

AGREEMENT

AMONG:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH
COLUMBIA, as represented by the Minister of Environment
(the “**Province**”)

AND:

Black Press Group Ltd.

AND:

Glacier Media Inc.

AND:

The Globe and Mail Inc.

AND:

Postmedia Network Inc.

AND:

Sing Tao Newspapers (Canada 1988) Limited

AND SUCH OTHER PARTIES AS HAVE ACCEDED TO THIS AGREEMENT PURSUANT
TO Article 16

(Collectively referred to as the “**Parties**”)

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RECITALS

- A. Under the *Recycling Regulation* (the "Regulation"), producers of certain packaging and printed paper must either implement prescribed collection services or implement an approved product stewardship plan, either directly or through an agent.
- B. Some but not all producers of printed paper and packaging comply with the Regulation by having MMBC Recycling Inc. ("MMBC") act as their agent in implementing an approved stewardship plan developed by MMBC.
- C. Under the terms of the approved stewardship plan which MMBC is implementing on behalf of its members, MMBC is required to collect and manage any printed paper and packaging, including newsprint, that is discarded through the system of depots, curb-side collection and multi-family collection funded or operated by MMBC.
- D. The Newspaper Producers who are parties to this Agreement (the "Participating Producers") as of the date of this Agreement do not have a stewardship plan approved by the Director. The intent of this Agreement is to facilitate Participating Producers coming into compliance with the Regulation through this Agreement and an approved stewardship Plan.
- E. A goal of the Province is that stewardship services for PPP become available to as many communities in British Columbia as possible, in particular for those that wish such services.
- F. In order to help ensure the expansion of services provided by MMBC under its stewardship plan to a broader scope of communities in British Columbia, the Province has agreed to provide

contributions to MMBC in recognition of MMBC's ongoing costs without matching fees for the collection and management of newsprint for recycling.

- G. The Province's agreement with MMBC contemplates newspaper producers having an approved stewardship plan separate from the MMBC plan under which newsprint collected by MMBC will be collected under the approved newspaper producers' plan.
- H. The Participating Producers intend to comply with the Regulation by developing for approval by the director under the Regulation (the "Director"), a stewardship plan that covers newsprint produced or distributed in the province by Participating Producers, and seek to obtain approval of such plan by September 1, 2017.
- I. In preparation for implementing a stewardship plan that may be approved by the Director, and for eventually becoming fully compliant with the Regulation, the Participating Producers will, pursuant to this Agreement, contribute to the Province's costs under the agreement referred to in Recital F.
- J. As an express assumption in the stewardship plan to be submitted to the Director for approval, Participating Producers wish amounts of newsprint collected by MMBC to be considered to have been collected under the Participating Producers' stewardship plan from the date that such plan is approved and implemented.
- K. The Province supports in principle, as a temporary, interim, bridging measure, an arrangement whereby the Province makes contributions to MMBC in recognition of MMBC's ongoing costs without matching fees for the collection and management of newsprint for recycling; Participating Producers make contributions to the Province; and Participating Producers implement an approved stewardship plan under which newsprint collected by MMBC will be deemed to be collected under the approved newspaper producers' plan.

Wherefore, in consideration of the premises and mutual covenants and agreements herein, the Parties to this agreement agree as follows:

ARTICLE 1 INTERPRETATION

- 1.1 **Definitions.** In this Agreement, where the terms defined below are capitalized (other than capitalization required by punctuation) they have the meaning ascribed below.
- (a) "2016 Amount" means the lowest of the following, provided that if any of the following is negative the 2016 Amount is zero:
 - (i) the Adjusted Province Cash Advertising Amount for the period October 1, 2016 to December 31, 2016,
 - (ii) the Adjusted Province Cash Advertising Amount for 2016 less \$250,000,
 - (iii) the Residential Production Volume for all Participating Producers for 2016 multiplied by \$40;

- (b) "2016 Factor" means \$2.00 or such other amount that the Province estimates, acting reasonably and based on available information, will ensure that payments under section 8.1 in excess of \$45 per tonne of Residential Production Volume will be sufficient to cover the Participating Producers' obligations to pay the 2016 Amount as specified in section 5.1;
- (c) "Acceding Producer" means a Participating Producer who became a Participating Producer pursuant to section 16.4;
- (d) "Adjusted Province Cash Advertising Amount" subject to section 11.2, in relation to a calendar year or other period, means,
 - (i) where used in reference to an individual Participating Producer's Adjusted Province Cash Advertising Amount, the total of the following:
 - (A) Amounts Paid in Cash for Advertising purchased from that Participating Producers or its Affiliates, at Rate Card Rates during that period by Provincial Entities other than British Columbia Hydro and Power Authority; and
 - (B) 50% of all amounts Paid in Cash for Advertising purchased from that Participating Producer or its Affiliates at Rate Card Rates during that period by British Columbia Hydro and Power Authority;
 - (ii) in all other situations, the total of the following:
 - (A) Amounts Paid in Cash for Advertising purchased from all Participating Producers or their Affiliates, at Rate Card Rates during that period by Provincial Entities other than British Columbia Hydro and Power Authority; and
 - (B) 50% of all amounts Paid in Cash for Advertising purchased from Participating Producers or their Affiliates at Rate Card Rates during that period by British Columbia Hydro and Power Authority;
- (e) "Advertising" includes advertising in printed newspapers, newspaper inserts or digital media made available by the Participating Producers as determined at the option of Provincial Entities placing such advertising;
- (f) "Affiliate" means "affiliate" as defined in the *Business Corporations Act*;
- (g) "Agreement" means this agreement, including any Schedules hereto;
- (h) "Alternate Approved Stewardship Plan" means a stewardship plan for PPP, other than the Newspaper Plan, that has been approved by the Director under the Regulation;
- (i) "Cash Amount" means the amount owed in respect of a calendar year under section 3.1
- (j) "Category of PPP" means each of the categories of PPP identified in a paragraph of the definition of PPP, or such other categories of PPP to which the Parties agree in writing;

