

Automotive Plastics Processing Request for Proposals (RFP)

1.0 OBJECTIVE AND SCOPE

Automotive Materials Stewardship (AMS) is seeking one or more organizations to provide processing services for oil containers and antifreeze containers (together "Automotive Plastics") starting January 1, 2026. Processors are responsible to receive collected materials from haulers working under contract to AMS, and to recover resources in accordance with Ontario EPR framework, including the <u>Resource Recovery and Circular Economy Act, 2016</u>, and the <u>Hazardous and Special Products (HSP) Regulation, 2021</u>. The Automotive Plastics stream is comprised of HDPE jugs and pails with a capacity of 30 litres or less. While composition may vary from load to load, the most current composition study information available to AMS is provided in Appendix B. It should be noted that Automotive Plastics contain residual oil and antifreeze, which may, under certain circumstances, require segregated processing from other plastics. The quantity of reclaimed residual oil will depend on the process used and the requirements of end markets.

Haulers under contract to AMS collected over 3,000 metric tonnes of Automotive Plastics in 2023. This number varies from year to year (see the annual reports on our website for previous years' volumes).

AMS is seeking proposals for all or a portion of the volume of Automotive Plastics collected by haulers under contract to AMS.

2.0 About Automotive Materials Stewardship (AMS)

AMS is a producer responsibility organization (PRO) that offers a turn-key regulatory compliance solution that enables producers to efficiently meet their Ontario responsibilities under the HSP Regulation for the collection and management of used antifreeze and antifreeze containers, oil filters and empty oil containers. AMS helps create convenient, environmentally sustainable ways for consumers and businesses to recycle automotive waste in order to divert these materials from landfill.

- AMS network includes over 17,000 collection sites for automotive materials.
- Over 70 municipalities hosted 200+ public collection events in 2022.
- 80 publicly accessible automotive hazardous material depots throughout the province.

AMS is a not-for-profit organization incorporated under the *Canada Not-for-profit Corporations Act*. It is governed by a board of directors composed of producer representatives.

See <u>www.autostewardship.ca</u> for more details.

3.0 SERVICES

AMS is seeking organizations to provide the services described below and as elaborated on throughout this RFP. Respondents may indicate a desire to provide one, some or all services. It is the preference of AMS that the provider of processing services will market recovered materials directly.

Primary Processing

- Receive empty jugs and pails (jugs and pail lids are received in plastic bags)
- Sort out contaminants (e.g. coffee cups, shop rags, small metal parts), either manually or mechanically (note: some pails have metal handles)
- Shred plastic containers
- Prepare recovered materials for sale
- Dispose of non-recoverable materials

Secondary Processing (may be combined with Primary Processing)

- Receive oily shredded plastic (if not also providing Primary Processing)
 - Clean shredded plastic containers (wash, centrifuge, etc.)
- Prepare recovered materials for sale
- Dispose of non-recoverable materials

Sale of Commodity (may be combined with Primary Processing or Secondary Processing)

 Sale of oily shredded plastic and/or cleaned shredded plastic to end markets for creation of new products and/or packaging (describe end markets, including what products and/or packaging are created by your proposed end markets)

End Market

 Purchase of oily shredded plastic and/or cleaned shredded plastic for creation of new products and/or packaging (describe what products and/or packaging are created)

4.0 Submission Requirements

Respondents are asked to provide a written proposal or proposals in Word or PDF format that includes, but is not limited to, the proposal requirements listed below and in **Appendix A** in accordance with the guidelines, timelines and requests specified in this RFP. For clarity, in this RFP, "proposal" means a respondent's response to this RFP, and includes all the respondent's attachments and, if applicable, presentation materials.

- Company/organization background and qualifications.
- Declaration of no conflict of interest.
- Demonstrated understanding of the industry, project objectives, scope and deliverables.
- Detailed proposal, including all proposal requirements listed in **Appendix A**.
- Description of key personnel and any subcontractors that would be relied upon for the provision of services.
- Description of all necessary environmental approvals and confirmation they are secured.

- Pricing in the format described in Appendix A.
- Commitment by the respondent to negotiate an agreement that is materially similar to the example in Appendix D if selected as a processor of Automotive Plastics in accordance with this RFP.

5.0 GENERAL INSTRUCTIONS TO RESPONDENTS

5.1 General Invitation to Submit Proposals

Interested parties should submit electronically a document containing the submission requirements to the designated contact person for this initiative on or before **4:00 p.m. EST on March 21, 2025**. Respondents are fully responsible for submitting on time, including for any delay in receipt due to technological delays. Your response to this RFP will serve as the basis for the consideration of your potential selection as a processor of Automotive Plastics.

Direct all submissions, inquiries ands communications related to this RFP to the following designated contact person. Note that contacting other AMS representatives directly about this RFP is prohibited.

David Pearce,

Executive Director, Automotive Materials Stewardship

dpearce@autostewardship.ca (c.c. fieldservices@autostewardship.ca)

Tel: 416-885-7537

All proposals are to be in English only. AMS will not accept and will not translate into English, any proposal or other communication from any language into English.

The entire content of the respondent's proposal should be submitted in a fixed format, and the content of websites or other external documents referred to in the respondent's proposal, but not attached, will not be considered to form part of its proposal. AMS is under no obligation to seek out information not contained in a submitted proposal.

5.2 <u>Complete Proposals</u>

The requirements that each respondent are to follow and include in its submission are summarized in this RFP. AMS reserves the right to determine, in its sole and unfettered discretion, whether any submission meets the requirements. Submissions should address all the requirements as outlined in this RFP. Respondents may choose to propose additional value add services as part of their proposal.

5.3 Request for Information

Each respondent is solely responsible for ensuring that it has all information necessary to prepare its submission and for independently verifying and informing itself with respect to any terms or conditions that may affect its submission. All inquiries related to this RFP shall be directed to the contact listed in section 5.1. Respondents are given a specific timeline during the overall process for submitting questions regarding the RFP content and requirements (see section 6.2).

5.4 Negotiation

AMS reserves the right to negotiate with any or all respondents (serially or concurrently), including (a) negotiate any aspects of a respondent's proposal, including reductions in the rates and other changes to the compensation structure as set out in the respondent's proposal; (b) negotiate terms and conditions different than those contained in the form of agreement set out in Appendix D and/or different than the requirements set out in this RFP, a respondent's proposal or both; and (c) offer terms and conditions to a respondent that are different than terms and conditions offered to any other respondent.

5.5 Acceptance of Proposals

AMS reserves the right to reject any or all proposals or, in accordance with the terms of this RFP, to accept the proposal or proposals deemed most favourable to AMS in its sole and unfettered discretion, including those that may not have the lowest rates or payment structure.

5.6 Understand the Process

Each respondent is solely responsible for conducting its own thorough and complete review of this RFP and ensuring that it has a full and complete understanding thereof.

The RFP should be read in its entirety to understand the RFP process.

It is each respondent's responsibility to report, or request clarification of, any discrepancy, deficiency, ambiguity, error or inconsistency which it discovers during the course of its review.

5.7 Confidentiality and Non-Disclosure

All documents submitted, including proposals, become the property of AMS and will be maintained by AMS as confidential information. Additionally, respondents may identify information as confidential. AMS maintains the right to make copies of all proposals for its internal evaluation process and provide copies to those involved in proposal evaluation and its advisors if and as needed. Further, AMS may disclose confidential information as required by law.

Any successful respondent will be required to agree to mutual non-disclosure obligations, as part of the services agreement described in section 5.8.

Respondents may choose to provide proposals for only some services. AMS may share non-identifying information from these proposals during negotiations with other respondents for complementary services and such disclosure will not be considered a breach of confidentiality. For example, AMS may share material specification requirements from a potential end market with a prospective provider of primary or secondary processing services to ensure the proposed solution can meet the necessary specifications.

By making a submission, the respondent, whether successful or not, agrees not to issue any news releases nor make any public announcements concerning this RFP or the awarding of an agreement without the written consent of AMS.

5.8 Terms of Agreement

Respondent agrees to negotiate an agreement that is materially similar to the example in Appendix D if selected as a processor of Automotive Plastics in accordance with this RFP within a reasonable timeframe, expected to be approximately one month. A respondent that currently has a Post-Collection Services Agreement with AMS may be required to amend such agreement to create congruency with the proposed agreement in Appendix D as a condition of award. AMS may, without limitation, discontinue negotiations with a selected respondent if AMS and the respondent cannot conclude or finalize an agreement within the reasonable timeframe set by AMS in its sole and absolute discretion, material statements made by the respondent in its proposal cannot be validated through due diligence or the respondent does not provide any information requested by AMS in a timely manner.

5.9 Collection and Use of Personal Information / Deemed Consent

Respondents are solely responsible for familiarizing themselves, and ensuring they comply, with all applicable privacy laws, including obtaining written consents from any individual before disclosing their personal information to AMS, including as part of a proposal. Submission of a proposal is deemed to constitute the consent of the respondent, and its respective directors, officers, shareholders or owners and any other person named in the proposal to AMS' receipt of this information and any exercise of any right reserved to AMS within this RFP.

5.10 Third-Party Consents

In addition to any required consents under section 5.9, respondent is solely responsible for obtaining all necessary consents and rights in writing from all third parties whose information is disclosed in their respective proposals or otherwise as part of the RFP process, and acknowledges that AMS is relying on respondents to obtain all such consents and rights.

