

CONTAINER AND PACKAGING SERVICES AGREEMENT

THIS AGREEMENT is made effective as of the 1st day of April, 2016 ("Effective Date").

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, as represented by the General Manager of the **LIQUOR DISTRIBUTION BRANCH**, with an office at 2625 Rupert Street, Vancouver, British Columbia V5M 3T5 ("LDB")

AND

BC BREWERS' RECYCLED CONTAINER COLLECTION COUNCIL, with an office at 1711 Kingsway Avenue, Port Coquitlam, British Columbia V3C 0B6 ("BRCCC").

WHEREAS

- A. Brewers Distributor Ltd. ("BDL") has been appointed as the stewardship agency for producers of beer and certain other alcoholic beverages sold in Containers in British Columbia to carry out the duties under its Schedule 1 Stewardship Plan;
- B. BDL also collects secondary packaging associated with Containers pursuant to its Schedule 5 Stewardship Plan;
- C. BDL has appointed BRCCC, a not-for-profit society established by the brewing sector, to administer the financial and logistical requirements of BDL's stewardship obligations under both of its Schedule 1 Stewardship Plan and Schedule 5 Stewardship Plan under the *Recycling Regulation*. BRCCC may assume the role of stewardship agency directly in place of BDL in future stewardship plans;
- D. LDB operates liquor stores and is a retailer of beverage alcohol in British Columbia;
- E. LDB accepts the return of empty Containers in accordance with s. 6(1) of Schedule 1 of the *Recycling Regulation*; and
- F. LDB has sales, collection and recycling data needed by BRCCC to fulfill its annual reporting requirements under the *Recycling Regulation* and is able to provide BRCCC with this data.

The parties agree as follows:

SECTION 1 – DEFINITIONS AND INTERPRETATION

Definitions

1.1 In this Agreement,

- (a) "BCLS" means LDB's liquor stores;
- (b) "Can" means all aluminum or other metal containers with a volume less than or equal to five (5) litres which contained liquor that was sold in British Columbia and is covered by Schedule 1 of the *Recycling Regulation*;
- (c) "Container" means a Refillable Bottle or Can;

- (d) **"CRF"** means container recycling fees;
- (e) **"Deposit"** means the Container deposit required to be collected on the sale of products to customers, as required by s. 5(1) of Schedule 1 of the *Recycling Regulation*;
- (f) **"Handling Fees"** means the fees paid by BRCCC to LDB for handling and sorting empty returned Containers at BCLSSs;
- (g) **"LDB Financial Period"** means the financial periods set out in LDB's Financial Calendar for the fiscal year;
- (h) **"Recycling Regulation"** means *Recycling Regulation*, B.C. Reg. 449/2004;
- (i) **"Refillable Bottle"** means refillable glass bottle which contained liquor and was sold in British Columbia covered by Schedule 1 of the *Recycling Regulation*;
- (j) **"Schedule 1 Stewardship Plan"** means the Stewardship Plan 2015-2019 submitted by BDL or BRCCC, as applicable, in conformance with Schedule 1 of the *Recycling Regulation*, or any successor plan by BDL or BRCCC that is approved by the responsible Ministry;
- (k) **"Schedule 5 Stewardship Plan"** means the Stewardship Plan 2016-2020 submitted by BDL or BRCCC, as applicable, in conformance with Schedule 5 of the *Recycling Regulation*, or any successor plan by BDL or BRCCC that is approved by the responsible Ministry; and
- (l) **"Secondary Packaging"** means corrugated cardboard cases, boxboard cases and printed paper associated with beverage alcohol products sold in Containers and non-refillable glass bottles excluding those for wine and spirits, as provided by the producers of those products to BCLSSs.

Interpretation

1.2 In this Agreement:

- (a) "includes" and "including" are not intended to be limiting;
- (b) unless the context otherwise requires, references to sections by number are to sections of this Agreement;
- (c) BRCCC and LDB are referred to as "the parties" and each of them as a "party";
- (d) "attached" means attached to this Agreement when used in relation to a schedule;
- (e) unless otherwise specified, a reference to a statute by name means the statute of British Columbia by that name, as amended or replaced from time to time;
- (f) the headings have been inserted for convenience of reference only and are not intended to describe, enlarge or restrict the scope or meaning of this Agreement or any provision of it; and
- (g) unless the context otherwise requires, words expressed in the singular include the plural and *vice versa*.