- (k) "Commencement Date" means March 31, 2017;
- (l) "Director" means the director under the Regulation;
- (m) "Discarded through the Residential Waste Stream" in relation to PPP, means all amounts of PPP that are discarded, in British Columbia, as trash, or collected, in British Columbia, for recycling, other than PPP collected as trash or recyclables from industrial, commercial or institutional locations, as determined in accordance with Schedule A;
- (n) "Event of Default" means an event of default under section 12.1;
- (o) "First Year" means a year in which the remainder of the Adjusted Province Cash Advertising Amount minus \$250,000 is less than the product of the total Residential Production Volume for all Participating Producers multiplied by \$40 per tonne;
- (p) "Gross Production Volume" means in respect of a calendar year or other period and a Participating Producer, the mass (Tonnes) of PPP for which that Producer or an Affiliate of that Producer is a producer under the Regulation including amounts that are Discarded through the Residential Waste Stream and amounts discarded or recycled through the commercial, industrial or institutional waste stream in British Columbia, but does not include any amount of PPP that is not distributed for sale or use in British Columbia;
- (q) "Newspaper Plan" means a stewardship plan for PPP submitted to the Director for approval by one or more Participating Producers, or an agent of Participating Producers, that relies primarily on the collection of PPP through the residential collection system that exists as of the date of this Agreement and is funded or implemented by MMBC Recycling Inc., but does not include a stewardship plan implemented by MMBC Recycling Inc. as agent for a Participating Producer;
- (r) "Newspapers' Representative" means the person designated by the Participating Producers under section 18.2;
- (s) "Notice of Accession" means a notice in the form specified in Schedule C;
- (t) "Original Producer" means a Participating Producer who was a party to this Agreement as of the Commencement Date;
- (u) "Paid in Cash", "Pay in Cash" or "Payment in Cash" includes payments by cheque, credit card and electronic transfer or other methods that are accepted by a Participating Producer or an Affiliate of a Participating Producer;
- (v) "Participating Producer" means a party to this Agreement other than the Province, and unless expressly stated otherwise "Participating Producers" means the collectivity of all Participating Producers;
- (w) "PPP" means packaging and Printed Paper, and for greater certainty includes:
 - (i) all newsprint in the form of a newspaper including classified advertisements, advertisements or advertising supplements that form part of the newspaper other

than flyers or other inserts into newspapers for which no Participating Producer or Affiliate of a Participating Producer is a producer under the Regulation;

- (ii) magazines and other bound periodicals, including promotional inserts, printed on any form of paper other than newsprint referred to in paragraph (a), for which a Participating Producer or Affiliate of a Participating Producer is a producer under the Regulation;
 - (iii) plastic film and laminates used to protect PPP referred to in paragraphs (i) and (ii);
 - (iv) other Printed Paper, for which a Participating Producer is a producer under the Regulation, including subscription letters and envelopes mailed to customers;
 - (v) other packaging for which a Participating Producer is a producer under the Regulation;
- (x) "Printed Paper" means printed paper as defined in the Regulation;
 - (y) "Province Advertising Amount" means the value, at Rate Card Rates, of advertising provided by Participating Producers and Affiliates of Participating Producers to Provincial Entities;
 - (z) "Provincial Entities" means the Province, its Crown corporations and agencies and any provincially funded entities, but does not include the British Columbia Ferry Corporation, British Columbia Ferry Services Inc., South Coast British Columbia Transportation Authority (TransLink) or British Columbia Lottery Corporation;
 - (aa) "Regulation" means the *Recycling Regulation*, B.C. Reg. 449/2004 as amended from time to time;
 - (bb) "Rate Card Rates" means rates offered to Provincial Entities by Participating Producers, whether by rates advertised from time to time, or rates prescribed under existing and in-force standing offer arrangements between Participating Producers and Provincial Entities;
 - (cc) "Residential Production Volume" subject to section 4.5 and 3.3, means, in respect of a calendar year or other period and a newspaper producer, the mass (Tonnes) of PPP for which that producer or an Affiliate of that producer is a producer under the Regulation, that is Discarded through the Residential Waste Stream during that period;
 - (dd) "Second Year" refers to the calendar year following a First Year;
 - (ee) "Shortfall Payment" means the amount referred to in section 6.2(b)(ii);
 - (ff) "Third Year" refers to a calendar year following a Second Year;
 - (gg) "Tonne" means metric tonne;
 - (hh) "Trust" means the Trust established under section 8.3;

- (ii) "Trustee" means the trustee appointed under section 8.1;
- (jj) "Value-In-Kind Advertising Amount" or "VIK Advertising Amount" means, in relation to a calendar year, the lower of:
 - (i) the product of the Residential Production Volume for all Participating Producers for that year multiplied by \$40 per Tonne, or
 - (ii) the Adjusted Province Cash Advertising Amount minus the total of \$250,000 plus the VIK Shortfall Carryover Amount from the previous year, for which Province has received, or is receiving, a refund under section 4.2; and
- (kk) "VIK Shortfall Carryover Amount" means the amount calculated under section 4.2.

1.2 Interpretation. In this Agreement:

- (a) if a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (b) a reference to a person (including a Party) includes an individual, company, other body corporate, association, partnership, firm, joint venture, trust, governmental authority or agency and includes that person's successors and permitted assigns;
- (c) a reference to an agreement or document (including a reference to this Agreement) is to the agreement or document as amended, varied, supplemented, novated or replaced from time to time;
- (d) a reference to legislation or to a provision of legislation includes a modification or re-enactment of it, legislation or a provision of legislation substituted for it, and any regulation, code, ordinance, by-law, statutory instrument, protocol or guideline issued or designated under it as amended or replaced from time to time;
- (e) a reference to an article, section, paragraph, schedule or exhibit is a reference to an article, section, paragraph, schedule of or to this Agreement;
- (f) if any date specified in this Agreement as a date for taking action falls on a day that is not a business day, that action may be taken on the next business day;
- (g) section and article headings and italicized material in square brackets are for convenience only and do not form part of this Agreement or affect its interpretation;
- (h) the words "include", "includes" and "including" are to be read as if followed by the words "without limitation"; and
- (i) the singular includes the plural and the plural includes the singular.

ARTICLE 2
Minimum Advertising

- 2.1 Minimum Total Advertising. The Province will ensure that the Adjusted Province Cash Advertising Amount for each calendar year from 2017 to 2021, is at least \$250,000. The Participating Producers acknowledge that this a fixed amount and shall not vary if newspaper producers who are not Original Producers accede to this Agreement.
- 2.2 MMBC Advertising. The Participating Producers acknowledge that the Province has requested MMBC to purchase \$150,000 or more of Advertising per year from Participating Producers to promote B.C. resident usage of the residential recycling collection system and increase waste materials collection levels, and the Province agrees that it will make further requests for MMBC to purchase such Advertising in such amounts.