5.11 Respondent Acknowledgement and AMS Disclaimer of Liability

By submitting a proposal and participating in the RFP process, a respondent acknowledges and accepts:

- (a) it is solely responsible for informing themselves as to the contents and requirement of this RFP and ensuring that it has received a complete RFP;
- (b) it is solely responsible to ensure that they have obtained and considered all information necessary to understand the requirements of this RFP and to prepare and submit its proposal;
- (c) the RFP process will be governed by the terms and conditions set out in this RFP, and any purported or proposed modification or qualification of, or non-compliance with, these terms and conditions in the proposal or otherwise by the respondent in participation in the RFP process may result in the disqualification of the respondent from the RFP process or rejection of the proposal;
- (d) it is solely responsible for all fees, costs and expenses of any nature incurred or arising with respect to participation in the RFP process (including attending meetings and participating in negotiations) and for conducting all due diligence necessary to fully understand the RFP requirements and prepare a proposal;

- (e) no guarantee, representation or warranty, express or implied, is made with respect to the completeness or accuracy of any information presented in this RFP or during the RFP process. AMS and any of its officers, directors, servants, contractors, agents and advisors (including legal advisors) ("AMS Representatives") will not be liable to anyone as a result of the use of any information contained in this RFP or provided during the RFP process;
- (f) AMS and all AMS Representatives will have no liability whatsoever, whether arising in contract, tort (including negligence), statutory or implied duty, law, equity or otherwise, arising out of a respondent's participation in or exclusion from the RFP process (including cancellation of this RFP), or in connection with any actions, causes of action, suits, claims, losses (including loss of profit, loss of opportunity or any consequential loss), damages (including direct, indirect, special and punitive damages), cost or expense of any nature or kind whatsoever incurred or suffered by the respondent arising out of or in connection with, any act, omission, decision or step taken by AMS or any AMS Representatives as part of the RFP process (including the exercise of any right of AMS described in this RFP) or otherwise relating to or arising out of or in connection with this RFP or the RFP process (including any breach of breach of any duty owed at law to the respondent), and the respondent irrevocably has and does waive, and will not assert, bring or make, any action, suit or claim against AMS or any AMS Representatives for any matter directly or indirectly relating to or arising out of or in connection with this RFP or the RFP process, including with respect to any costs, damages, liability or matters described above in this section 5.11; and
- (g) if, notwithstanding sections 6.1 and 5.1(f), a court or tribunal r of competent jurisdiction finds that AMS or any AMS Representatives has incurred any liability to respondent arising out of or in connection with this RFP or the RFP process, the total aggregate liability of AMS and all AMS Representatives will under no circumstances exceed the reasonable actual out-of-pocket costs that were directly and demonstrably incurred by the respondent the preparation of its proposal or \$5,000, whichever is less.

This section 5.11 will survive any cancellation of this RFP or the conclusion of the RFP process.

5.12 No Guarantee of Volume of Work or Exclusivity of Contract

AMS makes no guarantee of the value or volume of work to be assigned to the selected respondent. The services agreement to be negotiated with the selected respondent will not be an exclusive contract for the provision of the described services. AMS may contract with others for goods and services the same as or similar to such services or may obtain such services internally. Any historic values or volumes and any estimates provided are for informational or guideline purposes only and may not be representative of the work required or provided under the services agreement.

5.13 Verify, Clarify, and Supplement

AMS may request further information from the respondent or third parties in order to verify, clarify, or supplement the information provided in the respondent's proposal. AMS may revisit, re-evaluate, and

rescore the respondent's response or ranking on the basis of any such information. If the respondent fails to deliver the requested information by the delivery date specified by AMS, AMS may disqualify the respondent or reject its proposal. AMS is under no obligation to perform any investigations or to otherwise verify any statements or representations made in a proposal. Any written information received by AMS from a respondent pursuant to a request for clarification or verification from AMS as part of the RFP process may, in AMS's discretion, be considered as an integral part of the respondent's proposal.

5.14 Illegal or Unethical Conduct

Respondents must not engage in: (a) any illegal business practices, including activities such as bid-rigging, price-fixing, bribery, fraud, coercion, or collusion; or (b) any unethical conduct, including lobbying, as described above, or other inappropriate communications; offering gifts to any employees, officers, agents, elected or appointed officials, or other representatives of AMS; deceitfulness; submitting proposals containing misrepresentations or other misleading or inaccurate information; or any other conduct that compromises or may be seen to compromise the competitive process provided for in this RFP.

AMS may disqualify a respondent or rescind an invitation to negotiate if AMS determines, in its discretion, that the respondent has engaged in any conduct prohibited by this RFP or that compromises the competitive process provided for in this RFP. Each respondent acknowledges that it is within AMS's sole and absolute discretion to determine whether a conflict of interest, unfair advantage or an appearance of conflict of interest or other unfair advantage exists, or whether lobbying has occurred, and to reject a proposal or disqualify a respondent accordingly.

5.15 Other AMS Rights to Disqualify respondents and Reject Proposals

In addition to any other rights of AMS and without limitation, AMS may disqualify a respondent or reject a proposal:

- (a) if a respondent is or becomes bankrupt or insolvent or where, for whatever reason, its operations cease for an extended period;
- (b) if a respondent breaches or has breached obligations of confidentiality;
- (c) if a respondent has not demonstrated that it has sufficient qualifications, capabilities or resources, or has submitted a price that is too low to be sustainable and ensure its ability to provide the services being procured; or
- (d) with respect to current or prior transactions with AMS: (i) if a respondent has failed to satisfactorily meet its contractual obligations to AMS in any prior contract, including breaching a current or prior contract with AMS or repeated performance deficiencies without satisfactory remedial actions; (ii) if AMS has exercised its contractual remedies of suspension or termination for default with respect to a contract with the respondent; or (iii) if AMS determines, in its sole and absolute discretion, that the respondent's performance on other contracts, including the efficiency and workmanship as well as the extent to which it performed the work in accordance with contractual requirements, is sufficiently poor to jeopardize the successful completion of the services being contracted for.

5.16 Notification of Respondent Material Changes

If, at any time after the submission of a proposal, there is a material change in any of the information submitted by a respondent in its proposal, the respondent should immediately notify AMS in writing of the material change. In the case of a material change that has already occurred, in circumstances where it was not reasonably practical or legally possible for the respondent to notify AMS in advance of the underlying transaction or event causing the material change to occur, the respondent should notify AMS promptly upon the transaction, event or development occurring.

For the purposes of this section 5.16, a material change includes: (a) any change in ownership, control, or management of a respondent; (b) any change to the legal structure of the respondent, such as the merger or amalgamation with another entity (including another respondent) or the creation of a new joint venture or other legal entity; (c) any sale or other transfer to another entity of all, or a material part, of the respondent's assets; (d) any material adverse development impacting: (i) the financial viability; (ii) the capacity or capability to provide the services being procured; (iii) any change to any of respondent's subcontractors that were proposed in the respondent's proposal; and (iv) any occurrence rendering any of the respondent's representations or disclosures under its proposal inaccurate or incomplete.

AMS will have the right to take any material change with respect to a respondent into account in evaluating the respondent's proposal or exercising any of AMS's rights under this RFP.

5.17 Assignment by Respondent

A respondent may not assign its proposal or position in the RFP process without the prior written consent of AMS, which consent may be withheld by AMS in its sole and absolute discretion. For the purposes of this section, "assign" includes a material change described in section 5.16(a), section 5.16(b) or section 5.16(c).

5.18 Governing Law

This RFP and the RFP process will be governed by and construed in accordance with the laws of the province of Ontario and the federal laws of Canada applicable therein.

5.19 AMS Legal Counsel

McCarthy Tétrault LLP has provided and continues to provide legal advice to AMS in respect to the procurement under this RFP. Respondents are advised that they should not submit a proposal in response to this RFP unless they expressly consent to McCarthy Tétrault LLP continuing to act for AMS, notwithstanding any unrelated solicitor-client relationship that each respondent or its subcontractors may have or previously had with McCarthy Tétrault LLP.

6.0 REQUEST FOR PROPOSAL PROCESS

6.1 <u>Procurement Process Non-Binding</u>

Notwithstanding any other provisions of this RFP, this RFP is not a tender and is not an offer to enter either a bidding contract (often referred to as "Contract A") or a contract to provide goods or services (often referred to as "Contract B"). The process under this RFP (including submission of a proposal) is not intended to create and will not create a formal, legally binding bidding process and will instead be governed by, and will not limit, applicable common law governing direct commercial negotiations. For greater certainty, and without limitation:

- (a) neither this RFP nor the process under it will give rise to any Contract-A-based tendering law duties or any other legal obligations arising out of any process contract or collateral contract;
- (b) a respondent may withdraw its proposal and discontinue its participation in the RFP process by written notice to AMS at any time prior to successful negotiation and execution of an agreement with the respondent in accordance with section 5.8; and
- (c) neither a respondent nor AMS will have the right to make any claims (in contract, tort, or otherwise) against the other with respect to the award of a contract, failure to award a contract or failure to honour a proposal submitted in response to this RFP, or any other claims based on a breach of "Contract-A"-based tendering law duties or obligations.

No legal relationship or obligation regarding the procurement of any good or service will be created between a respondent and AMS by the RFP process (including the submission of a proposal) until the successful negotiation and execution of a written agreement for the acquisition of described services in accordance with section 5.8. The submission of a proposal is part of an overall selection process intended to enable AMS to identify one or more potential organizations for the potential provision of services described herein. The goal of this RFP process is to identify those respondents who demonstrate the ability to provide the services as outlined at best value.

AMS is not bound to negotiate with any respondent and may discontinue the RFP process, and/or cancel the initiatives as outlined prior to the execution of a contract.