SECTION 2 – DEPOSIT AND CRF COLLECTION AND REMITTANCE FOR SALES OF CONTAINERS

2.1 LDB will collect Deposits and CRFs for all Cans.

s.17; s.21

s.17; s.21

s.17; s.21

s.17; s.21

s.17; s.21

SECTION 3 – BCLS HANDLING OF SECONDARY PACKAGING AND RETURNED CONTAINERS

3.1 LDB will, in a neat and timely manner, sort and handle empty returned Containers as set out below:

(a) sort the Containers returned to BCLS;

s.17; s.21

3.2 LDB will recycle Secondary Packaging s.17; s.21
s.17; s.21

s.17; s.21

s.17; s.21

s.17; s.21

s.17; s.21

SECTION 4 – VERIFICATION OF PAYMENTS AND INVOICES

s.17; s.21

SECTION 5 – DISPUTE RESOLUTION

- 5.1 If a dispute arises in relation to this Agreement, LDB and BRCCC will, at the request of either party, convene a meeting of senior representatives of each party with decision-making authority to attempt to resolve the dispute. Any attempt to resolve the dispute through discussion does not restrict any other recourse a party may have under this Agreement to enforce its rights.
- 5.2 All disputes arising out of or in connection with this Agreement that have not been resolved within thirty (30) days of the meeting of senior representatives as set out in Section 5.1, will be referred to and finally resolved by arbitration pursuant to the *Arbitration Act* of British Columbia.

SECTION 6 – TERM AND TERMINATION

- 6.1** This Agreement commences on April 1, 2016 and continues to the end of the day on March 31, 2019 (“Initial Term”).

s.17; s.21

- 6.3** This Agreement may be terminated, as follows:

- (a) if the *Recycling Regulation* changes in a manner that materially affects the business conducted by either of the parties to perform the obligations under this Agreement then the party whose business is affected may terminate this Agreement s.17; s.21

s.17; s.21

s.17; s.21

s.17; s.21

SECTION 7 – NOTICE

- 7.1** Any notice required or permitted under this Agreement must be in writing and will be sufficiently given to the other party if delivered personally, by email or mailed by registered mail:

- (a) in the case of notice to BRCCC:
55 Eglinton Avenue East, Suite 301
Toronto, ON M4P 1G8
Attention: Chair and Secretary
Email: stewardship@bdl.ca
- (b) in the case of notice to LDB:
2625 Rupert Street
Vancouver, BC V5M 3T5
Attention: General Manager and CEO
Email: LDBPCM@BCLDB.com.

7.2 The date of receipt of any notice will be deemed to be:

- (a) the date of delivery if delivered personally;
- (b) the earlier of the date of receipt or the fifth business day next following the date of mailing if mailed; and
- (c) if sent by email, it will be deemed received on the same day as received if received prior to 4:00 pm on a business day. If received after 4:00 pm on a business day or any time on a Saturday, Sunday or holiday, the email will be deemed to be received on the next business day.

s.17; s.21

7.4 The lead contacts for administering this Agreement are:

- (a) on behalf of BRCCC: Senior Advisor, Stewardship Operations (stewardship@bdl.ca);
and
- (b) on behalf of LDB: Manager, Environmental Initiatives (david.mcphie@bclldb.com).

7.5 The parties may specify another address for service as set out in Section 7.1 or lead contacts set out in Section 7.4 by giving notice to the other party.

SECTION 8 – CONFIDENTIALITY

8.1 The parties will treat this Agreement and its terms as confidential and further agree that the rates set out in Schedule A are commercially-sensitive and, if disclosed to third parties except BDL and ministries within the Province of British Columbia, would cause financial harm to one or both of BRCCC or LDB. Further, BRCCC has advised LDB that it considers the rates set out in Schedule A to be “commercially sensitive” within the meaning of the *Freedom of Information and Protection of Privacy Act* (British Columbia).