ARTICLE 3 Cash Compensation

- 3.1 Cash Amount. In respect of each calendar year from 2016 to 2020, inclusive, the Participating Producers will cause to be paid to the Province \$5 per Tonne of the total of Participating Producers' Residential Production Volumes.
- 3.2 Due Date. Such Cash Amount will become due and owing on March 31 of the calendar year following the calendar year in respect of which the payment is based.
- 3.3 Cash Compensation if Participating Producer has an Alternate Approved Stewardship Plan. The Parties agree that if a Participating Producer has an Alternate Approved Stewardship Plan or has retained an agent for the implementation of an Alternate Approved Stewardship Plan on behalf of the Participating Producer, the Residential Production Volume for that Participating Producer during the period for which the Participating Producer or its agent is implementing the Alternate Approved Stewardship Plan shall be deemed to be zero for the purpose of calculating the Cash Amount.

ARTICLE 4 Value in Kind (VIK) Compensation

- 4.1 VIK Obligation. If the Adjusted Province Cash Advertising Amount is at least \$250,000 for a calendar year from 2017 to 2021, the Participating Producers will provide during that calendar year at no net charge to Provincial Entities, Advertising valued at Rate Card Rates in an amount equal to the VIK Advertising Amount for that calendar year, to be used for advertising by the Provincial Entities.
- 4.2 Carry Over of Un-used Amounts. If during any calendar year from 2017 to 2021 the remainder of the Adjusted Province Cash Advertising Amount minus \$250,000 is less than the total of Residential Production Volume for all Participating Producers multiplied by \$40 per tonne (the "First Year"), the Participating Producers will provide, at no net charge to the Provincial Entities, Advertising valued at Rate Card Rates in an amount equal to the lower of:
- (a) the difference between

- (i) the Residential Production Volume during the First Year multiplied by \$40/tonne, and
- (ii) the Adjusted Province Cash Advertising Amount for the First Year minus \$250,000; or

(b) 1% of the VIK Advertising Amount for the First Year,

(the "VIK Shortfall Carry Over Amount") during the period from January 1 to March 31st of the following calendar year (the "Second Year"), to be used for Advertising by the Provincial Entities.

- 4.3 Obligations Cumulative. Participating Producers' obligation under section 4.2 to provide Provincial Entities with Advertising at no net charge shall be in addition to their obligations under section 4.1.
- 4.4 Administration of VIK Through Refunds. For the purposes of administering the Participating Producers' obligations under sections 4.1 and 4.2, Provincial Entities will Pay in Cash for Advertising at Rate Card Rates during a calendar year, and the Participating Producers will cause to be refunded to the Province in respect of each such calendar year, the following amounts:
- (a) an amount equal to the VIK Advertising Amount, payable by March 31 of the calendar year following the calendar year in respect of which the VIK Advertising Amount is payable;
 - (b) an amount equal to the lower of the VIK Shortfall Carry Over Amount carried over into the preceding year (the Second Year) or the Adjusted Province Cash Advertising Amount for the period of January 1 to March 31 of that Second Year, to be paid by March 31 of the year (the "Third Year") following the calendar year in respect of which the VIK Shortfall Carry Over Amount is payable, or in respect of a VIK Shortfall Carry Over Amount in respect of which 2021 was the First Year, by June 30, 2022.

For greater certainty no refund is payable under this section 4.4 for VIK Shortfall Carry Over Amount, except in relation to Advertising which is Paid in Cash prior to March 31 of the Second Year.

- 4.5 VIK Advertising Amount if Newspaper Has Alternate Approved Stewardship Plan. Despite anything else in this Agreement, the Parties agree that if a Participating Producer has an Alternate Approved Stewardship Plan or has retained an agent for the implementation of an Alternate Approved Stewardship Plan on behalf of the Participating Producer, the Residential Production Volume for that Participating Producer during the period for which the Participating Producer is implementing its Alternate Approved Stewardship Plan or its agent is implementing the Alternate Approved Stewardship Plan shall be deemed to be zero for the purpose of calculating the VIK Advertising Amount.
- 4.6 Provincial Entities Determine Form, Timing and Placement of Advertising. It shall be at the sole discretion of the Province and other Provincial Entities in which newspapers or other media outlets operated by the Participating Producers and their Affiliates Advertising provided to the Province at no net charge under this Article 4 shall be located, and subject to the terms associated with Rate Card Rates, Provincial Entities may determine the form, size, timing and placement of such Advertising. Provincial Entities shall place Advertising using the booking

procedure(s) established by the Participating Producer or the Affiliate that publishes the publication in which the advertising is to appear, or if that Participating Producer or Affiliate has arranged with a Provincial Entity to use an alternate booking approach, the alternate approach.

ARTICLE 5

2016 Amount

- 5.1 2016 Amount. In addition to paying the Cash Amount under section 3.1 and amounts under section 4.4, the Participating Producers will pay to the Province the 2016 Amount, to be paid in three installments, each installment equal to one third of 2016 Amount, by March 31 of 2018, 2019 and 2020 respectively.

ARTICLE 6

Provincial Report, Invoicing and Payments

- 6.1 Provincial Report and Invoicing 2016. The Province will by March 31st of 2017, (or a later date but deemed to have been received by March 31) deliver to the Newspapers' Representative an invoice for the Cash Amount owed by the Participating Producers in respect of 2016.
- 6.2 Provincial Report and Invoicing 2017 to 2021. The Province will for each calendar year from 2017 to 2021, by March 31 of the following calendar year, deliver to the Newspapers' Representative and the Trustee:
- (a) a report specifying the following information in respect of that calendar year from 2017 to 2021:
 - (i) the Adjusted Province Cash Advertising Amount;
 - (ii) the Province Advertising Amount;
 - (iii) the VIK Advertising Amount;
 - (iv) if the year is a First Year in relation to a VIK Shortfall Carry Over Amount, the VIK Shortfall Carry Over Amount carried over to the year in which the Report is provided (the Second Year);
 - (v) if the year is a Second Year in relation to a VIK Shortfall Carry Over Amount, the Adjusted Province Cash Advertising Amount for the period of January 31 to March 31 of that Second Year;
 - (vi) any adjustments to amounts previously reported under this Article 6 resulting from the availability of new or revised information received under Article 7;
 - (vii) if the report is submitted in respect of 2017,
 - (A) the Adjusted Province Cash Advertising Amount for the period October 1, 2016 to December 31, 2016, and
 - (B) the 2016 Amount; and

- (b) an invoice for the total amounts owed by the Participating Producers to the Province including,
 - (i) if the invoice is issued in respect of the calendar year 2017, 2018, 2019 or 2020, the Cash Amount,
 - (ii) the refund owed for the VIK Advertising Amount for that year,
 - (iii) the lesser of the VIK Shortfall Carry Over Amount carried over into that year or the Adjusted Province Cash Amount for the period of January 1 to March 31 of that year (the "Shortfall Payment"),
 - (iv) for invoices issued in respect of 2017, 2018 and 2019, one third the 2016 Amount, and
 - (v) any adjustments made under paragraph (a)(vi).

