



CHANGE NOTICE PROCESSOR INCENTIVE AGREEMENT

TO:

FROM: Ontario Electronic Stewardship (“OES”)

RE: Change Notice Pursuant to Processor Incentive Agreement

DATE: March 11, 2016

This notice of amendments refers to the Processor Incentive Agreement between Processor and OES made as of 1 October 2012 (the “Agreement”) and the change notices issued March 7, 2013 and September 22, 2014. All capitalised terms used in this notice which are not defined herein have the meanings given to such terms in the Agreement. Please be advised that, in accordance with Section 11.2 of the Agreement, OES will amend the Agreement as described in this notice, which is a Change Notice as described in Section 11.2 of the Agreement. The amendments described in this Change Notice will take effect on May 11, 2016, unless Processor gives a Rejection Notice to OES within the next 30 days, in which case the Agreement will be terminated 30 days following the delivery of the Rejection notice to OES.

The amendments will be as follows:

added to s. 1.1: “Suspended Generator Site Material” means any Acceptable WEEE in the possession of a Generator site at any time during the Generator site’s suspension, but does not mean material collected by the Processor under s.3.2(i);

Section 3.2(a.1) is a new addition to the agreement:

The Processor will ensure that the Generators from which it receives or intends to receive Claimed WEEE are not carrying on business for the purpose of circumventing a suspension issued under s. 3.2(g).

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Section 3.2 (g) of the Agreement is deleted in its entirety and replaced by the following:

Subject to Subsection 3.2(h), the first time OES or its agent finds that a Generator site is not in compliance with any applicable requirements, including failure to pass an inspection, the Generator site will have a 24 hour cure period from the time that OES or its agent informs the Processor of the compliance failure, prior to re-inspection. For greater clarity, the re-inspection may occur any time after the above mentioned 24 hour period expires. If the Generator site fails to cure the compliance failure prior to re-inspection, the compliance failure will constitute a “Non-Compliance”.

Any second compliance failure at the same Generator site will not be subject to a cure period, will automatically constitute a Non-Compliance, and will result in a suspension. The length of the suspension is determined by the type of Non-Compliance at issue. The suspension will be for 9 months if either of the two Non-Compliances were for:

- (i) no or incomplete source documentation
- (ii) diversion of materials; or
- (iii) a security or safety violation.

Except as provided in section 3.2(h) all other first suspensions will be for 3 months.

A Generator site that has completed a first suspension cannot re-enter the Processor Incentive Program without requalifying as a Generator site under the Agreement. It is the Processor’s obligation to requalify a previously suspended Generator site.

If the Processor intends to work with a previously suspended Generator site, the Processor shall apply to have the Generator site requalified. Before applying, the Processor shall ensure that

- (i) the Generator site is in compliance with the Generator Standard included in Schedule A;
- (ii) the Generator site has rectified the identified Non-Compliance that resulted in the Generator site’s suspension and;
- (iii) the Generator site meets all requirements applicable to registering a new Generator site.

If the Processor ensures that the Generator site meets these three requirements, the Processor may apply to have the Generator site requalified. The application for requalification will be reviewed by OES within 60 days of receipt of the application. OES approval of the application for requalification will be in the absolute and sole discretion of OES. In exercising this discretion, OES will consider the severity of the Generator site’s previous Non-Compliances.

22865003.2

A Generator site that is suspended for a second time will be immediately and permanently suspended from the Processor Incentive Program. A Processor may not apply to have a permanently suspended Generator Site requalified as a Generator site under the Agreement.

Section 3.2 (h) is a new addition to the agreement

A Generator site that is found to have submitted material to the Processor Incentive Program that is not Acceptable WEEE will be immediately and permanently suspended from the Processor Incentive Program. Section 3.2(g) will not apply. A Processor may not apply to have a permanently suspended Generator Site requalified as a Generator site under the Agreement.

3.2 (i) is a new addition to the agreement:

Within 5 days of OES informing the Processor that the Generator Site has been suspended, the Processor will carry out one cleanout of the Generator Site's Acceptable WEEE material. The Acceptable WEEE material collected by the Processor in this clean out will be eligible under the PI Program. After this clean out, all Acceptable WEEE in the possession of the suspended Generator Site will be considered Suspended Generator Site Material and will not be eligible under the PI Program.