- 8.2 Notwithstanding the foregoing, the obligations of confidentiality under this Agreement shall not apply to confidential information that:
- (a) is already known to receiving party at the time it is disclosed to receiving party;
 - (b) has become or becomes publicly known through no wrongful act of receiving party;
 - (c) has been or is received by receiving party from a third party without a restriction on disclosure; or
 - (d) is required by law, court, regulatory authority or administrative order to be disclosed, or if disclosure is required by the *Freedom of Information and Protection of Privacy Act* (British Columbia).
- 8.3. Nothing in this Agreement shall fetter the discretion of LDB, but LDB agrees that to the extent permitted by law, LDB will:
- (a) promptly upon receiving a freedom of information request regarding this Agreement and within a reasonable time prior to disclosure (if possible), notify BRCCC of the request;
 - (b) consult with BRCCC with respect to intended response to such a request; and
 - (c) to the extent possible, cooperate with BRCCC in connection with providing a response to such request.
- 8.4 The confidentiality obligations under this Article 8 will continue for three (3) years from the termination of this Agreement.


SECTION 9 – GENERAL

- 9.1 This Agreement may be executed in counterparts and if delivered by electronic transmission, each of which will be deemed to be an original and all of which will constitute one in the same document.
- 9.2 The parties will do, execute or deliver all such further acts, documents and things as the other party may reasonably require from time to time for the purpose of giving effect to this Agreement and will use reasonable efforts and take all such steps as may be reasonably within its power to implement to their full extent the provisions of this Agreement.
- 9.3 Each party represents and warrants to the other party that it has the power and capacity to enter into this Agreement. This is the sole representation and warranty given by any party to another party with respect to this Agreement.
- 9.4 Any waiver by a party of its rights is to be limited to the particular instance and does not otherwise affect the rights of such party.
- 9.5 This Agreement enures to the benefit of and is binding upon the parties and their respective successors.

- 9.6 Time is of the essence of this Agreement.
- 9.7 This Agreement is governed by the laws of British Columbia.
- 9.8 This Agreement constitutes the entire agreement between the parties.
- 9.9 If any provision of this Agreement is unenforceable, then the parties will use all reasonable efforts to amend this Agreement to restore the original intent of this Agreement. In the interim, the remainder of this Agreement will remain in effect and be interpreted as if the unenforceable provision(s) had never formed part of this Agreement, unless to do so would frustrate the original intent of this Agreement.
- 9.10 No modification of this Agreement is effective unless it is in writing and signed by, or on behalf of, the parties.

THE PARTIES have executed this Agreement as follows.

SIGNED on behalf of **BC BREWERS RECYCLED**)
CONTAINER COLLECTION COUNCIL)
this 13 day of April, 2016)
By )
Name: Brian Zeiler-Kligman)
Title: Chair and Secretary)

SIGNED on behalf of Her Majesty the Queen)
in right of the Province of British Columbia)
as represented by the General Manager of the)
LIQUOR DISTRIBUTION BRANCH)
this 12 day of APRIL, 2016)
By )
Name: R. Blain Lawson)
Title: General Manager)

SCHEDULE "A"

1. Handling Fees:

CONTAINER CATEGORY	s.17; s.21
Cans	
Refillable Bottles	

s.17; s.21

CONTAINER SERVICES AGREEMENT

THIS AGREEMENT is made effective as of the th10 day of July 2009

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, as represented by the **LIQUOR DISTRIBUTION BRANCH** of the Ministry of Public Safety, with an office at 2625 Rupert Street, Vancouver, British Columbia V5M 3T5

(**"LDB"**);

AND:

BREWERS DISTRIBUTOR LTD, with an office at 1106-750 West Pender Street Vancouver, BC V6C 2T8 (**"BDL"**).

WHEREAS:

- A. BDL has been appointed as the agency for producers (**"Producers"**) of beer and certain other alcoholic beverages sold in cans or refillable bottles in British Columbia to carry out the duties under the Producers' Product Stewardship Plan (**"Stewardship Plan"**) in conformance with the British Columbia *Recycling Regulation* (**"Regulation"**);
- B. LDB operates government liquor stores in British Columbia and as a retailer accepts the return of empty liquor containers in accordance with the Regulations;
- C. The LDB agrees to collect and remit to BDL deposits and container recycling fees for all metal cans containing liquor sold in British Columbia; and
- D. The terms and conditions relating to the services the LDB provides to BDL are set out in this agreement.