6.3 Provincial Report and Invoicing 2022. If 2021 was the First Year in relation to a VIK Shortfall Carry Over Amount, the Province will, by June 30 of 2022, deliver to the Newspaper's Representative and the Trustee a report specifying the following information in respect of 2022:

- (a) the Adjusted Province Cash Advertising Amount for the period of January 31 to March 31 of 2022;
- (b) an invoice equal to the lesser of the VIK Shortfall Carry Over Amount carried over into 2022 or the Adjusted Province Cash Amount for the period of January 1 to March 31 of that year, plus any outstanding amounts not paid to the Province in respect of past invoices.

6.4 Newspapers' Representative and Trustee. Delivery in accordance with section 18.15 of reports and invoices to the Newspapers' Representative under sections 6.1, 6.2 and 6.3, together with delivery of such reports and invoices to the Trustee where required, shall constitute effective provision of those invoices and reports to the Participating Producers, and Participating Producers shall cause the Trustee to pay amounts owed under this Agreement by the Participating Producers to the Province within the times allowed by this Agreement or, in respect of the Cash Amount for 2016, shall cause the Newspaper's Representative to pay that Cash Amount.

6.5 Use of Estimates. If the Province has not received the information required under section 7.1 or section 7.2 in respect of all Participating Producers by the date referred to in section 7.4 [March 15] the Province may estimate, based on available information, the Residential Production Volume for any Participating Producer in respect of which it has not received information.

6.6 Interest Payable on Late Accounts. The amounts invoiced are due and payable on the date of the invoice and interest will be payable in accordance with the *Interest on Overdue Accounts Regulation*, under the *Financial Administration Act*, for any validly invoiced amounts not paid within 30 days of the delivery of the invoice issued by the Province.

6.7 Producers' Inquiries into Provincial Information. Participating Producers may at any time and from time to time conduct such inquiries and investigations as they may deem necessary or

advisable in connection with the information provided to them by the Province under this Article, and the Participating Producers may, acting reasonably, request additional information or records from the Province in connection therewith, and the Province shall, subject to any applicable laws, supply the requested information or records that are in the custody and control of the Province to the Participating Producers within 30 business days of the Province receiving such a request.

- 6.8 Records. The Province shall cause to be kept such financial and other records as to enable Participating Producers to confirm the Adjusted Province Cash Advertising Amount during relevant periods.

ARTICLE 7 Producers' Provision of Information

- 7.1 Annual Volume Reports. Subject to section 7.2, each Participating Producer will, for each calendar year from 2016 to 2021, provide the Province in writing with the following information:
- (a) the Gross Production Volume for the Participating Producer;
 - (b) the Residential Production Volume for the Participating Producer;
 - (c) the amounts referred to in paragraphs (a) and (b), disaggregated by Category of PPP;
 - (d) the names of the newspaper to which the information relates, and the names of the producer, as defined by the Regulation, for each newspaper.
- 7.2 Methodologies. The amounts referred to in section 7.1 (a), (b) and (c) shall be determined by each Participating Producer using methodologies approved by the Province. The Parties agree that in respect of the Category of PPP referred to in subparagraph 1.1(w)(iv) of the definition of "PPP" [*subscription letters and envelopes*] it shall be reasonable to estimate quantities based on reasonably available information rather than a measured amount.
- 7.3 Joint Reports. As an alternative to providing information individually for each Participating Producer under section 7.1, two or more Participating Producers may choose to submit the information referred to in section 7.1 as totals for those two or more Participating Producers.
- 7.4 Timing. The information referred to in section 7.1 or section 7.2 must be provided to the Province by March 15 of the calendar year following the calendar year to which the information relates.
- 7.5 Duty to Correct. If a Participating Producer has reason to believe that the information provided under this Article is inaccurate, the Participating Producer must within 14 days
- (a) satisfy itself as to the accuracy of the information, and
 - (b) if the information is determined to be inaccurate, provide the Province with corrected information.

- 7.6 Investigations and Inquiries. The Province may at any time and from time to time conduct all such investigations and inquiries as the Province may deem necessary or advisable in connection with the information provided under this Article, and the Province, or an auditor retained by it, may, acting reasonably, request additional information or records from a Participating Producer in connection therewith, and such Participating Producer shall supply the requested information to the Province or the auditor, as the case may be, within 14 days of receiving a request. The obligations under this section to provide information or records include information or records that are in the custody or control of an Affiliate of the Participating Producer.
- 7.7 Records. Each Participating Producer shall cause to be kept such financial and other records as to enable a third party to confirm the Participating Producer's compliance with its obligations under this Agreement.
- 7.8 Audits. At any time the Province may at its sole discretion retain an independent third party to review and/or audit the information provided under this Article. Each Participating Producer shall make available to the third party all information or records reasonably requested by such third party in connection with any such review and/or audit, and shall grant or cause the third party to be granted access to all records, including electronic records which the third party has reason to believe may contain information relevant to such review and/or audit.
- 7.9 Payments. Each Participating Producer will pay all the Province's reasonable out of pocket expenses incurred in conducting a review and/or audit under section 7.8 of information provided by that Participating Producer under section 7.1. Such amounts are due and payable on demand, and interest will be payable in accordance with the *Interest on Overdue Accounts Regulation* for any amounts not paid within 30 days of the date of the invoice issued by the Province. Participating Producers' obligations under this section and section 7.10 are limited to compensating the Province for its reasonable out of pocket costs of retaining an independent third party, and, for greater clarity, Participating Producers are not responsible for paying any of the Province's costs of employing provincial staff to arrange, oversee, direct or participate in an audits or review, and no Participating Producer is responsible for paying expenses incurred in relation to the audit of volumes associated with another Participating Producer. The Parties, acting reasonably, shall agree to the scope of audit. Unless the Province can demonstrate that it has a reason to suspect that the volumes reported under section 7.1 in respect of volumes of PPP other than newsprint are not accurate, such audit will be limited to providing assurance as to the accuracy of the volumes reported under section 7.1. in relation to newsprint, or, if a Participating Producer is in default of its obligations under section 7.1, provision of the information required under section 7.1.
- 7.10 Payments for Joint Reports. Participating Producers providing information under section 7.3 are obligated to pay all the Province's reasonable out of pocket expenses incurred in conducting a review and/or audit under section 7.8 of information provided by or on behalf of those Participating Producers under section 7.3. Such amounts are due and payable on demand, and interest will be payable in accordance with the *Interest on Overdue Accounts Regulation* for any amounts not paid within 30 days of the date of the invoice issued by the Province. Participating Producers providing information under section 7.3 are severally liable for the obligation under this section 7.10 based on the independent third party's cost of auditing information in relation to each of those Participating Producers with any common expenses relating to all of those Participating Producers being pro-rated among those Participating Producers based on the costs

of auditing information related to each Participating Producer relative to the costs of auditing information related to other Participating Producers.