While the pricing information provided in proposals will be non-binding prior to the execution of a contract, such information will be assessed during the evaluation of the proposals and the ranking of the respondents. Any inaccurate, misleading, or incomplete information, including withdrawn or altered pricing, could adversely impact any such evaluation or ranking or the decision of AMS to enter into a contract for goods and/or services.

6.2 Proposed Schedule and Submission of Information

Milestone	Scheduled Date	Time
Release of RFP	February 7, 2025	N/A
Deadline for respondents to submit questions	February 19, 2025	4:00 p.m. EST
AMS responds to questions	February 26, 2025	N/A
Proposals due	March 21, 2025	4:00 p.m. EDT
Interviews with shortlisted respondents, if	Subject to scheduling	
required to clarify proposals.		
Final selection and notification	By April 30, 2025	N/A

AMS reserves the right to modify the schedule as circumstances warrant. AMS will post any modifications on its website at www.automotivematerialsstewardship.ca/news/.

6.3 Reservation of Additional Rights

In addition to, and without limiting, any other rights of AMS (including those reserved under section 5.0) or the generality of section 6.2, AMS may, in its sole and absolute discretion:

- (a) make changes, including substantial changes, to this RFP (including the RFP process), provided that AMS provides notice of the changes;
- (b) extend or amend, from time to time, any date, time period or deadline provided in this RFP;
- (c) waive any non-material irregularity, defect, or deficiency in a proposal or correct any error identified in a proposal, such as a mathematical error in pricing provided in a proposal;
- (d) decline to evaluate any proposal that, in its discretion, is incomplete, obscure, or otherwise does not contain sufficient information to carry out a reasonable evaluation in accordance with this RFP;
- (e) request clarification(s) from a respondent with respect to its proposal, including clarification(s) with respect to its proposal, without any obligation to make such a request to any other respondent and consider such clarification(s) in evaluating the proposal;
- (f) in conducting evaluations, consult with others, including AMS staff members and external consultants;
- (g) reject any or all proposals received in response to this RFP;
- (i) accept any proposal, in whole or in part, with or without negotiation;
- (j) cancel this RFP at any time, including during negotiations;
- (k) if this RFP is cancelled, subsequently at any point reissue this RFP or conduct another competitive process for the same or similar goods and/or services that are the subject matter of this RFP, or obtain any of the same or similar goods and/or services through other means; and
- (I) if only one proposal is received, negotiate with a sole respondent.

8.0 EVALUATION CRITERIA

The evaluation process to determine the successful respondent(s) will involve both qualitative and quantitative elements. As a general framework, all proposals submitted by respondents will be evaluated in the context of the overall value that they bring to AMS. While technical ability to comply with the HSP Regulation and cost are two of the most significant parts of the evaluation criteria, they will not be the sole determinants. Proposals will be reviewed in accordance with the following criteria:

- Completeness of submission
- Understanding the EPR landscape in Ontario
- Experience and qualifications
- Capability and capacity to manage Automotive Plastics from AMS haulers
- Weighing, record keeping, and reporting processes
- Access to end markets
- Team composition
- Workplan and timelines
- Price

AMS reaffirms its right to make any selection it deems prudent. By participating, respondents acknowledge that any decision made by AMS is not subject to protest or contest.

AMS reserves the right to:

- Not award a contract as a result of this RFP;
- Award contracts to one or more respondents; and/or
- Negotiate with one or more respondents, including terms different than in a proposal or for of the services agreement.

APPENDIX A – PROPOSAL REQUIREMENTS

A. Services the respondent wishes to provide. Indicate all that apply.

1. Primary Processing

- Receive empty jugs and pails (jugs and lids are received in plastic bags)
- Sort out contaminants (e.g. coffee cups, shop rags, small metal parts), either manually or mechanically
- Shred plastic containers
 - o Provide specs (e.g. flake size, oil/moisture content, holding container type, etc.)

2. Secondary Processing (Indicate if this is to be combined with Primary Processing)

- Receive oily shredded plastic (if not also providing Primary Processing)
- Clean shredded plastic containers
 - o Wash
 - o Centrifuge
 - Other
- Prepare for sale
 - Prove specs (e.g. flake size, oil/moisture content, holding container type, etc.)

3. Sale of Commodity (Indicate if this is to be combined with Primary Processing or Secondary Processing)

 Sale of oily shredded plastic and/or cleaned shredded plastic to end markets for creation of new products and/or packaging (describe end markets, including what products and/or packaging are created by your proposed end markets)

4. End Market

 Purchase of oily shredded plastic and/or cleaned shredded plastic for creation of new products and/or packaging (describe what products and/or packaging are created)

B. Additional EPR Services Provided by Respondent:

- Does the respondent already provide services to AMS? Describe.
- Does the respondent currently provide, or wish to provide, collection and/or hauling services for Automotive Plastics in Ontario? Provide details.
- Does the respondent provide services to any other producer responsibility programs for: (indicate all that apply):
 - Automotive Plastics
 - Oil filters
 - Antifreeze
 - Other HSP materials
 - Tires
 - Batteries
 - Electronics and waste electrical equipment
 - Printed paper and packaging
 - Other (Describe)

- Is the respondent registered as a PRO with the Resource Productivity and Recovery Authority?
 - o If so, for which materials?
 - If so, in what capacity? (hauler, processor, other)

C. Primary Processing and Secondary Processing Services

Processing Equipment

- Describe the equipment and process proposed to be used in providing Primary Processing and/or Secondary Processing services.
- Indicate if the necessary processing equipment is already installed.
- Indicate what modifications, if any, are required to the current equipment.
- How long is required to procure and install any required equipment?
- Describe any proposed changes to the equipment and process over time (e.g. a processor may manually sort out contaminants by hand during year one and automate sorting out contaminants effective year two, or a processor may install a wash line in year 3).
- Will jugs (blow mold) and pails (injection mold) be processed separately, creating multiple grades of material? Describe.
- How is the quality of recovered plastics monitored?
- Describe any other current or planned technologies, such as automated receipt and sorting, colour segregation, and residual oil management.
- Provide details about the overall capacity of the sorting facilities.
- Describe any previous or current work to process automotive plastics for other clients.
- Describe contingency plans that will enable to continuation of processing services in the event of a short-term or long-term business interruption (e.g. caused by equipment failure, fire, etc.).
- Is processing a trial load of AMS material to determine viability required?

Start Up Capital

AMS does not want the availability of start-up capital to prevent a qualified organization from providing Primary Processing of Secondary Processing services. AMS may, at its sole discretion, provide financial assistance to a successful respondent, if necessary, such as a loan, grant, or equity position.

• Does the respondent require any financial assistance to obtain equipment and begin providing services? Describe.

Location:

To ensure convenience for haulers delivering collected Automotive Plastics, a provider of Primary Processing should receive materials from collectors at either:

A. A receiving facility located no more than 150 kilometers from King City, Ontario,

- B. A receiving facility located in each AMS transportation zone (see attached Zone Map in Appendix C). AMS will entertain a submission with a single receiving facility servicing zones 6 & 7, and another receiving facility servicing zones 3 & 4,
- C. Another location or set of locations that is reasonably convenient for haulers operating around the province of Ontario.

A provider of Primary Processing may receive materials at the processing facility or consolidation and transfer facilities.

Receiving facilities must be equipped and staffed to unload bags of jugs and stacks of pails from a variety of vehicles, including but not limited to box trucks and 53' trailers.

- Describe where the receiving facility(ies) will be located.
- Describe the facilities to receive and unload materials from trucks (e.g. loading bays, etc.).

Weights:

Accurate weights of materials are necessary to ensure correct payment and to satisfy the reporting requirements of both AMS and the processor to the Resource Productivity and Recovery Authority (RPRA). The methods of obtaining weights must be transparent, auditable, and only include the weight of materials managed under the AMS program. AMS will only accept claim submissions and provide payment for materials received from approved AMS haulers and for which accurate weights are provided. The weight of materials claimed for processing must match the weight claimed by the hauler that delivered the material.

It is preferred that a Primary Processor and Secondary Processor process AMS Automotive Plastics separate from all other materials, enabling the respondent to obtain the weight of recovered resources including plastic, recovered oil, recovered metal, and waste without assumptions or allocation methodologies. If the respondent cannot process AMS materials separately, they should propose a methodology by which accurate inbound and outbound weights will be obtained.

AMS may require modifications to a proposed weighing methodology to ensure its absolute satisfaction.

- Describe your current and/or proposed methodology for obtaining inbound and outbound weights, including maintaining AMS weights separate from all other clients.
- Describe the controls currently in place, or that will be implemented by the service commencement date, to ensure accuracy and auditability of weights.

Volume

Haulers under contract to AMS collected over 3,000 metric tonnes of Automotive Plastics in 2023. This number varies from year to year (see the annual reports on our website for previous years' volumes).

AMS may choose to contract with multiple processors, in which case AMS reserves the right to establish a limit on the annual weight of Automotive Plastics that may be processed by any one processor (the "Maximum Annual Contracted Quantity").

Providers of processing services must accept Automotive Plastics during regular business hours at no charge from any AMS hauler, up to the annual Maximum Annual Contracted Quantity. Materials not covered by this requirement include visible (i.e. non-bagged) non-designated materials (e.g. containers greater than 30 litres in capacity). AMS applies a five percent contamination limit to Automotive Plastics.

- Provide the minimum (if applicable) and maximum volume, in metric tonnes, that can be received and processed. (annually, monthly, weekly).
- Provide your regular business hours.

