writing to RCO.
- 12.7 **Effect of Termination.** Subject to Sections 4.8, 12.3 and 12.6, upon the termination or expiry of this Agreement, RCO will pay to the Municipality any outstanding Reimbursements that are due and payable to the Municipality.

### **ARTICLE 13 GENERAL**

- 13.1 **Relationship of Parties.** Nothing contained in this Agreement will create a relationship of principal and agent, employer and employee, partnership or joint venture between the Parties. The Municipality will not make any representation that the Municipality is an agent of RCO or that may reasonably lead any Person to believe that the Municipality is an agent of RCO.
- 13.2 **Parties Only.** Except to the extent expressly provided herein, this Agreement does not grant any rights or remedies to any Person other than the Parties.
- 13.3 **Expenses.** Each Party will pay any expense it incurs in authorizing, executing, and performing this Agreement and any transactions contemplated by it, including any fee and expense of its legal counsel, accountant, or other consultant.
- 13.4 **Further Assurances.** The Parties will execute and deliver all other appropriate supplemental agreements and other instruments, and take any other action necessary, to give full effect to this Agreement and to make this Agreement legally effective, binding, and enforceable as between them and as against third parties.
- 13.5 **Notices.** In this Agreement:
- (a) except to the extent that this Agreement permits or requires a Party to communicate using a Data Management and Information System, any notice or communication required or permitted to be given under the Agreement will be in writing and will be considered to have been given if delivered by hand, transmitted by facsimile transmission or email or mailed by prepaid registered post in Canada, to the address or facsimile transmission number of each Party set out below:
    - (i) if to Recycling Council of Ontario:  
  
Suite 225, 215 Spadina Avenue  
Toronto, Ontario M5T 2C7

Attention: Jo-Anne St. Godard  
Email: Joanne@rco.on.ca

(ii) if to the Municipality:

The Corporation of the City of London  
300 Dufferin Ave, PO Box 5035  
London, Ontario, N6A 4L9

Attention: Wesley Abbott  
Email: wabbott@london.ca

or to such other address, facsimile transmission number or email address as a Party may designate in the manner set out above;

(b) notice or communication will be considered to have been received:

- (i) if delivered by hand during business hours on a Business Day, upon receipt by a responsible representative of the receiver, and if not delivered during business hours, upon the commencement of business on the next Business Day;
- (ii) if sent by facsimile transmission during business hours on a Business Day, upon the sender receiving confirmation of the transmission, and if not transmitted during business hours, upon the commencement of business on the next Business Day provided that sender received confirmation of the transmission;
- (iii) if sent by email on a Business Day during business hours, upon confirmation that the email has been sent, and if not sent during business hours, upon the commencement of the next Business Day, provided that the confirmation that the email has been sent was received; and
- (iv) if mailed by prepaid registered post in Canada, upon the fifth Business Day following posting; except that, in the case of a disruption or an impending or threatened disruption in postal services every notice or communication will be delivered by hand or sent by facsimile or email transmission in accordance with this Section 13.1.

13.6 **Entire Agreement.** This Agreement constitutes the entire agreement between the parties and there are no representations or warranties, express or implied, statutory or otherwise and no agreements collateral to this Agreement other than as expressly set out or referred to in this Agreement.

13.7 **Amendment.** This Agreement may be amended or supplemented only by a written agreement signed by each Party and that agreement need not be executed under seal.

13.8 **Waivers.** The failure of a Party to insist upon the strict performance of any term of this Agreement, or to exercise any right or remedy contained in this Agreement, will not be construed as a waiver or a relinquishment by that Party for the future of that term, right, or remedy.

13.9 **Severability.** If any term of this Agreement is determined to be invalid or unenforceable, in whole or in part, the invalidity or unenforceability will attach only to that term or part term, and the remaining part of the term and all other terms of this Agreement will continue in full force and effect. The Parties will negotiate in good faith to agree to a substitute term that will be as close as possible to the intention of any invalid or unenforceable term while being valid and enforceable.



The invalidity or unenforceability of any term in any particular jurisdiction will not affect its validity or enforceability in any other jurisdiction where it is valid or enforceable.