Section 3.2 (j) is a new addition to the agreement:

Processors are required to obtain the written consent of Generators to permit OES to publically disclose the name of the Generator and whether or not the Generator is suspended from the Processor Incentive Program. Where the Generator is a sole proprietorship, the Processor must obtain this written consent from each partner. This consent must comply with the consent requirements of applicable privacy legislation, including but not limited to the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c.5

Addition to 3.4 "Other Requirements". 3.4(e).

The Processor shall conduct and provide reports on product sampling of Acceptable WEEE according to product sampling procedures and policies established by OES.. All Acceptable WEEE is eligible for the sampling program. Sampling activity will be observed by an OES representative or OES appointed auditor upon one business days' notice.

Section 4.4 Payment of the Agreement is deleted in its entirety and replaced by the following:

OES will pay the Incentives to the Processor within 30 days of the date the invoice is submitted to OES. OES reserves the right to modify payment terms based on business conditions.

SCHEDULE A - GENERATOR STANDARD

Generator Site Checklist



Date	<input type="text"/>	Generator Name	<input type="text"/>
Gen #	<input type="text"/>	Address	<input type="text"/>

This checklist is to be used in verifying compliance of public-facing generator sites with the OES generator standards.

Site Approval

Assessment Notes

Site Approval	Y/N	Assessment Notes
Accessibility		
1. Area for loading WEEE directly onto trucks		
2. Adequate access for a tractor trailer / straight truck / roll-off		
Site Configuration		
3. Indoor Storage/Shelter for WEEE		
4. Sufficient area for preparing and storage of WEEE		
5. Handling equipment to move WEEE		
6. Collection method Bulk / Palletized		
Safety, Security & Ops Procedures		
7. Safe for all users to enter & drop-off material.		
8. Dedicated public drop-off		
9. Adequate security to protect from tampering/alternate use		
10. Privacy protection signage/disclaimer		
Trainer		
11. Evidence of adequate PPE & material handling training		
12. Protocol to ensure eligibility of material		
Documentation		
13. Documentation from Site Owner (if different than Operator)		
14. General liability coverage inclusive of accepted WEEE		
15. RYE information (hours, restrictions, etc)		

Site Approval Comments (Include item #)

Processor Representative

Generator Site Representative

COPY 1: Generator Site Representative

COPY 2: Processor

COPY 3: OES

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Generator Standard

Requirements for Generator Sites Collecting Acceptable WEEE Materials under the Processor Incentive Program

The Processor must register the Generator site with OES. Prior to registration with OES, a Generator Site Checklist must be completed and provided to OES. Material collected prior to registration with OES as a Generator, or material collected while a Generator site is suspended is not eligible under the PI Program. Once approved, a Generator will be issued an OES Generator ID number.

The Processor is responsible to ensure the Generator Site Checklist is completed and all requirements are being complied with by the Generator site prior to application. All new Generator site applications from Processors will be reviewed by OES within 10 working days. If a Generator site inspection is required, OES will provide the Processor and Generator minimum 1 days' notice of the inspection. If a Generator site fails two prequalification inspections, OES will charge the Processor \$1,000 for a revisit (i.e. the third visit to the site).

Generator sites that are registered with OES must also register themselves on the OES Material Tracking System. Generators must not disclose their Material Tracking System account log in or password to the Processor. All information inputted into the Material Tracking System through the Generator site's account must be inputted by the Generator. The Processor may not input information into the Material Tracking System on behalf of the Generator site.

Generator site operators must confirm that each location which is registered with OES as a Generator site meets the requirements set out below.

The Processor will ensure that the Generators from which it receives or intends to receive Claimed WEEE comply with all applicable provisions of the ERS as it relates to the operations of the Generator and with the Generator Standard included in Schedule A, and will verify this by regular reviews of the operations of each Generator. Processor will ensure that OES is to inspect all Generators for compliance with the ERS and OES standards as OES deems appropriate, in its sole and absolute discretion. OES will provide notice of a forthcoming inspection prior to assessing areas that are not publicly accessible. For greater clarity and notwithstanding anything to the contrary in this Agreement or elsewhere, no notice is required, nor will any be provided, prior to inspecting publicly accessible

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areas at the Generator sites (including without limitation drop-off areas). OES reserves the right to inspect any source in the supply chain providing WEEE being claimed for reimbursement.

OES shall determine in its absolute and sole discretion whether Generator site requirements have been met.