Recycling Efficiency Rate:

Section 30 of the HSP Regulation sets out a minimum recycling efficiency rate (RER) of 95% that must be met by each processor relied upon for the processing of oil containers starting in 2027. The Resource Productivity and Recovery Authority (RPRA) has developed a Hazardous and Special Products Verification and Audit Procedure, which may be amended from time to time. Section 2 of the procedure describes how a processor confirms they meet the minimum requirements.

AMS is seeking one or more processors that have, or will have, the technical capabilities to satisfy the minimum RER requirements as set out in the HSP Regulation.

Respondents that do not, or will not, meet the minimum RER requirements are still encouraged to make a submission within which they should describe any technical or other barrier to compliance along with any regulatory amendments that would enable their provision of resource recovery services to AMS.

- Provide a description of the proposed processing system.
- Provide the current or planned recycling efficiency rate and supporting documentation.
- Indicate either:
 - o a commitment to meeting the minimum recycling efficiency rate by 2027, or
 - the type of regulatory amendment that would be required to commit to meeting the minimum recycling efficiency rate by 2027, and steps the respondent proposes to take to advocate for such changes.

Term

AMS prefers a term of up to five years, with the option to extend for an additional two terms of two years each; however, AMS may choose to negotiate different terms.

- Does the respondent agree with the preferred term?
- If not, propose an alternative term.

E. End Markets

AMS is seeking end markets to purchase recovered plastics from providers of Primary or Secondary Processing. A respondent that does not wish to provide Primary Processing or Secondary Processing and that does wish to be an end market is requested to provide details about the quantity and quality of material it wishes to purchase.

- What is the minimum and maximum quantity (tonnes) of material that would be purchased?
- Could material be purchased following primary processing or is secondary processing required?
- Describe minimum quality specifications for recovered plastics (e.g. minimum moisture content, flake size, purity levels, minimum oil content, etc.)
- Indicate whether blow mold and injection mold are required to be separate material streams.
- Provide any other minimum specifications.

F. Pricing Grid

Primary and Secondary Processors

Where the respondent is proposing to provide both Primary Processing and Secondary Processing, the respondent may provide separate or combined prices. Providers of Primary Processing and Secondary Processing that wish to provide commodity marketing services must build the activity, and resultant commodity revenue, into their price proposals.

All prices are to be quoted in Canadian Dollars.

AMS seeks a price per kilogram that applies to the total quantity of material received and processed. Respondents may indicate different prices depending on minimum quantities to be processed.

Respondents may provide a consistent price for the duration of the initial term or may provide a price that will be adjusted annually. Any annual price adjustment will be based on the Consumer Price Index (CPI) for Ontario (All Items) and will be calculated as follows:

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Year X + 1 Price = Year X Price x (1 + (percentage change in CPI/100))
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The percentage change in CPI will be based on the most recent value for the Consumer Price Index (CPI) for Ontario (All Items) posted on the Statistics Canada website as of December 1 of the preceding year (Year X) compared to the value for the year prior.

Regardless of whether a consistent price is provided for the full term or if the price will be adjusted annually, a CPI adjustment, calculated as indicated above, will be applied to the first year of any renewal term unless the respondent opts out.

For each applicable option, provide pricing for 2026 in the following format. \$ / KG inbound:

Primary Processing	\$ / KG
Secondary Processing	\$ / KG
Primary + Secondary Processing	\$ / KG
Primary Processing + Marketing	\$ / KG
Secondary Processing + Marketing	\$ / KG
Primary + Secondary Processing + Marketing	\$ / KG

- Indicate whether the proposed price is applicable for the initial term, or if an annual CPI adjustment will apply.
- Indicate whether you wish to opt out of the CPI adjustment for any renewal term and have the price from the final year of the initial term apply to the renewal term.
- Indicate any discounted rate for renewal terms, for example, to recognize asset depreciation over the initial term.

G. End Markets

Where a respondent is submitting a proposal to be an end market only, the respondent should provide details regarding how they wish to purchase the recovered materials and at what price.

- May be a fixed term price of pegged to an index.
- May be purchased from AMS or a processor providing Primary Processing and/or Secondary Processing service.
- Indicate any volume commitments, either as a purchaser or a minimum required from the processor.
- Indicate anticipated shipment frequency.
- Provide details of any other significant terms of purchase and sale.

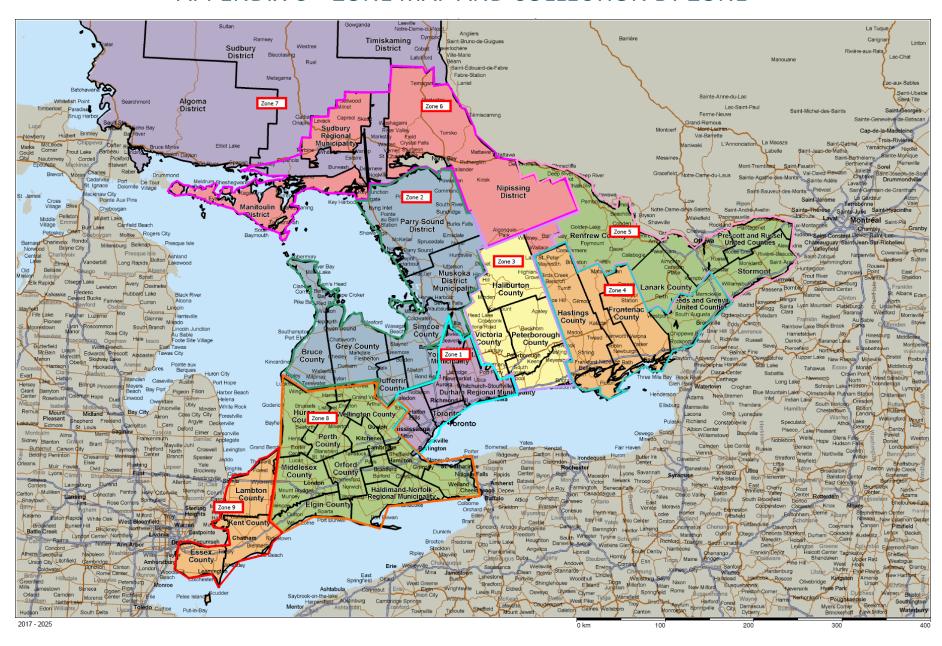
APPENDIX B – MATERIAL COMPOSITION

- The average full plastic collection bag of material collected from a standard 65 gallon (360L) tote weighs 9.6kg with some variability. Bags are typically within a range of 8 to 15kg with heavier bags having higher volumes of dense plastics such as oil pail lids.
- Oil pails typically weigh approximately 1kg when empty without the lid, with the typical pail lid weighing 400grams.
- The composition of material varies dependent on region of collection, with pails representing a greater share of the available material for collection in Ontario's norther region.
- Haulers can typically expect 90% of collected material to be in bag form while 10% of volume is found
 in pails.
- Heavy industry and industrial collection site service will generate significantly higher volumes of pails.
- Material composition within bags typically includes 1 litre oil bottles and 4.5 litre oil jugs.
- Material within bags is typically coated both internally and externally with residual oil and other
 automotive fluids. Other plastic bottles and other waste materials can typically be found within bags
 in low quantities. Miscellaneous garbage materials such as coffee cups, oil filters and automotive
 drains plugs are found in some quantities with an observed rate of <1% of the total weight of material
 collected.
- The following table shows the allocation of 2023 collected tonnes into recovered and disposed
 materials as reported by processors. An individual processor's performance may vary depending on
 their process and equipment.

Recovered	Paper and Plastic Labels	0.00%
Recovered	Plastic	69.34%
Recovered	Metal	0.85%
Recovered	Oil	12.95%
Recovered	Other	0.00%
Disposed	Paper and Plastic Labels	10.02%
Disposed	Plastic	0.00%
Disposed	Metal	0.04%
Disposed	Oil	0.00%
Disposed	Other	6.80%

Note that the weight of disposed Paper and Plastic Labels includes the weight of oil and other liquids absorbed by the labels. Disposed Other is primarily garbage.

APPENDIX C – ZONE MAP AND COLLECTION BY ZONE



2023 Collected Tonnes by Zone as Reported by Haulers

	•	
Zone	Collected Quantity	
	(Metric Tonnes)	
1	1,570	
2	176	
3	104	
4	150	
5	304	
6	55	
7	217	
8	725	
9	79	
Total	3,380	

APPENDIX D – PROCESSING SERVICES AGREEMENT TEMPLATE

PROCESSING SERVICES AGREEMENT

THIS AGREEMENT is made as of the 1st day of January, 2026 (the "Effective Date").

BETWEEN:

AUTOMOTIVE MATERIALS STEWARDSHIP INC. ("AMS")

- and -

• ("CONTRACTOR")

collectively, the "Parties"

Reporting Contract #:	(<mark>com</mark>	pleted b	y AMS

WHEREAS:

- A. AMS provides services as a producer responsibility organization ("PRO") under the Hazardous and Special Products Regulation ("HSP Regulation") made under the Resource Recovery and Circular Economy Act, 2016 (the "RRCEA") (collectively, the "AMS Program").
- B. As a PRO, AMS operates a collection and management system for HSP consisting of antifreeze (including antifreeze containers less than 30 litres), oil containers, and/or oil filters (collectively, "Automotive Hazardous and Special Products" or "Automotive HSP") as more particularly defined below.
- C. AMS and Contractor wish to enter into an agreement concerning the provision of processing services by the Contractor to AMS concerning oil containers and antifreeze containers (collectively, "Automotive Plastics").