The parties agree as follows:

SECTION 1 INTERPRETATION

1.1 Interpretation: In this Agreement:

- (a) "Cans " means all liquor products sold in metal containers sold in British Columbia;
- (b) "Container" means a Refillable Bottle or Can used to contain liquor and is sold to customers in British Columbia;


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- (c) "CRF" means container recycling fees;
- (d) "Deposit" means the deposit required to be collected on the sale of Products to customers, as required by the Regulations;
- (e) "Handling Fees" means the fees paid by BDL to the LDB for handling returned Containers at GLSs as set out in section 3.3 of this Agreement;
- (f) "GLS" means government liquor stores;
- (g) "LDB Financial Period" means the financial periods set out in the LDB Financial Calendar for the fiscal year; and
- (h) "Refillable Bottles" means refillable glass liquor bottles which contained liquor and are identified in and covered by the Stewardship Plan.

1.2 Governing Law. This Agreement is governed by the laws of British Columbia.

1.3 Headings. The headings in this Agreement are inserted for convenience of reference only and do not affect the interpretation of this Agreement.

1.4 Entire Agreement. This Agreement constitutes the entire agreement between the parties.

1.5 Severability. If any provision of this Agreement is unenforceable, then the parties will use all reasonable efforts to amend this Agreement to restore the original intent of this Agreement. In the interim, the remainder of this Agreement will remain in effect and be interpreted as if the unenforceable provision had never formed part of this Agreement unless to do so would frustrate the original intent of this Agreement.

SECTION 2

DEPOSIT AND CRF COLLECTION AND REMITTANCE FOR SALES OF CANS

2.1 LDB will collect Deposits and CRFs for all Cans.

s.17; s.21

s.17; s.21


Initials

s.17; s.21


SECTION 3
GLS HANDLING OF RETURNED CONTAINERS

3.1 LDB will in a neat and timely manner:

(a) sort the Containers returned to GLS ;

s.17; s.21

s.17; s.21


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**SECTION 4
VERIFICATION OF PAYMENTS AND INVOICES**

s.17; s.21

**SECTION 5
DISPUTE RESOLUTION**

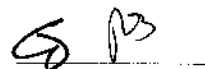
- 5.1 If a dispute arises in relation to this Agreement, LDB and BDL will at the request of either party convene a meeting of senior representatives of each party with decision-making authority to attempt in good faith to resolve the dispute. Any attempt to resolve the dispute through discussion does not restrict any other recourse a party may have under this Agreement to enforce its rights.

**SECTION 6
TERM AND TERMINATION**

- 6.1 This Agreement commences on the ^{10th} day of July, 2009 and continues to the end of the day on March 31, 2012 ("**Initial Term**"). s.17; s.21
s.17; s.21

- 6.2 Either party may terminate this Agreement as follows:

s.17; s.21


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s.17; s.21

s.17; s.21

GENERAL

7.1 Notice. Any notice pursuant to this Agreement will be effective only if in writing and delivered in person, by mail, or by facsimile to the other party at their designated address.

7.2 Enurement. This Agreement enures to the benefit of and is binding upon the parties and their respective successors.

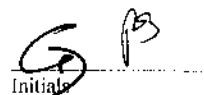
7.3 Time of the Essence. Time is of the essence in this Agreement.

7.4 Waiver. Any waiver by a party of its rights is be limited to the particular instance and does not otherwise affect the rights of such party.

7.5 Further Assurances. The parties agree to execute and deliver all such other and additional instruments or documents and to do all such other acts and things as may be necessary to give full effect to this Agreement.

7.6 Counterparts. This Agreement may be executed in one or more counterparts or by facsimile transmission and if so executed such counterparts or facsimile transmissions will be read and construed together as if they formed one document.

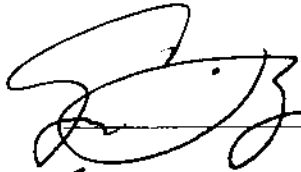
IN WITNESS WHEREOF the parties have executed this Agreement.


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BREWERS DISTRIBUTOR LTD

**HER MAJESTY THE QUEEN IN RIGHT
OF THE PROVINCE OF BRITISH
COLUMBIA, as represented by the
LIQUOR DISTRIBUTION BRANCH**

Per:



Print Name:

GREG D'AVIGNON

Date:

July 9 2009.