Processors are required to obtain the written consent of Generators to permit OES to publically disclose the name of the Generator and whether or not the Generator is suspended from the Processor Incentive Program. Where the Generator is a sole proprietorship, the Processor must obtain this written consent from the owner of the sole proprietorship. Where the Generator is a partnership, the Processor must obtain this written consent from each partner. This consent must comply with the consent requirements of applicable privacy legislation, including, but not limited to the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c.5.

Acceptable WEEE Material

Acceptable WEEE material is defined as electrical and electronic equipment which are supplied in Ontario that result in the generation of WEEE, being all goods and products set out in the relevant Table of Appendix A of the Program Plan, with the exception of floor-standing copiers, printers and multifunction devices. The list of acceptable material can be found here, in Appendix A of the current version of the Rules: <http://www.ontarioelectronicstewardship.ca/program-history/program-rules>

Unless OES has granted the Generator a special exception, material must not be collected in a container that is unsupervised and is accessible by the public. A container is unsupervised if material can be placed in it without the assistance of an employee of the entity or individual who manages the container, or on whose property the container is located. A locked bin is not unsupervised. A Generator may request a special exception from this requirement by explaining to OES why the special exception is necessary and reasonable. Special exceptions will be granted at OES' sole and absolute discretion.

Materials collected must be whole units and have no evidence of tampering, dismantling or recovery of high value materials. All material collected at the site must be reported under the PI Program and provided to the Processor. Generators shall not divert or remarket Acceptable WEEE material, or components thereof, collected from members of the public without first obtaining written consent to the diversion or remarketing from the member of the public from whom such Acceptable WEEE material was collected. No materials may be resold, re-used or refurbished. Sites that undertake commercial refurbishing, re-

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use or re-sale of electronics must provide evidence of policies and procedures that ensure all material collected under the PI Program is segregated and controlled.

Material must be received at no charge to the public.

Suspensions under the PI Program:

A Generator site that is found to have submitted material to the PI Program that is not Acceptable WEEE material will be immediately and permanently suspended from the PI Program.

For all other compliance failures, the following suspension procedures apply.

The first time OES or its agent finds that a Generator site is not in compliance with any PI Program requirements, including failure to pass an inspection, the Generator site will have a 24 hour cure period from the time that OES or its agent informs the Processor of the compliance failure, prior to re-inspection. For greater clarity, the re-inspection may occur any time after the above mentioned 24 hour period expires. If the Generator site fails to cure the compliance failure prior to re-inspection, the compliance failure will constitute a “Non-Compliance”. Any second compliance failure at the same Generator site will not be subject to a cure period, will automatically constitute a Non-Compliance, and will result in a suspension.

The length of the suspension is determined by the type of Non-Compliance at issue. The suspension will be for 9 months if either of the two Non-Compliances were for:

- (iv) no or incomplete source documentation
- (v) diversion of materials; or
- (vi) a security of safety violation.

All other first suspensions will be for 3 months.

A Generator site that has completed a first suspension cannot re-enter the PI Program unless a Processor applies to OES to have the site requalified. OES will review any application for requalification within 60 days of receipt of the application. OES approval of the application for requalification will be in the absolute and sole discretion of OES. In exercising this discretion, OES will consider the severity of the Generator site’s previous Non-Compliances.

A Generator site that is suspended for a second time will be immediately and permanently suspended from the Processor Incentive Program.

Suspended Generator Site Material

Within 5 days of OES informing the Processor that the Generator Site has been suspended, the Processor will carry out one cleanout of the Generator Site’s Acceptable WEEE material. After this clean out, all Acceptable WEEE in the possession of the suspended Generator Site will be considered “Suspended

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Generator Site Material” and will not be eligible under the PI Program. Once suspended, the Generator site shall not collect Acceptable WEEE material unless and until it is requalified to participate in the PI Program.

Site Requirements

- Site has adequate infrastructure to shelter material in inclement weather.
- Site has sufficient space to receive, sort, store and prepare pallets and/or gaylord boxes and/or bulk bags for shipment.
- Site has a work area to prepare the containers or pallets in accordance with OES collection standards.
- Site has adequate vehicle room for a tractor trailer or straight truck.
- Site has sufficient dock space or equivalent area for loading WEEE onto trucks

Safety, Security and Operating Procedures

- Site meets Ministry of Labour and Ministry of Environment requirements as well as general health and safety regulations required by governing jurisdictions
- Material drop off area is located so that users are not endangered by site equipment or other traffic.
- Site has adequate security measures in place to protect material from being tampered with by anyone at the site or using the collection facility as agreed to during the site assessment.
- Site is equipped with signage to advise users to wipe/remove confidential information from their computers before drop-off (signage to include visible disclaimer).