NOW THEREFORE in consideration of the promises herein, the sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1.0 Definitions and Interpretation

- 1.1. Terms beginning with capital letters and used herein without definition shall have the meanings given to them in the RRCEA or the HSP Regulation, unless otherwise specified.
- 1.2. In this Agreement:
 - (a) "Agreement" means this Agreement and includes all schedules and amendments thereto;
 - (b) "Approved Collection Site" means a location providing Collection Services that has been registered and approved by AMS.
 - (c) "Approved Processing Facility" means the Contractor's processing facilities listed in Schedule "A" to this Agreement as updated from time to time in accordance with this Agreement.
 - (d) "Authority" means the Resource Productivity and Recovery Authority continued under Part III of the RRCEA.
 - (e) "Automotive HSP" means any or all of the following as defined under the HSP Regulation:
 - (i) "Oil Container" has the meaning assigned by Section 1 of the HSP Regulation;
 - (ii) "Oil Filter" has the meaning assigned by Section 1 of the HSP Regulation;
 - (iii) "Antifreeze" has the meaning assigned by Section 1 of the HSP Regulation.
 - (f) "Business Day" means Monday through Friday, excluding statutory holidays and any other day that the Government of Ontario has elected to be closed for business;
 - (g) "Claims Submission" means submission to AMS of data required to validate claim for payment:
 - (h) "Collection Services" means receiving, classifying, packing, storing and transferring Automotive HSP onto transportation vehicles, including the Manifesting of the Automotive HSP prior to transportation;
 - (i) "Confidential Information" means information of or relating to a party (the "Disclosing Party") that has or will come into the possession or knowledge of the other party (the "Receiving Party") whether such information is or has been conveyed verbally or in written or other tangible form, and whether such information is acquired directly or indirectly such as in the course of discussions or other investigations by the Receiving Party, and that: (a) where AMS is the Disclosing Party, is any information of AMS or relating to its business or affairs including technical, financial and business information, ideas, concepts or know-how, Post-

Collection Services performance and Post-Collection Services delivery reporting information, and the terms of this Agreement; and (b) where Contractor is the Disclosing Party, is limited to financial information of Contractor. However, notwithstanding the foregoing, Confidential Information does not include information that (a) is or becomes available to the public other than as a result of a breach hereof by the Receiving Party or (b) is independently developed or obtained by the Receiving Party without any use of or reference to the Confidential Information of the Disclosing Party as established by evidence that would be acceptable to a court of competent jurisdiction; provided that the foregoing exceptions will not apply with respect to any personal information that is subject to Privacy Laws. For greater certainty, the information supplied by the Contractor to AMS under the terms of this Agreement is AMS's Confidential Information and the Contractor is not permitted to disclose this information to any other person except as required by law or in accordance with section 25.0.

- (j) "Diversion Report" means invoices, Automotive HSP tonnage reports, or other such documents as may reasonably be required by AMS from time to time for the validation of Claims Submissions;
- (k) "FOB" means free on board;
- (I) "Hauler" means a person or firm duly registered with the Authority and AMS and authorized to provide Hauler Services, as confirmed by AMS in writing from time to time, where the Hauler is a person who arranges for the transport of HSP that are used by consumers in Ontario and are destined for processing, reuse, refurbishing, or disposal, but does not include a person who arranges for the transport of HSP initially generated by that person;
- (m) "Hauler and Processor Standards" means policies, standards and guidelines related to the execution of services under this Agreement, as developed by AMS, and amended from time to time.
- (n) "Hauler Services" means all activities, including but not limited to transportation, consolidation, sorting and weighing of Automotive HSP from an Approved Collection Site or a Municipal Event to an approved Processor;
- (o) "Manifesting" means those activities associated with preparing a manifest for Post-Collection Services in accordance with Regulation 347 made under the Environmental Protection Act (Ontario);
- (p) "Municipal Event" means a one-day or other collection event, operated by or on behalf of a municipality or First Nations community to collect, pack, transport, weigh, and process Automotive HSP from the public;
- (q) "Post-Collection Services" means the management of Automotive HSP, through Hauler Services and/or Processing Services;
- (r) "Processing Rates" means the incentive payment rates contained in Schedule "C" or as updated in accordance with this Agreement.

- (s) "Processing Services" means all activities, including but not limited to sorting, weighing, processing, recycling, marketing, and safe disposal of residual waste from Automotive HSP received from an approved Hauler, as described further in this Agreement;
- (t) "Processor" means a person (including firm) duly registered with the Authority and AMS and authorized to provide Processing Services;
- (u) "Reporting Portal" means the online system provided by AMS for Contractor to upload Claims Submissions.

2.0 Processing Services

2.1. This Agreement is for the Processing Services of Automotive Plastics.

THIS SECTION WILL DESCRIBE THE SERVICES TO BE PROVIDED AS DETAILED IN THE RFP RESPONSE. ALSO SERVICE LEVELS AND/OR PERFORMANCE STANDARDS WILL BE ADDED, TAKING INTO ACCOUNT THE RFP RESPONSE.

- 2.2. Contractor may only submit claims where the Automotive Plastics were delivered by a Hauler and originated from an Approved Collection Site.
- 2.3. Contractor will accept Automotive Plastics from a Hauler during normal business hours without charge to the Hauler.
- 2.4. Contractor's processing facilities listed in Schedule "A" are approved for the provision of Processing Services and may be relied upon by Haulers.
- 2.5. Records, Facility Access and Audit Rights By AMS
 - (a) Contractor will maintain, all data, records, reports, documents and other information required to enable AMS and the Authority to exercise their respective rights under this Agreement or otherwise required for AMS or Contractor to comply with applicable law and/or the requirements of the Authority. Without limiting the generality of the foregoing, Contractor will ensure such information relating to all aspects of Contractor's performance of its obligations set out in this Agreement will be readily available and will produce such information to AMS or the Authority upon request by AMS.
 - (b) Contractor will grant AMS (or its authorized representative) or the Authority access to any of Contractor's facilities used in the provision of Processing Services to monitor Contractor's performance in the delivery of Processing Services. Such access will be during normal business hours and on a minimum of 48 hours' notice and may be on a continual basis. Facility access shall include parking, use of restrooms, space to conduct work, access to space for breaks, and any additional access reasonably required by AMS under this section 2.5. AMS shall take reasonable steps to minimize disruption to Contractor's operations.

- (c) AMS or its representative will have the right to perform composition audits of Automotive HSP in the possession or control of the Contractor and to review any documentation or other work product resulting from the Processing Services (this right and all other audit, access and inspection rights of AMS under this section and section 2.6, "Audit Rights") provided, however, that the efforts of AMS to perform any such audits will be at AMS' expense. For clarity, Contractor will fulfill its obligations under this section 2.5 at no additional charge to AMS.
- (d) Contractor will co-operate with AMS to allow AMS or its representative, to exercise its Audit Rights, including providing adequate, indoor space and weighing devices at Contractor's facilities at no charge to AMS.
- (e) AMS or its representative may conduct an annual audit of Contractor (including of its operations and facilities) to confirm compliance with this Agreement at AMS' expense. In the event that the annual audit reveals deficiencies with respect to Contractor's compliance with this Agreement, then (i) Contractor will as soon as reasonably possible correct the deficiencies; and (ii) AMS reserves the right, acting reasonably, to conduct additional audits of the Contractor with respect to the deficiencies at Contractor's expense.
- (f) Contractor will ensure approved sub-contractors provide the same access and audit rights to AMS as required of Contractor.
- (g) The Authority is a third party beneficiary of the rights in this section 2.5 of AMS and, if authorized by AMS, may accompany AMS (or its authorized representative) in their enforcement of such rights or, with AMS' approval, may independently enforce such rights directly against Contractor.
- (h) In addition to Contractor's obligations set out in this section 2.5, Contractor will cooperate with and assist AMS to enable it to meet its obligations to governmental and regulatory authorities that have jurisdiction over it (including the Authority). Such cooperation will include any and all information and materials required by AMS to meet its obligations to each governmental and regulatory authority that has jurisdiction over it.

2.6. Non-Automotive HSP

- (a) Contractor will implement and maintain reasonable procedures to minimize the receipt and processing of non-Automotive Plastics ("Contamination") commingled with Automotive Plastics when providing Processing Services to AMS.
 - (i) This includes procedures to monitor the content of collected materials delivered by a Hauler and procedures to reject material from a Hauler which do not comply with such requirements. Such procedures must include obtaining photo or other visual documentation of the Contamination. The Contractor must inform both the Hauler and AMS of any rejected loads and provide such documentation to AMS. The Hauler must be informed at the time the material is being delivered.
 - (ii) The procedures adopted by the Contractor for the purposes outlined in subparagraph (i) above, are subject to review by AMS at any time. If AMS

determines that such procedures are inadequate, Contractor and AMS will meet to discuss the implementation of modified procedures to reduce Contamination.

- (iii) AMS will not provide payment for any rejected loads.
- (b) Contamination rates may be monitored through composition studies conducted by AMS. If the composition studies indicate an average Contamination rate exceeding 5% by weight over a 3-month period, Contractor may be required by AMS to develop a Contamination Remediation Plan for discussion and approval by AMS within thirty days and to implement such plan upon approval. The Contamination Remediation Plan will be required to address the mechanism by which the Contractor will reduce or otherwise address the amount of Contamination.
- (c) In the event that Contractor has been required to develop a Contamination Remediation Plan and where the average Contamination rate continues to exceed 5% for a three-month period commencing at least six months following the approval of the Contamination Remediation Plan, AMS reserves the right to implement measures to reduce payments to Contractor by an amount not to exceed the average Contamination rate minus 5% until such time as the average Contamination rate falls to 5% or lower

3.0 Price. Reporting and Payment

THIS SECTION MAY BE UPDATED DEPENDING ON THE RFP RESPONSE.