Per:



Print Name:

Roger W. Bissoondatt

Date:

July 10, 2009.


Initials

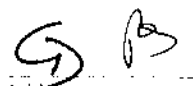
SCHEDULE "A"

s.17; s.21

Container Category

Cans

Refillable Bottles


Initials

AMENDMENT

THIS AMENDMENT is effective as of the 4th day of September 2016.

BETWEEN

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, as represented by the General Manager of the LIQUOR DISTRIBUTION BRANCH (the "LDB")

AND

ENCORP PACIFIC (CANADA) ("Encorp")

BACKGROUND

The parties entered into a Services Agreement effective as of the 30th day of June, 2007, as amended from time to time (the "Agreement").

The parties have agreed to modify the Agreement in the manner set out in this Amendment to be effective as of the date first written above.

AGREEMENT

In consideration of the covenants and agreements contained in this Amendment, the parties agree as follows:

(1) Section 3.1 of the Agreement, Sorting, is deleted and the following is substituted therefor:

"3.1 Sorting.

- (a) The LDB will, in a neat and timely manner, package, sort and prepare for pick-up by Encorp, Containers in volumes and packages as agreed to by LDB and Encorp.
- (b) The LDB will be implementing a new point-of-return system ("**POR-System**") on a GLS-by-GLS basis, which will result in the LDB being able to provide Encorp with more accurate reporting of Containers picked-up by Encorp from each GLS, in which case the parties will perform the obligations as set out in Schedule "B" hereto for each GLS after the LDB has provided written notice for that GLS in accordance with Section 3.3 (b)."

(2) Section 3.3 of the Agreement, Determination of Handling Fees, is deleted and the following is substituted therefor:

"3.3. Determination of Handling Fees.

- (a) Base Handling Fees: The base Handling Fee rates payable by Encorp to the LDB under this Agreement are as set out in Schedule "A" hereto.
- (b) Increased Handling Fees: Once the LDB has implemented the POR System in a particular GLS, the LDB will provide Encorp with written notice. As of the date of such notice, Encorp will pay the LDB Handling Fees for Containers handled by that GLS at the applicable rate set out in Schedule "A" hereto plus 3.0%."

(3) Section 4.1 of the Agreement, Term, is deleted and the following is substituted therefor:

"4.1 Term. Subject to earlier termination pursuant to Section 4.2, the term of this Agreement commences on June 30, 2007 and continues through to and including March 31, 2020 (the **"Term"**)."

(4) Section 5.1 of the Agreement, Notice, is amended by adding "or electronic transmission" after "facsimile".

(5) After Section 5.6 of the Agreement, Counterparts, the following new section is added:

"5.7 Confidentiality. Encorp must treat as confidential all information accessed or obtained by it (whether verbally, electronically or otherwise) as a result of this Agreement, and not permit its disclosure or use without the LDB's prior written consent except:

- (a) as required to perform Encorp's obligations under this Agreement or to comply with applicable laws; or
- (b) if it is information that is generally known to the public other than as result of a breach of this Agreement.

(6) Schedule "A" of the Agreement is deleted and Schedule "A" as attached hereto is substituted therefor.

(7) After Schedule "A" of the Agreement, Schedule "B" as attached hereto is added.

(8) In all other respects, the Agreement is confirmed.


(9) This Amendment may be executed by a separate copy of this Amendment being executed by, or on behalf of, each party and that executed copy being delivered to the other party by a method provided for in Section 5.1 of the Agreement or any other method agreed to by the parties.

SIGNED AND DELIVERED on the 22 day of September, 2016 on behalf of the LDB by its duly authorized representative:

Signature 

Print Name Roger W. Bissuandatt CFO.