ARTICLE 8

Quarterly Payments to Trust, Maximum Liability and Payments from Trust

- 8.1 Quarterly Payments to Trustee. Beginning no later than June 30, 2017, and subsequently by the end of each quarter (March 31, June 30, September 30, and December 31) until March 31, 2022, each Participating Producer, shall subject to the provisions of this Article, pay to a third party trustee approved by the Province (the "Trustee"), an amount equal to one quarter of that Participating Producer's Residential Production Volume during either
- (a) the most recent calendar year for which the Participating Producer has provided Residential Production Volumes under Article 7, which have either been audited and verified under Article 7, or if the amounts have not been audited, which the Province, acting reasonably, has indicated in writing that it accepts for the purpose of this section; or
 - (b) if paragraph (a) does not apply, an amount which the Province, acting reasonably, designates in writing shall be used as an estimate of that Participating Producer's Residential Production Volume for the relevant calendar year;
- multiplied by
- (c) in respect of payments made from the Commencement Date to March 31, 2020, the total of \$45 plus the 2016 Factor;
 - (d) in respect of payments made from after March 31st, 2020 to March 31, 2022, \$45 per Tonne.
- 8.2 Annual True-up Payment to Trustee. If the total amount invoiced by the Province under Article 6 by March 31 of each year from 2018 to 2022 is greater than the amounts payable or paid by the Participating Producers to the Trustee by March 31 of that year and for each of the preceding quarters (payable by June 30, September 30 and December 31), each Participating Producer shall pay a portion of the difference (in total equal to 100% of the difference) to the Trustee to be determined in accordance with such reasonable formula based on each Producer's Residential Production Volume and amounts of the Provincial Cash Advertising Amount placed with each Producer and its Affiliates, as is agreed to among the Participating Producers, or if no such formula is agreed to each Participating Producer shall pay an amount to the Trustee by April 20 equal to the maximum amount to which that Participating Producer is liable under section 8.8.
- 8.3 Trust. The payments made by each Participating Producer under section 8.1 and 8.2 shall be held by the Trustee for the benefit of the Parties to this Agreement.
- 8.4 Terms of Trust. The amounts paid under section 8.1 shall be held in trust on terms acceptable to the Province, acting reasonably, and such terms shall provide that:
- (a) trust funds (the "Trust Funds") shall consist of payments made under section 8.1 together with interest accruing thereon;

- (b) Trust Funds are to be held in a separate, interest bearing account at a financial institution approved by the Province;
- (c) Trust Funds are to be held in trust for the benefit of the Parties to this Agreement;
- (d) Participating Producers are to be severally liable for payment of all administrative or trustee fees, allocation of such costs to be determined by the Trustee or trust agreement or indenture, and no such fees shall be paid out of the Trust Funds;
- (e) the Trustee is to maintain records of all amounts paid to or from the Trust Funds, including all records related to the allocation of payments among Participating Producers and allocation of amounts to Participating Producers under paragraph (f)(ii), and to provide such records to the Parties on request;
- (f) Trust Funds shall only be disbursed by the Trustee as follows:
 - (i) the Trustee shall pay to the Province by April 30 of each calendar year from 2018 to 2022, the following amounts on account of amounts owing to the Province by the Participating Producers as of March 31 of that calendar year,
 - (A) the total amount invoiced by the Province under Article 6, or;
 - (B) if one or more Participating Producers have not paid the total amounts payable by them to the Trustee under sections 8.1 and 8.2, the total amount invoiced by the Province under Article 6 less any shortfalls in amounts paid under section 8.1 and 8.2, in which case any Participating Producer who has not paid an amount owing to the Trustee is individually liable to the Province to pay its shortfall in amounts payable to the Province;
 - (ii) If the total amount invoiced by the Province under Article 6 by March 31 of any year from 2018 to 2022 is less than the amounts paid by the Participating Producers to the Trustee by March 31 of that year and for each of the preceding quarters (payable by June 30, September 30 and December 31), the Trustee may pay a portion of the difference to one or more Participating Producers, in a manner determined by the Participating Producer and the Trustee, provided that if any Participating Producer is in default under section 8.1 or 8.2 no amount shall be paid by the Trustee to that Participating Producer;
 - (iii) with the agreement of all Parties;
 - (iv) by direction of an arbitrator appointed under Article 15; or
 - (v) by order of the Court;
- (g) if the amount paid by the Trustee to the Province under paragraph (f)(i) is less than the full amount invoiced by the Province, the Trustee shall provide an accounting and calculations for any Participating Producers that are in default of their payments under section 8.1 or section 8.2, and shall indicate any payments made by each of the defaulting Participating

Producers during the previous four quarters (ending June 30, September 30, December 31, and March 31);

- (h) the Trustee shall notify the Province of any default in payment under section 8.1 or 8.2; and
- (i) the Province shall have rights to audit, at the Province's cost, acting reasonably, to be recovered from the defaulting Participating Producer, records of the Trustee related to any default by a Participating Producer.

8.5 Draft Indenture by April 30, 2017. The Participating Producers shall by April 30, 2017

- (a) provide to the Province draft terms of a Trust indenture or agreement applicable to the Trust required by section 8.3 for approval of the Province and the Province, may require changes reasonably necessary to give effect to the intent of this Article, and
- (b) designate a Trustee approved by the Province acting reasonably;

8.6 Deadline for Trust being established. The Participating Producers must establish the Trust on terms approved by the Province by no later than June 30, 2017, and shall within 7 days of establishing the Trust, provide the Province with information related to the Trust and do all things necessary for the Province to register a security interest under the *Personal Property Security Act*, R.S.B.C. 1996, c. 359 over the Trust.

8.7 Amendments. If any Party determines that additional agreements or amendments to this Article are required to achieve the intention of the Parties under this Article, the Parties shall meet to negotiate further changes.