3.1. Price

- (a) AMS will pay the Contractor for Processing Services of Automotive Plastics in accordance with this Agreement based on the Processing Rates. The current Processing Rates are provided as attached in Schedule "C".
- (b) The Processing Rates will be adjusted on the first day of each Renewal Term. The adjustment will be based on the Consumer Price Index (CPI) for Ontario (All Items) and will be calculated as follows:
 - (i) Processing Rate = Processing Rate in the previous year x (1 + (percentage change in CPI/100)); where
 - (ii) percentage change in CPI = (current year CPI previous year CPI)/(previous year CPI) x 100; and
 - (iii) each year's CPI is the published CPI on December 1st of the year prior.

3.2. Weighing

THIS SECTION WILL DESCRIBE THE WEIGHING PROCESS AS DETAILED IN THE REPORTS AS REQUIRED BY AMS.

3.3. Payment

- (a) Contractor can only submit claims to AMS for Automotive Plastic originating from an Approved Collection Site and delivered by an approved Hauler.
- (b) To receive payment for Processing Services, the Contractor must submit Claims Submission via the Reporting Portal or via the ftp service where preferred. The Claims Submission is to be submitted by Contractor to AMS within fifteen (15) days of the end of each month. AMS will validate the Claims Submission within thirty (30) days of receipt and AMS will pay the Contractor pursuant to this Agreement within thirty (30) days of the date on which AMS determines the claim to be correct and accurate. If any errors or omissions are found, AMS will issue a payment adjustment and AMS may require a corrected Claims Submission from Contractor.
- (c) Contractor will provide AMS with a copy of any back-up/supporting information reasonably requested by AMS to verify the accuracy of the Claims Submissions from time to time. AMS will not provide payment for Claim Submissions that cannot be verified.

3.4. Late Submission Penalties

- (a) AMS may reduce amounts payable under Claims Submissions which are not submitted to AMS within the time periods set out in section 3.3 (b) by five (5%) per cent per month.
- (b) AMS will have no responsibility to pay and Contractor will forfeit the right to claim for, any Claim Submission in respect of a calendar year which is not received by AMS by January 31 of the following calendar year.
- (c) AMS may place a hold on payments due to Contractor if Contractor has outstanding Diversion Reports or has submitted incomplete or incorrect Diversion Reports.

3.5. Reporting, Auditing & Record Keeping

Contractor will provide information to AMS in a form and frequency as required to satisfy AMS' obligations found in the HSP Regulation as it relates to Contractor's provision of Processing Services, including the submission of Diversion Reports through the Reporting Portal and the Hazardous and Special Products Verification and Audit Procedure document published by the Authority, and with respect to any other compliance obligation pursuant to the HSP Regulation that pertains to the Processing Services.

3.6. Volume Commitment

(a) Notwithstanding anything to the contrary in this Agreement, Contractor acknowledges that AMS makes no representation or warranty as to the nature, timing, quality, quantity or volume of Processing Services required from Contractor under this Agreement or the compensation that may be earned by Contractor, including as to any amounts of materials to be managed by a Contractor.

- (b) Contractor agrees to receive and process up to metric tonnes of automotive plastics per year (the "Maximum Annual Contracted Quantity"). AMS may approve in writing, at its sole discretion, a temporary increase to the Maximum Annual Contracted Quantity.
- (c) Contractor acknowledges and agrees that this Agreement will not be interpreted to grant to Contractor exclusive rights or to bind AMS in any way to an exclusive relationship with Contractor. Contractor is not the exclusive or preferred provider to AMS of any of the Services.

3.7. Set-off

AMS may set-off and deduct from any amounts payable to Contractor any amounts owing by Contractor to AMS pursuant to this Agreement or any other agreement between Contractor and AMS.

3.8. Taxes

All amounts paid or payable to Contractor are inclusive of all taxes, including applicable sales and use taxes, fuel taxes, customs duties and excise taxes (collectively, "Taxes"), except any amounts payable in respect of the Harmonized Sales Tax (HST) imposed pursuant to the Excise Tax Act (Canada) and any Taxes required by law to be collected by Contractor from AMS. Where Contractor is a registrant within the meaning of Part IX of the Excise Tax Act (Canada), Contractor shall provide AMS with its HST number on each Claims Submission. Taxes imposed on AMS shall be separately stated and identified on each Claims Submission in compliance with appropriate tax laws or regulations. AMS shall provide the Contractor with exemption documentation as required by the applicable governmental authority where exemption from Taxes is claimed. Each party shall be responsible for the payment of all taxes, duties, levies, charges and contributions for which the respective party is liable as imposed by any appropriate government authority in connection with this Agreement.

3.9. Disputed Amounts

AMS may withhold payment of any portion of any amounts payable by AMS pursuant to this Agreement that AMS disputes until such dispute is resolved in accordance with this section 3.10. AMS will notify Contractor in writing of the specific amounts that it disputes, which notice will describe AMS' reason for disputing each such amount. The parties will refer any unresolved disputed amounts payable to the dispute resolution process set out in section 17.0 if such disputes are not resolved within 60 days of Contractor's receipt of such notice. Failure by AMS to give notice of a dispute or payment by AMS of an amount claimed by Contractor will not affect AMS' right to later initiate a dispute with respect to such amount.

4.0 <u>Term</u>

- 4.1. This Agreement will commence on the Effective Date and its initial term will continue until December 31, ("Initial Term").
- 4.2. At the expiry of the Initial Term, AMS shall have the right, but not the obligation, to renew this Agreement for up to successive renewal terms (each a "**Renewal Term**") of years

each by providing written notice to the Contractor at least one-hundred and eighty (180) days prior to the expiry of the Initial Term or the then current Renewal Term, as applicable. The Initial Term and if applicable, any Renewal Terms, are referred to as the "**Term**" of this Agreement. The Term is subject to the parties' termination rights in Section 18 of this Agreement.

5.0 Title and Compliance with Laws

- 5.1. Title to all Automotive HSP will belong to contractor providing Hauler Services from the time of pickup from an Approved Collection Site until transfer of the Automotive HSP to Contractor. At no time will AMS have title to Automotive HSP. Any contract entered into between Contractor and a Hauler must provide that title of Automotive HSP transfers to the Processor in accordance with this section 5.0.
- 5.2. Title to all Automotive HSP will belong to Contractor providing Processing Services from the time of transfer of the Automotive HSP from an approved Hauler until Processing Services are complete, at which time Contractor may transfer title to another party. At no time will AMS have title to Automotive HSP.
- 5.3. In performing the Processing Services hereunder, Contractor represents, warrants and covenants that it will at all times, and will require its subcontractors to, have all necessary approvals required and that it will otherwise comply at all times and require its service providers to comply, with all applicable laws, regulations and requirements of any governmental authority having jurisdiction, including without limitation the Ontario Ministry of the Environment, Conservation and Parks and the Ontario Ministry of Labour.
- 5.4. For clarity, any change to the Processing Services or otherwise to this Agreement for compliance with applicable law (including any change to existing applicable law or application of new applicable law), including to support AMS' compliance with applicable law, will be made at no additional charge to AMS.

6.0 Policies. Standards and Guidelines

- 6.1. Contractor will take all steps necessary to remain in compliance with, and enable AMS compliance with, all obligations in the HSP Regulation that relate to Contractor's Processing Services under this Agreement. For convenience, a summary of the obligations as of the Effective Date is provided as attached in Schedule "B". For greater certainty, where there is a conflict between Schedule "B" and the HSP Regulation or procedures written by RPRA under the HSP Regulation, the HSP Regulation and any such procedures will prevail. It is Contractor's responsibility to remain informed of the provisions of the HSP Regulation and any related procedures, as amended from time to time.
- 6.2. Hauler and Processor Standards are incorporated by reference into this Agreement. Any failure by the Contractor to comply with or provide proof of compliance with the Hauler and Processor Standards is subject to AMS' termination rights in section 18.1of this Agreement.
- 6.3. AMS may, from time to time, develop, and make amendments, from time to time, to, Hauler and Processor Standards relative to the provision of Processing Services. AMS will communicate any new or amended Hauler and Processor Standards to Contractor via

- email and will post copies of such new or amended Hauler and Processor Standards in a secure location on the AMS website accessible to Contractor.
- 6.4. Contractor may provide written notice within thirty (30) days of receiving such communication that it wishes to dispute a new or amended Hauler and Processor Standards ("Notice of Policy Dispute"). In the event that Contractor provides a Notice of Policy Dispute, the Parties shall work together in good faith to negotiate changes to the Hauler and Processor Standards acceptable to both parties. In the event that the Parties cannot agree on changes, either Party may initiate the dispute resolution process detailed in section 17.0 of this Agreement.