SIGNED AND DELIVERED on the 22 day of September, 2016 by or on behalf of Encorp by its duly authorized signatory:

Signature 

Print Name BILL CHAN

SCHEDULE "A"
CONTAINER TYPES AND FEES

Encorp SKU	Container Type	Container Recycling Fees (CRF)*	Base Handling Fees			
			Sept. 2016	April 1, 2017	April 1, 2018	April 1, 2019
7225	Wine & Spirits Glass ≤ 1L	\$ 0.11	s.21			
7230	Wine & Spirits Glass > 1L	\$ 0.16				
7125	Non-Refillable Beer & Refreshments Glass ≤ 1L	\$ 0.07				
7130	Non-Refillable Beer & Refreshments Glass > 1L	\$ 0.23				
3025	Glass Dealcoholized	\$ 0.09				
1010	Aluminum Dealcoholized	\$ 0.01				
7325	Plastic, Tetra Pak, Pouches ≤ 1L	\$ 0.04				
7330	Plastic, Tetra Pak, Pouches > 1L	\$ 0.08				
7430	Bag in Box > 1L	\$ 0.01				
7435	Non-Refillable Keg > 1L	\$ 1.80				

* CRF is reviewed on an annual basis and is subject to change as per section 2.2 of this Agreement.

SCHEDULE "B"
POR SYSTEM

1. The LDB will sort Containers into separate bins/bags at each GLS according the categories below:

Category	Container Type
Non-Refillable Mixed Glass	Wine & Spirits Glass <=1L
	Wine & Spirits Glass >1L
	Beer & Refreshments Glass <=1L
	Beer & Refreshments Glass > 1L
	Dealcoholized Glass <=1L
Non-Glass, Mixed Containers	Dealcoholized Aluminum <=1L
	Plastic, Tetra, Pouch <=1L
	Plastic, Tetra, Pouch >1L
Bag-in-Box	Bag-In-Box >1L
Non-Refillable Keg	Non-Refillable Keg >1L

- At time of pick-up, the LDB will provide Encorp with a report detailing the quantity of Containers being picked-up by Container type, by bin/bag.
- The LDB will tag each bin/bag with a unique label which has an identifier corresponding to how information on that bin/bag is identified in the report described in Section 2 of this Schedule "B".
- Encorp will periodically perform physical counts of the Containers being picked-up from GLS locations to ensure the quantity of Containers actually picked-up corresponds with the quantities stated on the reports as described in Section 2 of this Schedule "B".

SERVICES AGREEMENT

THIS AGREEMENT is made effective as of the 30th day of June, 2007,

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, as represented by the **LIQUOR DISTRIBUTION BRANCH** of the Ministry of Public Safety and Solicitor General, with an office at 2625 Rupert Street, Vancouver, British Columbia V5M 3T5

("LDB");

AND:

ENCORP PACIFIC (CANADA), with an office at 206 – 2250 Boundary Road, Burnaby, BC V5M 3Z3

("Encorp").

WHEREAS:


A. Encorp is an agency within the meaning of the British Columbia *Recycling Regulation* (the "**Regulation**"), and has an approved plan (as defined in the Regulation) in respect of used beverage containers (as such plan may be amended from time to time, the "**Stewardship Plan**");

B. Encorp has been appointed as the agency within the meaning of the Regulation for producers (as defined in the Regulation, and herein "**Producers**") of wine, spirit and non refillable beer, cider and cooler bottles of the types set out in Schedule "A" hereto (the "**Containers**");

C. The LDB will collect and remit to Encorp of all: (i) deposits to be collected from purchasers or Producers of Containers throughout British Columbia in amounts as are required by the Regulation from time to time ("**Deposits**"); and (ii) container recycling fees ("**CRFs**") from purchasers or Producers in an amount per container sold in British Columbia as set out in Schedule "A" hereto ("**CRFs**"); and

D. Encorp will pay to LDB certain handling fees for each Container returned to government operated liquor stores in British Columbia ("**GLS**") and made available for pick-up by Encorp in an amount per Container as set out in Schedule "A" hereto ("**Handling Fees**").

IN CONSIDERATION of the mutual promises contained in this Agreement, the parties agree as follows:


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SECTION 1 INTERPRETATION

1.1 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the parties to this Agreement submit and attorn to the exclusive jurisdiction of the Courts of the Province of British Columbia.

1.2 Headings. The headings in this Agreement are inserted for convenience of reference only and shall not affect the interpretation of this Agreement.

1.3 Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements and understandings, oral or written, by and between the parties with respect to the subject matter of this Agreement.

1.4 Severability. Should any provision of this Agreement be void or unenforceable it shall be severed from this Agreement and the remainder of this Agreement shall remain in full force and effect and shall be interpreted and construed as if the stricken provision had never formed part of this Agreement.