- 13.10 **Survival.** Sections 2.4, 4.7 and 4.8 and Article 5, Article 7, Article 8, Article 9, Article 11, Article 12 and Article 13 will survive the termination or expiry of this Agreement.
- 13.11 **Governing Law and Jurisdiction.** This Agreement will be governed by and construed in accordance with the laws of the province of Ontario and federal laws of Canada applicable therein and will be treated in all respects as an Ontario contract.
- 13.12 **Binding Agreement.** This Agreement will bind and benefit each of the Parties including their respective successors and permitted assigns.
- 13.13 **Assignment.** Neither Party may assign this Agreement without the prior consent of the other Party.
- 13.14 **Counterparts.** This Agreement may be signed by original or by facsimile or other electronic means and executed in any number of counterparts, and each executed counterpart will be considered to be an original. All executed counterparts taken together will constitute one agreement.

[Signature page to follow]

TO EVIDENCE THEIR AGREEMENT each of the Parties has executed this Agreement as of the Effective Date.

**RECYCLING COUNCIL OF ONTARIO**

By:

---

Name: Jo-Anne St. Godard  
Title: Executive Director

**The Corporation of the City of London**

By:

---

Name:  
Title:

By: (Optional)

---

Name:  
Title:

**PHASE 2 FUNDING AGREEMENT**

**SCHEDULE A  
COLLECTION SITE INFORMATION**

**SCHEDULE B  
COLLECTION PERIODS AND RELEVANT DATES**

<b>Round</b>	<b>Collection Period</b>	<b>Last Day to Enter Claims for Collection Period</b>	<b>Payment Dates</b>
Round 1	October 1, 2012 to June 30, 2013	August 2, 2013	November 5, 2013
Round 2	July 1, 2013 to December 31, 2013	February 3, 2014	May 6, 2014
Round 3	January 1, 2014 to June 30, 2014	August 4, 2014	November 5, 2014
Round 4	July 1, 2014 to December 31, 2014	February 2, 2015	May 5, 2015
Round 5	January 1, 2015 to June 30, 2015	August 4, 2015	November 4, 2015
Round 6	July 1, 2015 to September 30, 2015	November 2, 2015	February 3, 2016

**SCHEDULE C  
SELECTED HOUSEHOLD HAZARDOUS WASTES AND REQUIREMENTS FOR PROPER  
MANAGEMENT OF SAME**

<b>Selected Household Hazardous Wastes</b>	<b>Specific Requirements for Proper Management of Selected Household Hazardous Wastes</b>
Rechargeable batteries, excluding batteries from vehicles and industrial stationary batteries (i.e., consumer-type portable rechargeable batteries that weigh 5 kilograms or less, are used in household and IC&I applications, and excluding vehicle batteries and industrial stationary batteries)	Wastes are destined for a waste recovery facility
Portable fire extinguishers (i.e., portable devices, carried or on wheels and operated by hand, containing an extinguishing agent that can be expelled under pressure to suppress or extinguish a fire)	Wastes are destined for a waste recovery facility
Fluorescent light bulbs and tubes (i.e., low pressure mercury electric discharge source in which a fluorescing coating transforms ultra violet energy generated by the mercury discharge into visible light (includes only those tubes or bulbs that are designed to be removed by the user)	Wastes are destined for a waste recovery facility  Collection system, including collection locations, the actions of generators and collection site operators, and the transportation system ensure that the fluorescent bulbs and tubes remain whole and unbroken
Mercury-containing devices, including switches (i.e., devices that open or close an electrical circuit or a liquid or gas valve), thermostats (i.e., devices that use a mercury switch to sense and control room temperature via heating, ventilation and air conditioning), thermometers (i.e., instrument for measuring temperature using a glass tube with a mercury bulb that rises and expands in the tube with temperature increase), barometers and other measuring devices (i.e., flow meters, manometers, hydrometers, sphygmomanometers, and hygrometers)	Wastes are destined for a waste recovery facility
Pharmaceuticals (i.e., all drugs as defined in section 2 of the Food and Drugs Act (Canada) without regard to paragraph (c), including prescription and over the counter drugs and "Natural Health Products", as defined in section 1 of the Natural Health Products Regulations (Canada)	Wastes are destined for a facility approved by the MOE, or proper authority in other jurisdictions, and, that has all other necessary approvals to treat these wastes
Sharps and syringes (i.e., needles, syringes and lancets used in the administration of healthcare)	Wastes are destined for a facility approved by the MOE, or proper authority in other jurisdictions, and, that has all other necessary approvals to treat these wastes

## **SCHEDULE D ELIGIBLE ACTIVITIES**

Only the following activities, when undertaken in respect of the Proper Management of Eligible Wastes, are Eligible Activities for the purposes of the Agreement:

- Collection activities related to: receiving, identifying, sorting, storing, packing, and manifesting of Selected Household Hazardous Wastes at depots, collection events, and via Toxic Taxi;
- Marketing activities undertaken and materials developed by the Municipality to notify the public of depot, special event, and Toxic Taxi services related to the Proper Management of the Selected Household Hazardous Wastes. These marketing activities/materials may include, for example: materials published on websites, flyers and advertisements that provide information on hours, location, acceptable items and any restrictions related to the Selected Household Hazardous Wastes being collected by the Municipality such as quantity or condition;
- Administration activities such as Municipality staff time related to: tracking and reporting for the purposes of the Program; tendering and managing contracts for the purposes of properly managing the Selected Household Hazardous Wastes; and responding to public inquiries related to the management of Selected Household Hazardous Wastes; and
- the following post-collection activities related to the Selected Household Hazardous Wastes:
  - storage of the collected Selected Household Hazardous Wastes;
  - handling of Selected Household Hazardous Wastes, including packaging for shipment;
  - transportation costs for Selected Household Hazardous Wastes including those costs related to loading and unloading, containers and packing materials;
  - staging of the Selected Household Hazardous Wastes including costs related to repacking and bulking;
  - processing costs for the Selected Household Hazardous Wastes including recycling of the Selected Household Hazardous Wastes; and
  - disposal of non-recyclable and residual Selected Household Hazardous Wastes.

Without limiting the foregoing, the following activities are not eligible for reimbursement:

- related to the Selected Household Hazardous Wastes that are not accepted free of charge by the Participating Municipality;
- for which the Participating Municipality is reimbursed from other sources;
- costs that are paid by someone other than the Participating Municipality;
- related to the activities of an Industry Funding Organization;
- related to insurance;

- related to capital (i.e., costs related to the construction of storage facilities, or capital depreciation of municipal depots);
- related to equipment, vehicle, building and property maintenance costs;
- related to public education and awareness activities;
- related to research and development activities; and
- related to financial incentives.



**SCHEDULE E  
SUPPORTING INFORMATION REQUIREMENTS**

The following information must be provided to RCO:

- On-line data submission:
  - Municipal contract information and rates for the Eligible Waste (step 1)
  - Confirmation of the materials collected and source of those materials (step 2)
  - Municipal service population (step 3)
  - Administration details (step 4)
  - Post collection information (step 5)

All data is to be entered on-line through the Phase 2 data entry portal

- Program costs:
  - Completion of the HHW Program Information Spreadsheet (Schedule F)

**SCHEDULE F**  
**Estimated Annual Administration and Marketing Reimbursements**

We have preliminary reviewed the information you provided in the HHW Program Information Spreadsheet and have used this information determined your eligible annual estimated reimbursement amounts for the Administration and Marketing activities related to the proper management of Phase 2 materials.

Please be aware that RCO will be undertaking a detailed audit of all claims submitted, including HHW Program costs. Even though your costs have been reviewed they may be subject to further verification with requests for documentation to support the cost amounts claimed.

It is the responsibility of the municipality to amend this schedule as necessary. Unless you request that your Schedule F be amended to reflect a change in costs for your HHW program, the annual administration and marketing costs will be used to calculate reimbursements for each funding round until the end of the Phase 2 program. We must receive your amended spreadsheet for review no later than 60 days before the end of any funding round.

**HHW Program Costs - City of London**

**Eligible Costs:**

Item	Details	Total Cost (\$)	% Attributable to HHW Program	Total HHW Program Cost	Phase 2 Reimbursement (2% of Total HHW Program Costs)
<b>Personnel Costs (include Event Staff time here as well)</b>					
Operation/Personnel Costs	Wages for supervision, collection and packaging of HSW	270,000	75.00%	202500	\$4,050.00
Manager 1	Approximately 10% of time	80,000	10.00%	8000	\$160.00
Manager 2	Approximately 1.5% of time	180,000	1.50%	2700	\$54.00
Technical/Data Entry Support	Approximately 10% of time	60,000	10.00%	6000	\$120.00
<b>TOTAL Personnel Costs</b>				219200	\$4,384.00