7.0 Indemnity and Insurance

- 7.1. Each party (the "Indemnifying Party") hereby indemnifies and saves harmless the other party (the "Indemnified Party") on its behalf and as trustee for, its respective directors, officers, contractors, employees and agents, from and against any and all manner of actions or causes of actions, damages (but not including consequential damages), costs, loss or expenses of whatever kind (including related legal fees on a full indemnity basis) which the Indemnified Party, its directors, officers, contractors, employees and agents may sustain, incur or be put to by reason of or directly or indirectly arising out of any breach of this Agreement by the Indemnifying Party or any wilful misconduct or negligence of the Indemnifying Party or any person for whom the Indemnifying Party is, at law, responsible, in relation to matters arising out of this Agreement.
- 7.2. Contractor will, during the Term, possess comprehensive or commercial general liability insurance, including coverage for bodily injury, property damage, complete operations and contractual liability with combined single limits of not less than the amounts listed in the applicable Hauler and Processor Standards per occurrence.
- 7.3. Contractor must possess environmental liability insurance of not less than the amount listed in the applicable Hauler and Processor Standards. Contractor must have AMS listed on the policy as an additional insured party.
- 7.4. Contractor will deliver a copy of Certificate(s) of Insurance maintained by Contractor, upon the effective date of this Agreement, and annually upon renewal of the Contractor insurance, naming AMS as an additional insured with the following language:
 - "Automotive Materials Stewardship and its affiliated entities, officers, partners, directors, employees, representatives and agents are included as Additional Insureds for Comprehensive General Liability and Environmental Liability. Such coverage is primary and non-contributing."
- 7.5. The Certificate(s) of Insurance, referred to in subsection 7.4, must also provide that AMS will be provided with thirty (30) days advance written notice of cancellation, termination, non-renewal or material change.

8.0 Assignment

8.1. The Contractor may not subcontract, sell, or assign any of its rights or obligations under this Agreement or any part thereof without the prior written consent of AMS, such consent not to be unreasonably withheld.

9.0 Notices

9.1. Any notice, request, demand or other instrument or communication herein provide, permitted or required to be given by either AMS or Contractor will be in writing and sufficiently given if delivered personally, by facsimile transmission or email or if sent by registered mail to the following respective address hereinafter set out, namely:

Notices to AMS will be delivered to:

Executive Director Automotive Materials Stewardship 1 St. Clair Avenue West, Suite 700 Toronto, ON M4V 1K6

Email: fieldservices@autostewardship.ca

Notices to Contractor will be delivered to:

•

Email: •

9.2. Any such notice if delivered personally, by facsimile transmission or my email will be conclusively deemed to have been given on the day of personal delivery, or facsimile transmission or, if no incomplete or bounce-back error transmission is received by the sending party, email (and if after 5 p.m. E.T. the next following Business Day), or if mailed as aforesaid, will be conclusively deemed to have been received on the fifth (5th) business day following the day on which such notice is mailed as aforesaid (except during a postal strike in which case such notice shall be delivered via courier). Either party may, at any time, give written notice to the other of any change of address (postal and/or email) of the party giving such notice and from and after the giving of such notice the address therein specified shall (in the absence of knowledge to the contrary) be deemed to be the address

10.0 No Partnership or Joint Venture

of such party for the giving of notices thereafter.

10.1. This Agreement does not create and will not in any circumstances create or be deemed to create a partnership or joint venture between the parties. For all purposes Contractor will be an independent contractor.

11.0 Severability

11.1. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such determination will not impair or affect the validity, legality or enforceability of the remaining provisions hereof, and each provision is hereby declared to be separate, severable and distinct. To the extent that any such provision is found to be invalid, illegal or unenforceable, the parties hereto will act in good faith to substitute for such provision, to the extent possible, a new provision with content

and purpose as close as possible to the provision so determined to be invalid, illegal or unenforceable.

12.0 Amendment and Waivers

12.1. No amendment or waiver of any provision of this Agreement will be binding on any party unless consented to in writing by such party. No waiver of any provision of this Agreement will constitute a waiver of any other provision, and no waiver will constitute a continuing waiver unless otherwise provided.

13.0 Further Acts

13.1. Each party will execute all such documents and do all such other acts and things as may be necessary or desirable from time to time in order effectively to carry out the provisions of this Agreement and will not to take any action, or omit to take any action, that would constitute a breach of this Agreement.

14.0 No Third-Party Beneficiaries

14.1. No person or entity which is not a party hereto will have any rights or obligations pursuant to this Agreement or be permitted to place any reliance on anything in this Agreement or on the continuation of this Agreement (other than the indemnified persons who are expressly indemnified pursuant to the provisions of this Agreement).

15.0 Counterparts and Facsimile

15.1. This Agreement may be executed in counterparts, and may be transmitted by facsimile or secure electronic document (PDF) each of which will constitute an original and all of which taken together will constitute one and the same instrument.

16.0 Force Maieure

16.1. In the event that either party hereto is delayed or hindered in the performance of any act required herein by reason of Acts of God, riots, insurrection, war or other reasons of a like nature not the fault of such party or that could have been prevented by reasonable foresight or precautions (including proper business continuity planning) or circumvented through the use of alternate sources, work-around plans or other means (an "Event of Force Majeure"), then the performance of such act will be excused for the period of the delay and the period for performance of any such act will be extended for a period equivalent to the period of such delay. The party whose performance of this Agreement is or may reasonably be expected to be affected by an Event of Force Majeure will promptly notify the other party of the existence of such circumstances and will use its best efforts to resume and complete performance. Whenever a party is reasonably certain that such an Event of Force Majeure is likely to occur, it will notify and consult with the other party as soon as practicable. All time periods for the performance of obligations hereunder will be extended by a period corresponding to the time period of any delay caused by the occurrence of an Event of Force Majeure.

17.0 Dispute Resolution

17.1. All disputes arising out of in connection with this Agreement, or in respect of any legal relationship associated with or derived from this Agreement, that cannot be resolved within thirty (30) days by a senior representative of each party, will upon written notice by any party to the others be arbitrated in accordance with the Arbitration Act, 1991 (Ontario) and finally resolved by one (1) arbitrator qualified by education, experience or training to render a decision upon the issues in dispute and who has not previously been employed by any party or any of their affiliates, and does not have a direct or indirect interest in any party or the subject matter of the arbitration. Such arbitrator will either be mutually agreed upon by the parties within thirty (30) days after written notice from any party requesting arbitration or, failing agreement, the Authority may appoint the arbitrator on behalf of the parties after receiving written submission from both.

18.0 Termination

- 18.1. If, in the reasonable opinion of AMS, there has been a breach of this Agreement by Contractor, AMS may give Contractor written notice to cure the breach or default within sixty (60) days, failing which the Agreement may be terminated by AMS. In the event that the cure of such breach reasonably requires more than sixty (60) days, Contractor will so advise AMS forthwith and request a revised timetable for remedying the breach. AMS will notify Contractor in writing as to whether the requested revised timeline is acceptable and, if it is, the revised timeline to remedy such breach will apply.
- 18.2. Contractor may terminate this Agreement by providing notice of termination to AMS if AMS fails to pay undisputed fees claimed in accordance with this Agreement and fails to cure such non-payment within 90 days of receipt by AMS of notice of the failure to make such payment. Contractor will include in a notice of termination provided in accordance with this section the date on which such termination will be effective, which will be no earlier than 30 days after receipt by AMS of such notice of termination.
- 18.3. Subject to section 19.0, on the date of termination neither party shall have any obligations, financial or otherwise, hereunder save and except for matters and payment obligations arising prior to the date of termination or described in this Agreement.
- 18.4. AMS may terminate this Agreement for any reason whatsoever, without cause, cost or penalty, save and except for matters arising prior to termination, upon providing the other Party with 180 days prior written notice of its intention to terminate this Agreement.
- 18.5. AMS may terminate this Agreement immediately upon written notice to Contractor if:
 - (a) Contractor assigns or subcontracts any of its rights or obligations under this Agreement or any part thereof except as expressly provided for herein;
 - (b) Contractor fails to adhere to the confidentiality covenant as per section 25 if such failure is not cured (if curable) within thirty (30) days of receiving notice of such failure; or
 - (c) a receiver or trustee is appointed for any part of the assets of AMS; or
 - (d) AMS ceases providing services as a PRO.

19.0 Survival

19.1. Sections 2.5, 7.0, 18.2, 25.0, and 26.0 of this Agreement, and such other provisions as are necessary for the interpretation thereof and any other provisions hereof, the nature and intent of which is to survive termination of this Agreement, will survive termination or expiry and continue in full force and effect, except that section 2.5 will survive for seven (7) years.

20.0 Additional Conditions

20.1. The parties shall execute such further and other documents, cause such meetings to be held, resolutions passed and by-laws enacted, exercise their vote and influence, do and perform and cause to be done and performed such further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement and every part thereof.

21.0 Entire Agreement

21.1. This Agreement constitutes the entire agreement between the parties with respect to all of the matters herein and supersedes and replaces all previous agreements, whether oral or written, concerning the same or similar subject matter.

22.0 Headings for Convenience Only

22.1. The division of this Agreement into articles and sections is for convenience of reference only and will not affect the interpretation or construction of this Agreement.

23.0 Governing Law

23.1. This Agreement will be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and each of the parties hereto agrees irrevocably to conform to the non-exclusive jurisdiction of the Courts of such Province.

24.0 Legislation References

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

25.0 Confidentiality

25.1. Confidentiality Covenant.

Subject to Section 25.5, the Receiving Party will: (i) take all measures reasonably required to maintain the confidentiality and security of the Confidential Information of the Disclosing Party; (ii) not use or reproduce Confidential Information for any purpose, other than as reasonably required to exercise or perform its rights or obligations under this Agreement; (iii) not disclose any Confidential Information of the Disclosing Party other than to employees, agents or subcontractors of the Receiving Party ("Representatives") to the

extent, and only to the extent, they have a need to know the Confidential Information in order for Receiving Party to exercise its rights or perform its obligations under this Agreement and who are bound by a legal obligation to protect the received Confidential Information from unauthorized use or disclosure; and (iv) be responsible for any breach of this Agreement by any of its Representatives.