SECTION 2 DEPOSIT AND CRF COLLECTION AND REMITTANCE

2.1 Collection and Remittance of Deposits and CRFs. LDB shall collect and remit to Encorp all Deposits and CRFs as follows:


- (a) In respect of Deposits and CRFs advanced on estimated sales occurring from the beginning of any LDB financial period and the end of the second week of the LDB financial period, by 14 business days after the end of the second week of the LDB financial period; and
- (b) In respect of Deposits and CRFs on sales occurring for the entire LDB financial period less the estimated amount advanced for the first two weeks, by fourteen business days following the end of that LDB financial period.

2.2 Determination of CRFs. Encorp may amend the amount of the CRFs once per year, and shall provide three months written notice thereof to the LDB. On receipt of such notice by the LDB, Schedule "A" hereto shall be deemed to have been amended accordingly. Changes to CRFs will be implemented on April 1 of each year or on a date mutually agreed to by Encorp and LDB.

SECTION 3 SORTING AND HANDLING FEES

3.1 Sorting. The LDB will, in a neat and timely manner, package, sort and prepare for pick-up by Encorp, containers in volumes and packages as agreed to by LDB and Encorp.

3.2 Handling Fees. LDB may invoice Encorp for Handling Fees twice per LDB financial period; once for Handling Fees for estimated GLS returns from the beginning of the


Initials

LDB financial period to the end of the second week of the LDB financial period, and a final billing for the entire LDB financial period less the amount advanced for the first two weeks. Encorp shall pay the undisputed amounts of all such invoices within fourteen business days of receipt.

3.3 **Determination of Handling Fees.** Handling fees will be reviewed annually and may be modified based on mutual agreement by the parties taking into consideration such factors as inflation, quality and level of compliance to the sorting specifications and changes in the number of containers returned to government liquor stores.

3.4 **Corrections.** When Encorp and LDB agree that there have been errors in the amount of deposits, CRFs or handling fees paid by one of the parties to the other, the parties shall correct the payments promptly.

SECTION 4 TERM AND TERMINATION


4.1 **Term.** Subject to earlier termination pursuant to 4.2, the term of this agreement (the "**Term**") commences on June 30, 2007 and continues through to and includes March 31, 2012 ("**Initial Term**"), provided however, the Term shall automatically be extended thereafter for successive two year periods (each, a "**Renewal Term**") unless and until either party provides written notice of termination to the other at least six months before the expiry of the Initial Term or the then current Renewal Term, in which event the Term shall expire at the end of the Initial Term or the then current Renewal Term as applicable.

4.2 **Termination.**

- (a) Either party may terminate this Agreement for convenience at any time, without penalty or default, on six (6) months' prior written notice to the other.
- (b) Either party may terminate this Agreement at any time, without penalty or default, in the event the other party is in material breach of this Agreement, immediately on written notice to the party in breach.
- (c) In the event of a termination of this Agreement pursuant to this Section 4.2, the rights and obligations of the parties hereunder shall survive the termination of this Agreement but only to the extent arising from or in connection with the period before termination.

SECTION 5 GENERAL

5.1 **Notice.** Any communication which any party is required or wishes to make to any other party pursuant to this Agreement will be effective and valid only if in writing and actually delivered (including by facsimile) to the other party at the address of such party set out at the beginning of this Agreement or at such other address as such party may from time to time

RB 

Initials

designate by notice delivered in accordance with this subsection. Notice will be deemed given when received or if delivery is refused on the date delivery is so refused.

5.2 **Enurement.** This Agreement shall enure to the benefit of and be binding upon the parties and their respective successors.

5.3 **Time of the Essence.** Time is expressly declared to be of the essence of this Agreement.

5.4 **Waiver.** Any waiver by a party or any failure on a party's part to exercise any of its rights in respect of this Agreement shall be limited to the particular instance and shall not extend to any other instance or matter in this Agreement or in any way otherwise affect the rights or remedies of such party.

5.5 **Further Assurances.** The parties agree to execute and deliver all such other and additional instruments or documents and to do all such other acts and things as may be necessary to give full effect to this Agreement.