Training

- Staff will receive training from their affiliated processor to ensure proper material handling procedures are in place



Documentation

- General Liability Coverage (insurance) is in place for site operations to a minimum value of \$1,000,000 and the provisions are inclusive of Acceptable WEEE materials.
- Site operator has written permission from the site owner (if different from the operator) to collect WEEE at the site.
- Site operator agrees to provide copies of documentation evidencing required business licences upon request.

Source Documentation Requirements for Generators:

Source documentation on claimed material must be provided on request. Documentation must support the claim that this material is Acceptable WEEE as defined in Art 1.1(a). In determining whether the source documentation provided is sufficient, OES will consider the type of Generator at issue (municipal, not for profit, return to retail, scrap yard, etc.) as certain Generator types are subject to additional standards such as municipal bylaws or residency requirements. By way of illustration, many local bylaws require scrap yards to record information such as driver's licence, name, address and details on material being dropped off. OES will look to existing industry references, such as these, in support of claimed WEEE.

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Examples of Best Practices for Source Documentation:

The following are recreations of existing documentation from for profit collections site that could be considered best practice. This is provided as an illustration, other formats are acceptable.

For material purchased or collected from anyone other than the original donor (including but not limited to Ontario resident, business or institution that purchased and used the obligated electronic device) supporting evidence must include:

- Original donor information as per the best practices
- Transaction records between intermediaries (including but not limited to any collection point, business or broker that comes between the original donor and the generator registered with the processor) and processor, this includes the entire chain of custody from the donor to the processor. These records can include but are not limited to, PO's, financial transaction records showing material description, scale tickets and must include Bills of Ladings for all material movements.

In the case of waste haulers operating sites regulated under ECA where the ECA requires the site to only receive waste generated in Ontario and retain source documentation the scale ticket for the originating load is sufficient documentation to assess eligibility. Where sites are not regulated or allowed to operate under alternate requirements this does not apply and OES will endeavour to work with the site to find alternate means to validate eligibility of materials on a case by case basis. The processor must identify this unique situation at time of generator set up.



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ABC Scrap Company
1 Yonge St Toronto
Tel: 416-123-4567 Fax 416-321-9876

Invoice #1508
Date Oct 15, 2015
Payment Cash

Material Received From:
John Doe
111 Delta St Unit 2
Scarborough On L4T 2G5
905-222-3333

Receipt Number	Receipt Time	Vehicle ID	Description	Qty	Gross	Tare	Net	Price	Amount
1239	10:15 AM	TPP 157	LCD Displays <29"	4	42	0	42	0.11	4.62
			Laptop	3	26	0	26	0.18	4.68
			Printers	21	195	30	165	0.08	13.2

Material Origin: Residential



Commercial



Sub Total 22.5
Tax _____
Total 22.5



Receiver Signature



Customer Signature

Documents may be shared with third parties.

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The following are recreations of existing documentation from a Supervised Bin collection site, for example a locked bin in the parking lot of a Not for Profit collection site that could be considered best practice. This is provided as an illustration, other formats are acceptable.

ABC Company
1 Yonge St Toronto
Tel: 416-123-4567 Fax 416-321-9876

Date	Name	Address	Telephone	Description of Material	Qty	Signature

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OES requires that all Generators Sites update their Declaration on file with OES by September 1, 2016.

Declaration

TO: ONTARIO ELECTRONIC STEWARDSHIP

AND TO: [PROCESSOR]

I, name of signatory have the appropriate signing authority to bind name of organisation (the "Generator").

The Generator accepts and agrees to the standards set out under the above Generator Standard. The Generator agrees to allow OES or its agents or representatives access to the Generator's premises and locations for the purposes of approval and assessment as required.

The Generator hereby confirms that it conducts and that it will conduct its operations in full compliance with applicable national, federal, provincial, regional and municipal laws, by-laws, regulations, ordinances and other similar provisions, including without limitation all environmental laws, standards, policies or codes of practice of government which apply to any aspect of the handling of WEEE, and in accordance with such policies and/or rules OES or the RQO may reasonably establish from time to time in accordance with industry standards, including the Plan.

The Generator agrees to indemnify and hold harmless OES, its directors, officers and employees from and against all costs, expenses, claims, demands, actions, or any loss suffered or incurred by OES arising out of the performance or non-performance by the Generator of its obligations.

Signature

Print name

Date

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