Item	Details	Total Cost (\$)	% Attributable to HHW Program	Total HHW Program Cost	Phase 2 Reimbursement (2% of Total HHW Program Costs)
<b>Direct Costs of Material Management</b>					
Operating Supplies	Labels, Containers, Packaging Material, etc	8,000	100.00%	8000	\$160.00
Equipment Rental	Pick up truck, etc	17,000	50.00%	8500	\$170.00
External Equipment Rental	Forklift	10,000	100.00%	10000	\$200.00
<b>TOTAL Direct Costs</b>				26500	\$530.00

Item	Details	Total Cost (\$)	% Attributable to HHW Program	Total HHW Program Cost	Phase 2 Reimbursement (2% of Total HHW Program Costs)
<b>Indirect Costs of Material Management</b>					
Health and Safety Training/Equipment	15% of landfill employees work @ HSW depot	10,667	15.00%	1600.05	\$32.00
Garbage Container Rental and Dump	1/20 cost of dumping containers	56,000	5.00%	2800	\$56.00
<b>TOTAL Indirect Costs</b>				4400.05	\$88.00

Item	Details	Total Cost (\$)	% Attributable to HHW Program	Total HHW Program Cost	Phase 2 Reimbursement (2% of Total HHW Program Costs)
<b>Marketing Costs</b>					
Advertising	Approximately 10% of time	70,000	10.00%	7000	\$140.00
Municipal Calendar	1 page of 20 pages	3,000	5.00%	150	\$3.00
<b>Total Marketing Costs</b>				7150	\$143.00

**Ineligible Costs:**

Item	Details	Total Cost (\$)	% Attributable to HHW Program	Total HHW Program Cost	
<b>Ineligible Costs</b>					
Depot Heating Cost	Propane costs for all buildings on site	4,000	50.00%	2000	NA
Depot Electrical Cost	Electrical costs for all buildings on site	24,000	15.00%	3600	NA
Depot Telephone, computer, etc	Standard fee as per budget book	3,000	100.00%	3000	NA
Depot Security Costs	Security costs for all buildings on site	4,800	25.00%	1200	NA
Insurance	10% of direct costs (excludes capital costs)	256,000	10.00%	25600	NA
<b>Total Ineligible Costs</b>				35400	NA

**TOTAL HHW PROGRAM COSTS** 292650.05

**Total eligible annual administration reimbursement (Phase 2 allocation of 2% applied)** \$ 5,002.00

**Total eligible annual marketing reimbursement (Phase 2 allocation of 2% applied)** \$ 143.00

**Date Reviewed :**  
**March 4, 2013**  
**Reviewed By:**  
 Shannon Lavalley  
 Claims Manager, Phase 2  
 Recycling Council of Ontario  
 215 Spadina Ave. Suite 225  
 Toronto, ON M5T 2C7  
 Tel: 1-800-323-1351 ext. 202  
 Email: [shannon@rco.on.ca](mailto:shannon@rco.on.ca)

\* Please be aware that RCO will be undertaking a detailed audit of all claims submitted, including HHW Program costs. Even though your costs have been reviewed they may be subject to further verification with requests for documentation to support the cost amounts claimed.

**SCHEDULE G  
REIMBURSEMENT CLAIM VERIFICATION PROTOCOL**

Upon request from RCO staff a Municipality must provide the following information, either electronically or through an on-site visit:

- A copy of the Service Provider contract showing unit costs for recycling and/or disposal
- A copy of all shipping documents associated with the shipment that is subject to verification

RCO staff will then review the Reimbursement Claim and Supporting Documents provided by the Municipality. The Municipality will be advised, in writing, of any adjustments to the Reimbursement Claim;

If the Municipality does not agree with the RCO reassessment of the reimbursement Claim then Article 11 of the attached contract will be followed

**SCHEDULE H  
CLAIMS EXCEED FUNDS PROTOCOL**

RCO's primary goal is to reimburse Municipalities 100 per cent of eligible costs in each of the Collection Periods. At the end of each Collection Period if the Reimbursement Claims exceed the available funding, RCO will prioritize payments in the following order on a prorated basis if required:

**First Priority:** post-collection cost reimbursement

**Second Priority:** administration cost reimbursement

**Third Priority:** eligible marketing (eligible P&E) cost reimbursement

The order of priority is to best serve municipalities' interest. RCO recognizes that post-collection claims' reimbursement has the highest importance for the municipalities and should be given first priority.

RCO will notify the Province and participating municipalities within 30 days of the Claim Deadline if it has reason to believe that applications from participating municipalities may exceed the funding available in that Round.