8.8 Limitation on Liability. Despite any other provision in this Agreement, if the payments made by the Trustee to the Province under section 8.4(f)(i) are less than the amounts invoiced by the Province under this Agreement, the liability of each Participating Producer shall be limited to the following:

- (a) in respect of the Cash Amount for 2016 owing by March 31, 2017, \$5 per tonne multiplied by the Residential Production Volume for that Participating Producer for calendar year 2016, less any amounts that the Newspaper Representative reports to the Province as having been paid in respect of the Cash Amount for 2016 on behalf of that Participating Producer and which has been paid to the Province;
- (b) in respect of each of the amounts owing by March 31 of 2018, 2019 and 2020 under sections 3.1, 4.1, 4.2 and 5.1, the total of:
 - (i) the greater of:
 - (A) \$45 multiplied by the Residential Production Volume for that Participating Producer during the calendar year (2017, 2018 or 2019) for which the Participating Producers have not paid the amounts owing under sections 3.1, 4.1, 4.2. or 5.1 (the "Relevant Calendar Year"), or
 - (B) the total of

- (1) \$5 per Tonne multiplied by the Residential Production Volume for that Participating Producer during the Relevant Calendar Year, plus
- (2) the Adjusted Province Cash Advertising Amount for that Participating Producer during the Relevant Calendar Year; and

(ii) the greater of:

- (A) one third of \$40 multiplied by the Residential Production Volume for that Participating Producer during the calendar year 2016, or
- (B) one third of the Adjusted Province Cash Advertising Amount for that Participating Producer during the period from October 1, 2016 to December 31, 2016,

less any amounts that the Trustee has reported to the Province as having been paid to it by the Participating Producer in respect of amounts owing as of that March 31, and which has been paid to the Province;

(c) in respect of amounts owing by March 31, 2021 under Section 3.1 and 4.1 for 2020, the greater of:

- (i) \$45 multiplied by the Residential Production Volume for that Participating Producer during the calendar year 2020; or
- (ii) the total of
 - (A) \$5 per Tonne multiplied by the Residential Production Volume for that Participating Producer during 2020, plus
 - (B) the Adjusted Province Cash Advertising Amount for that Participating Producer during 2020,

less any amounts that the Trustee has reported to the Province as having been paid to it by the Participating Producer in respect of amounts owing as of March 31, 2021, and which has been paid to the Province; and

(d) in respect of amounts owing by March 31, 2022, in respect of the amounts owing for 2021 under section 4.1, the greater of:

- (i) \$40 multiplied by the Residential Production Volume for that Participating Producer during the calendar year 2021, or
- (ii) the Adjusted Province Cash Advertising Amount for that Participating Producer during 2021;

less any amounts that the Trustee has reported to the Province as having been paid to it by the Participating Producer in respect of amounts owing as of that March 31, 2021 and which has been paid to the Province.

- 8.9 Limitation. For greater certainty, the limitations of liability referred to in section 8.8 do not apply to obligations under section 7.9 and 7.10 or that arise under any approved Newspaper Plan separate from compliance with this Agreement.
- 8.10 Additional Security. The Province may require, acting reasonably, any Participating Producer that is in default of a payment to the Trustee under sections 8.1 or 8.2, to establish an amount of security (in favour of the Trustee and the Province) in a form specified by the Province and in an amount based on projected maximum liabilities that may accrue to that Participating Producer under this Agreement in the next 12 months, and upon demand by the Province, the Participating Producer shall establish the amount as security within 12 months, provided that the obligation to meet this requirement does not cause the Participating Producer to breach a bona fide contractual arrangement with a lender, and is otherwise in accordance with law. Such security will be reviewed by the Province annually and the Province may require adjustments based on estimates of recurring liabilities. In the event of a Participating Producer being in default, the Province may request an audit of Trustee records related to the defaulting Participating Producer and specifically related to the defaulting Participating Producer's obligations under this Agreement
- 8.11 Severable Liability. The Liability of the Participating Producers under sections 3.1, 4.1, 4.2, 5.1 [*Cash Amount, VIK Advertising Amount, VIK Carryover, 2016 Amount*] shall be several. Any other liability arising under this Agreement shall also be several to the extent that the Province or an arbitrator can determine the liability as several and assignable to individual Participating Producers. If such liability is not determinable on a several basis, then the Participating Producers shall share such liability on a pro rata basis according to the Residential Production Volume for each Participating Producer for the period in question.
- 8.12 Steps to ensure Compliance. Participating Producers as a collective shall take reasonable steps possible to ensure that each Participating Producer remains a party to this Agreement and meets its several obligations under this Agreement

ARTICLE 9 Allocation of Tonnes

- 9.1 Allocation. If one or more Participating Producers obtain approval from the Director for the Newspaper Plan or retain an agent for the implementation of the Newspaper Plan, and that plan includes an arrangement under which amounts of newsprint collected by MMBC Recycling Inc. are considered to contribute to the recovery rate that is achieved by the Newspaper Plan, the Province agrees that, subject to the Regulation and the terms of the Newspaper Plan, those Participating Producers may include such tonnes in calculating the recovery rate achieved by that plan.

ARTICLE 10 Representations and Warranties

- 10.1 Representations and Warranties as of Execution. As at the date this Agreement is executed and delivered by, or on behalf of an Original Producer, or a Notice of Accession is executed by an Acceding Producer, that Participating Producer represents and warrants to the Province as follows:

- (a) Except to the extent the Participating Producer has previously disclosed otherwise in writing to the Province, all information, statements, documents and reports furnished and submitted by the Participating Producer to the Province in connection with this Agreement are in all material respects true and correct.
- (b) If the Participating Producer is an Original Producer, Schedule B contains a complete and accurate description of:
 - (i) the trade names of all newspapers and magazines for which that Original Producer is the producer under the Regulation;
 - (ii) each Affiliate of the Original Producer which is a producer of a newspaper or magazine under the Regulation;
 - (iii) for each Affiliate referred to in subparagraph (ii), the trade names of all newspapers and magazines for which the Affiliate is the producer under the Regulation

provided that if a Participating Producer does not identify one or more Affiliates or publications of such Affiliates in Schedule B, that Participating Producer does not breach this section 10.1 if within 60 days of the Commencement Date those Affiliates become Acceding Producers;

- (c) If the Participating Producer is an Acceding Producer, its Notice of Accession contains a complete and accurate description of:
 - (i) the trade names of all newspapers and magazines for which that Acceding Producer is the producer under the Regulation;
 - (ii) each Affiliate of the Acceding Producer which is a producer of a newspaper or magazine under the Regulation
 - (iii) for each Affiliate referred to in subparagraph (ii), the trade names of all newspapers and magazines for which the Affiliate is the producer under the Regulation.
- (d) The Participating Producer is the owner of the Affiliates referred to in paragraphs (b) and (c).
- (e) No Event of Default has occurred and is continuing in relation to the Participating Producer.
- (f) The Participating Producer has the power and capacity to enter into this Agreement and to observe, perform and comply with the terms of this Agreement and all necessary corporate or other proceedings have been taken and done to authorize the execution and delivery of this Agreement by, or on behalf of, the Participating Producer.
- (g) This Agreement has been legally and properly executed by, or on behalf of, the Participating Producer and is legally binding upon and enforceable against the Participating Producer in accordance with its terms except as enforcement may be limited by bankruptcy, insolvency or other laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.