25.2. Legal Requirement.

Notwithstanding Section 25.1 and subject to Section 25.4 with respect to personal information, the Receiving Party may disclose Confidential Information of the Disclosing Party to the extent required by a court of competent jurisdiction or other governmental authority or otherwise as required by applicable law, provided that, unless prohibited by applicable law, the Receiving Party gives the Disclosing Party an opportunity to oppose the disclosure or to seek a protective order protecting such Confidential Information prior to any such disclosure.

25.3. Return of Confidential Information.

Upon expiry or termination of this Agreement, or upon request by the Disclosing Party, the Receiving Party will return to the Disclosing Party, or irrecoverably destroy, any Confidential Information of the Disclosing Party. The Receiving Party shall provide proof of such return and irrevocable destruction at the request the Disclosing Party.

25.4. Privacy Laws

Contractor will not access, collect, use, disclose, dispose of or otherwise handle information of or about individuals that is subject to applicable laws relating to privacy ("Privacy Laws") in the performance of its obligations under this Agreement, except: (a) to the extent necessary to perform the Processing Services; (b) in accordance with all Privacy Laws; and (b) in a manner that enables AMS to comply with all Privacy Laws, including that Contractor will obtain appropriate consents from the applicable individuals to allow Contractor and AMS to exercise their rights and to perform their obligations under this Agreement as they relate to such information. Unless prohibited by applicable law, Contractor will immediately notify AMS of any demand, or request by a third party (including any government or a regulatory authority) for the disclosure of any information of AMS that is subject to Privacy Laws, and, to the maximum extent permitted by law, will oppose, seek judicial relief of and appeal any such demand or request. Contractor will immediately notify AMS if Contractor becomes aware that Contractor has failed to comply with Privacy Laws in connection with the performance of this Agreement.

25.5. Contractor's Use of Information

Notwithstanding the foregoing, Contractor will not disclose information relating to its services provided to AMS under this Agreement or information it receives in the performance of such services to another party without the express prior written consent of AMS.

26.0 Public Disclosures

All media releases, public announcements or external disclosures of any nature (including any other disclosure of the name or trade-marks of AMS or other disclosure that indicate

a relationship between the parties) by Contractor relating to this Agreement or its subject matter will be coordinated with and must be approved in advance by AMS prior to the release thereof.

27.0 Subcontracting

Contractor will not delegate or subcontract all or any part of the Services to any person without the prior written consent of AMS. Contractor will ensure that any subcontract with a subcontractor of Contractor consented to by AMS is made subject to the relevant terms and conditions of this Agreement. Any approval of any person to act as a subcontractor of Contractor granted by AMS pursuant to this section will relate only to the specific tasks and to the specific person in respect of which AMS provided its consent. The subcontracting of all or any part of Contractor's obligations set out in this Agreement to any subcontractor will not relieve Contractor from any obligation or liability under this Agreement. Contractor will remain responsible for the performance of all or any part of its obligations set out in this Agreement performed by any of its subcontractors to the same extent as if such obligations were performed by Contractor. Any breach of this Agreement by any subcontractor of Contractor will be deemed to be a breach of this Agreement by Contractor.

28.0 Non-Compete

Contractor acknowledges that the services provided under this Agreement are relied upon by AMS to enable its customers to meet their regulatory obligations, and that registration as a producer responsibility organization (PRO) with the Authority with respect to Automotive Plastics may be harmful to AMS and its customers. As such, Contractor agrees that it will not register as a PRO for oil containers or antifreeze and its containers during the Term of this Agreement or for two (2) years following its termination unless this Agreement is terminated pursuant to by AMS under Section 18.3, 18.4(c) or 18.4(d).

29.0 Rights and Remedies

- 29.1. The rights, remedies and privileges in this Agreement given to the Parties:
 - (a) are cumulative and any one or more may be exercised;
 - (b) are without prejudice to and are in addition to and apply notwithstanding any other provisions in this Agreement; and
 - (c) are not dependent or conditional upon, or in any way lessened, restricted or affected by any other provisions of this Agreement (unless otherwise specifically provided herein).

30.0 Schedules

30.1. Schedule "A", "B", "C" and "D" are attached hereto and incorporated in and form part of this Agreement.

ADDITIONAL PROVISIONS WITH RESPECT TO CONTRACTOR PERSONNEL AND GOVERNANCE MAY BE ADDED BASED ON THE CONTRACTOR'S PROPOSAL OR NEGOTIATIONS.

WITHOUT PREJUDICE - DRAFT FOR DISCUSSION ONLY

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first set out above.

AUTOMOTIVE MATERIALS STEWARDSHIP

Name	: David Pearce	
Title:	Executive Director	
Name		
Title:		

SCHEDULE "A" - RECEIVING AND PROCESSING FACILITIES

Facility Name	Address	City	Province/ State	Postal Code/Zip Code	Country	Phone Number	Contact

NOTE: Despite their inclusion on this list, Approved Processing Facilities must be registered with RPRA and meet the material specific recycling efficiency rate specified in the HSP Regulation using the procedure developed and published by the Authority. In the event that RPRA advises AMS that an Approved Processing Facility may not be relied upon, AMS reserves the right to remove any processing facility from this list by providing Contractor with written notice, and such notice shall take effect on the date specified by AMS.



SCHEDULE "B" - SUMMARY OF REGULATORY REQUIREMENTS

Below is a summary from the HSP Regulation and is provided for convenience only. The HSP Regulation and any amendments thereto shall take precedence.

		and Complete Challe Danisham and					
Processor Supply Chain Requirements							
Processor	- Must register with RPRA within 30 days of the HSP being processed						
registration	- See s. 42 (4) for information to be submitted out in the HSP Verification and Audit Procedu	- See s. 42 (4) for information to be submitted; information submitted must be verified in accordance with any requirements set					
Management	- HSP must be from HSP supplied to a consumer in Ontario						
standards	- HSP must be used or destined to be used by a person for the making of new products or packaging or reused by a person						
	- The weight of the recovered resources may only be counted one time by a producer and must not be counted by another producer - The following must not be counted as recovered resources: the weight of materials that are land disposed; the weight of materials that are incinerated; the weight of materials that are used as a fuel or a fuel supplement; the weight of materials that are stored, stockpiled or used as daily landfill cover or otherwise deposited on land						
Recycling	Oil Filters	Antifreeze and containers per s.3(4)(c)	Oil Containers				
efficiency rate	- Processor must achieve at least an average 95% RER calculated in accordance with the procedure published by the Authority	- Processor must achieve at least an average 90% RER calculated in accordance with the procedure published by the Authority	- Processor must achieve at least an average 95% RER calculated in accordance with the procedure published by the Authority				
	- Processor to provide AMS with evidence that they meet the minimum RER requirements						
Processor reporting	 - Processor to provide AMS with evidence that they meet the minimum RER requirements - On or before July 31 in each calendar year immediately following the year an HSP processor is required to register, every HSP processor who is retained by a producer to process HSP in Category A or Category B in the previous calendar year shall submit a report to the Authority, through the Registry, that contains the following information in respect to the previous calendar year: a) The weight of that type of HSP received from an HSP hauler and the HSP hauler's name, contact information and any unique identifier assigned by the Registrar. b) The weight of that type of HSP received from a person other than an HSP hauler and that person's name, contact information and any unique identifier assigned by the Registrar. c) The weight of recovered resources from that type of HSP that the HSP processor recovered. d) A list of the types of resources recovered from that type of HSP. e) The weight of materials processed from that type of HSP that were land disposed, incinerated, used as a fuel or a fuel supplement, or stored, stockpiled, used as daily landfill cover or otherwise deposited on land. 						

Processor Supply Chain Requirements				
	f) The weight of any HSP from that type that was sent by the HSP processor to another person for the purpose of making recovered resources from that type of HSP and any types of products that were made by the other person from that type of HSP. g) If any of the HSP were received from outside of Ontario, the weight of that HSP. h) If the HSP processor processes the type of HSP identified in the Table to subsection 30 (3), the recycling efficiency rate,			
	calculated in accordance with the HSP Verification and Audit Procedure, in respect of that type of HSP at each facility of the HSP processor.			
	i) If the HSP processor is part of a producer's or producer responsibility organization's management system, the name, contact information and any unique identifier assigned by the Registrar of the producer or of the producer responsibility organization.			
	- A separate report must be submitted in respect of each type of HSP.			
	- Processor to complete reconciliation activities with AMS prior to submitting annual reports to ensure no discrepancies			
rocessor	- Every HSP processor shall keep the following applicable records in a paper or electronic format that can be examined or accessed in			
ecord- keeping	Ontario for a period of five years from the date of the record being created:			
	a) Records related to arranging for the establishment or operation of a collection or management system for the purpose of fulfilling their responsibilities relating to HSP.			
	b) Records related to establishing or operating a collection or management system for the purposes of fulfilling their responsibilities relating to HSP.			
	c) Records related to information required to be submitted to the Authority, through the Registry.			
	d) Records related to implementing a promotion and education program required under this Regulation.			
	e) Records related to the weight of each type of HSP within each applicable category of HSP supplied to consumers in Ontario, regardless of whether information about the weight was required to be submitted to the Authority.			
	f) Any agreements that relate to the above.			

SCHEDULE "C" - PROCESSING RATES

PROCESSING INCENTIVE RATE FOR AUTOMOTIVE PLASTICS: \$/KG

(used oil & antifreeze containers, including "shredded")

Material Material		Incentive Rate (CAD\$/kg)	
Automotive Plastics (kg)			•



SCHEDULE "D" – APPROVED HAULERS

The following Haulers are approved to deliver material to Contractor. AMS may provide written notice to Contractor of changes to the list of approved Haulers from time to time, and such notice shall take effect on the date set forth therein.