5.6 **Counterparts.** This Agreement may be executed in one or more counterparts or by facsimile transmission and if so executed such counterparts or facsimile transmissions shall be read and construed together as if they formed one document.

IN WITNESS WHEREOF the parties have executed this Agreement on the date first above written.

ENCORP PACIFIC (CANADA)

**HER MAJESTY THE QUEEN IN RIGHT
OF THE PROVINCE OF BRITISH
COLUMBIA, as represented by the
LIQUOR DISTRIBUTION BRANCH of
the Ministry of Public Safety**

Per:



Per:



Print Name:

Bill Chan

Print Name:



Roger Bissoondatt

Date:

JULY 9, 2007

Date:

June 27, 2007

 
Initials

SCHEDULE "A"

Container Category	Container Recycling Fees (CRFs)	Handling Fees
Glass Wine & Spirit <=1L	\$0.09	\$0.030
Glass Wine & Spirit >1L	\$0.12	\$0.030
Non-Refillable Beer, Cider, Cooler Glass <=1L	\$0.06	\$0.025
Non-Refillable Beer, Cider, Cooler Glass >1L	\$0.07	\$0.030
Plastic, Tetra Pak, Cartons <=1L	\$0.02	\$0.030
Plastic, Tetra Pak, Cartons >1L	\$0.07	\$0.030
Bag in Box >1L	\$0.00	\$0.070


Initials

AMENDMENT #2

BETWEEN

HIS MAJESTY THE KING IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, as represented by the General Manager of the LIQUOR DISTRIBUTION BRANCH and Administrator of the *Cannabis Distribution Act* (the "Province", "we", "us", or "our", as applicable)

AND

BC BREWERS' RECYCLED CONTAINER COLLECTION COUNCIL (the "Contractor" "you" or "your" as applicable)

BACKGROUND

The Province and the Contractor entered into an agreement dated April 1, 2016, and amended on February 13, 2023, as Amendment #1 (the "Agreement").

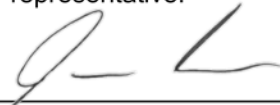
The Province and the Contractor have agreed to modify the Agreement in the manner set out in this Amendment #2.

AGREEMENT

In consideration of the covenants and agreements contained in this Amendment, the receipt and sufficiency of which are acknowledged, the Province and the Contractor agree that the Agreement is now modified as follows:

- (1) Section 6.2. The term is extended to February 28, 2024; and
- (2) In all other respects, the Agreement is confirmed.

SIGNED AND DELIVERED on the 30 day of August, 2023 on behalf of the **Province** by its duly authorized representative:

Signature 

Print Name Jerome Lemieux

SIGNED AND DELIVERED on the 30th day of August, 2023 by or on behalf of the **Contractor** (or by its authorized signatory or signatories if the Contractor is a corporation):

Signature 

Print Name Rachel Morier

AMENDMENT #1

BETWEEN

HIS MAJESTY THE KING IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, as represented by the General Manager of the LIQUOR DISTRIBUTION BRANCH and Administrator of the *Cannabis Distribution Act* (the "Province", "we", "us", or "our", as applicable)

AND

BC BREWERS' RECYCLED CONTAINER COLLECTION COUNCIL (the "Contractor" "you" or "your" as applicable)

BACKGROUND

The Province and the Contractor entered into an agreement dated April 1, 2016, (the "Agreement").

The Province and the Contractor have agreed to modify the Agreement in the manner set out in this Amendment #1.

AGREEMENT

In consideration of the covenants and agreements contained in this Amendment, the receipt and sufficiency of which are acknowledged, the Province and the Contractor agree that the Agreement is now modified as follows:

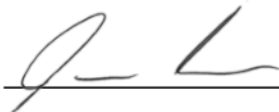
(1) Section 6.2 is modified by adding the following sentence immediately after the words "as applicable.":

s.17; s.21

(2) In all other respects, the Agreement is confirmed.

SIGNED AND DELIVERED on the 13 day of February, 2023 on behalf of the **Province** by its duly authorized representative:

Signature



Print Name Jerome Lemieux

SIGNED AND DELIVERED on the 10th day of February, 2023 by or on behalf of the **Contractor** (or by its authorized signatory or signatories if the Contractor is a corporation):

Signature



Print Name Rachel Morier