- 10.2 Representations and Warranties as of Reporting Dates. As of the date each Participating Producer provides or causes to be provided on its behalf information to the Province under Article 7, that Participating Producer represents and warrants to the Province all such information, statements, documents and reports furnished and submitted by the Participating Producer or on behalf of the Participating Producer to the Province is materially true, accurate and complete.

ARTICLE 11 Changes in Producers

- 11.1 Duty to Ensure Change in Producers Does Not Diminish Newspapers Covered by Agreement. If a Participating Producer, or an Affiliate of a Participating Producer, divests itself of a newspaper brand listed in Schedule B or in that producer's Notice of Accession, or of a newspaper brand which the Participating Producer has included in calculating its Residential Production Volume, or any other change occurs such that a Participating Producer, or Affiliate of it, is no longer a producer under the Regulation for such a newspaper, that Participating Producer must:
- (a) notify the Province of the change; and
 - (b) take all commercially reasonable measures to cause the person who becomes the producer under the Regulation in relation to that newspaper to become a Participating Producer or Affiliate of a Participating Producer.
- 11.2 Advertising Deemed to be Purchased from Participating Producer. For the purposes of the definition of Adjusted Province Cash Advertising Amount, amounts Paid in Cash for Advertising in a newspaper (or in electronic media using a newspaper brand) listed in Schedule B, listed in a Producer's Notice of Accession, or previously included in a Participating Producer's calculation of Residential Production Volume, will be deemed to be purchased from a Participating Producer.
- 11.3 List of Affiliates and Publications to Be Kept Current. Each Participating Producer agrees to notify the Province of any changes to the information referred to in section 10.1(b) or section 10.1(c) and upon such change will provide the Province with an updated report in the form specified in Appendix B.

ARTICLE 12 Events of Default

- 12.1 Events of Default. A Party commits an event of default if:
- (a) it is a Participating Producer and it is in material breach of an obligation under this Agreement owed by that Participating Producer that is not owed by other Participating Producers, and such breach is not cured within ten (10) days of written notice of such breach by the Province to the Newspapers' Representative and all Participating Producers;
 - (b) the collectivity of Participating Producers is in material breach of an obligation owed by the collectivity of Participating Producers under this Agreement, and such breach is not cured within ten (10) days of written notice of such breach by the Province to the Newspapers' Representative and all Participating Producers;

- (c) a representation or warranty made by it pursuant to Article 10 proves to have been misleading or false in any material respect;
 - (d) it knowingly or negligently provides false or misleading information.
- 12.2 Remedies for Events of Default by a Participating Producer. If one or more Participating Producers commits an Event of Default, then the Province may:
- (a) terminate those Participating Producers' participation in this Agreement, in which case those producers shall, despite the definition of "Participating Producer", be no longer Participating Producers;
 - (b) exercise any or all other remedy or remedies available at equity or common law, including a claim in damages.
- 12.3 Remedies for Events of Default by Participating Producers. If the collectivity of all Participating Producers commits an Event of Default, then the Province may:
- (a) terminate this Agreement by notice to all Participating Producers;
 - (b) exercise any or all any other remedy or remedies available at equity or common law, including a claim in damages.
- 12.4 Remedies for Events of Default by Province. If the Province commits an Event of Default, then the Participating Producers may exercise any or all of the following remedies:
- (a) the Participating Producers may terminate this Agreement by notice from each Participating Producer to the Province;
 - (b) any other remedy or remedies available at equity or common law, including a claim in damages.

ARTICLE 13 Term and Termination

- 13.1 Effective Only on Execution by Original Producers. This Agreement is of no force and effect unless it is duly executed by each of the entities named on page 1.
- 13.2 Term. This Agreement commences on the Commencement Date and expires on the date all of the Parties have completed the performance of their obligations associated with the payment of refunds pursuant to Article 4, unless terminated earlier by mutual consent of the Parties or pursuant to sections 12.2, 12.3, or 12.4.
- 13.3 Bound for Term. Subject to sections 12.2, 12.3, and 12.4, the Parties agree that each Participating Producer will be bound to the Agreement for the full term of the Agreement and that withdrawal from the Agreement by a Participating Producer will not be effective unless:
- (a) made with the consent of the Province,

- (b) that Participating Producer has an Alternate Approved Stewardship Plan, or has retained an agent for the implementation of that agent's Alternate Approved Stewardship Plan, and
 - (c) the Newspaper either directly or through its agent has commenced implementing the Alternate Approved Stewardship Plan.
- 13.4 Survival. Article 1 [*Interpretation*], Article 10 [*Representations and Warranties*], section 13.4 [*Survival*], Article 15 [*Dispute Resolution*], section 18.15 [*Notice*], and section 18.17 [*Confidentiality*] survive termination of this Agreement.

ARTICLE 14 **Force Majeure**

- 14.1 Force Majeure. No Party will be liable to any other Party for any failure or delay in fulfilling an obligation hereunder if said failure or delay is attributable to a fire, act of God, war, riot, civil disturbance, or court of any order or action of any level of government, including any order or action of a statutory decision maker under any provincial, federal or local legislation, beyond such party's reasonable control, but not including an action of the Province ("Force Majeure"). The deadline for fulfilling the obligation in question will be extended for a period of time equal to that of the continuance of the Force Majeure. The Party to which the Force Majeure applied will use all commercially reasonable efforts to minimize the effects of the Force Majeure on its performance under this Agreement.

ARTICLE 15 **Dispute Resolution**

- 15.1 Dispute Resolution. Any dispute between the Parties that relates to the validity, construction, meaning, performance or effect of this Agreement or the rights or liabilities of the parties or any matter arising out of, of in connection with this Agreement, excluding any dispute involving the exercise of authority by the Director under the Regulation or the *Environmental Management Act*, S.B.C. 2003, c. 53 (a "Dispute") must be addressed as follows:
- (a) The Parties, acting reasonably, will first attempt to resolve the Dispute as follows:
 - (i) the Newspapers' Representative, within 5 business days of any party giving notice to the other parties invoking this section 15.1, will nominate no fewer than two and no more than three representatives of the Participating Producers;
 - (ii) the Province, within 5 business days of any party giving notice to the other parties invoking this section 15.1, will nominate an equal number of representatives;
 - (iii) those representatives will meet and work together in good faith to attempt to resolve the Dispute within 15 business days of any party giving notice to the other parties invoking this section 15.1, or as otherwise agreed upon;
 - (iv) if the representatives of the Province and the Participating Producers are able to resolve the issue to their satisfaction by the expiry of the time referred to in paragraph (iii), those representatives will, by the expiry of those days, prepare a report to all Participating Producers describing the proposed resolution and the

Province will within 2 business days of such report being completed to the satisfaction of the representatives, provide a copy of the report to the Newspapers' Representative, and

- (v) the Newspapers' Representative will, within 5 business days of receiving a copy of the report referred to in paragraph (iv), respond by giving the Province written notice of whether the Participating Producers accept or reject the proposed resolution;
- (b) If the Dispute is not resolved under paragraph (a), a Participating Producer rejects the proposed resolution, or the dispute is otherwise not resolved within 25 business days of any party giving notice to the other parties invoking this section 15.1, then any Party may escalate the Dispute to non-binding third party mediation under the rules of the Mediate BC Society.
- (c) If the Dispute remains unresolved within 45 days from the time at which a Party gave notice requesting non-binding third party mediation, any Party may escalate the Dispute by giving notice to the other Parties referring the matter to private and confidential binding arbitration, to the exclusion of courts of law. The arbitration must take place before a single arbitrator in Vancouver, British Columbia in the English language, and shall otherwise be undertaken under the *Arbitration Act*, R.S.B.C. 1996, c. 55.
- (d) Unless the Parties otherwise agree in writing, or in the case of an arbitration, the arbitrator otherwise orders, the Parties will share equally the costs of a mediation or arbitration under this section, other than those costs relating to the production of expert evidence or representation by counsel, such costs being the responsibility of each respective Party.
- (e) Notwithstanding anything to the contrary in this section, any Party may start litigation proceedings in a court of law at any time for an application for interim equitable relief. The Parties will have no other recourse to the courts other than to obtain interim equitable relief, pending the outcome of dispute resolution process described in paragraphs 15.2(a) to (d). The Parties may seek to set aside, or judicially review any arbitral award in accordance with the *Arbitration Act*.

ARTICLE 16

Accession to the Agreement

- 16.1 Application for Accession. Any newspaper producer who is not a Participating Producer (an "Applicant") may apply to become a Participating Producer by submitting a fully completed Notice of Accession executed by it to the Newspapers' Representative.
- 16.2 Newspapers May Insist on Reasonable Parallel Agreement. The Participating Producers may, as a condition of causing the Newspapers' Representative to execute and deliver a Notice of Accession in relation to an Applicant, require the Applicant to enter into an agreement with the Participating Producers regarding the sharing of responsibilities under this Agreement amongst Participating Producers, provided that such agreement is reasonable and allocates responsibilities and liabilities among Participating Producers in a manner that is fair and reasonable, taking into consideration the Applicant's Residential Production Volume and the amount of Advertising for which the Provincial Entities Pay in Cash from the applicant and its

Affiliates. If the Participating Producers choose to cause the Newspapers' Representative to not execute a Notice of Accession unless the Applicant enters into such an agreement, the Participating Producers must cause the Newspapers' Representative, within 5 business days of an application being received under section 16.1, to provide

(a) to the Applicant:

- (i) the terms of such agreement
- (ii) an irrevocable offer to enter into that agreement, such offer to remain open for 30 days; and

(b) to the Province, a copy of the terms and offer referred to in paragraph (a).

16.3 Delivery of Notice of Accession. The Participating Producers will cause the Newspapers' Representative to deliver to the Province a Notice of Accession executed by an Applicant and the Newspapers' Representative within 5 business days of the Applicant accepting in writing delivered to the Newspapers' Representative the offer referred to in section 16.2(a)(ii), or if such agreements are not required by the Participating Producers, within 5 days of the application under section 15.1.

16.4 Accession. Upon delivery by the Province to the Newspapers' Representative and the Applicant of a completed Notice of Accession executed by the Applicant, the Newspapers' Representative and the Province, the Applicant will become a Participating Producer. The Province will execute such Notice of Accession within 10 business days of delivery to it of the Notice under section 16.3.

16.5 Newspapers to Provide Agreements to Province. The Participating Producers will, within 5 business days of a request from the Province to the Newspapers' Representative, cause the Newspaper's Representative to provide the Province with all agreements amongst Participating Producers that relate to allocation and sharing among Participating Producers of responsibilities under, and risk related to, this Agreement.

16.6 Liabilities Accrue on Accession. If a person accedes to this Agreement under this Article 16:

- (a) the Participating Producers will, within 60 days of the Acceding Producer acceding to this Agreement, pay an amount equal to the difference between the total amounts which have become due and owing to the Province under Article 3 and Article 4, up to and including the date the Acceding Producer becoming a Participating Producer, and what those amounts would have been if the Acceding Producer had been an Original Producer;
- (b) the Acceding Producer will, within 60 days of acceding to this Agreement, provide the information required by Article 7 in respect of any relevant periods prior to the producer becoming a Participating Producer;
- (c) for the purposes of determining the obligations of the Participating Producers after the date of accession, the Residential Production Volume of the Acceding Producer for the year that it accedes to this agreement will be the Residential Production Volume for the entire calendar year.

- 16.7 Plan to On-Board Newspaper Producers. Participating Producers will work with the Province to develop and implement a plan to cause other independent newspaper producers in British Columbia to

- (a) accede to this Agreement,
- (b) enter into similar arrangements with the Province; or
- (c) otherwise become compliant with the Regulation,

and will agree in such a plan to take all reasonable steps in furtherance of the goal of ensuring compliance with the Regulation by all newspaper publishers in British Columbia, including jointly (Province and Participating Producers) engaging with independent newspapers to encourage compliance with the Regulation.

ARTICLE 17 **Newspaper Plan**

- 17.1 Compliance Options. With respect to the collection of PPP, each Participating Producer will:

- (a) obtain approval for and implement an Alternate Approved Stewardship Plan;
- (b) retain an agent for the implementation of an Alternate Approved Stewardship Plan; or
- (c) work to obtain approval of a Newspaper Plan as contemplated in this Article.

- 17.2 Newspaper Plan Document May Include Second Phase. The Newspaper Plan will provide for collection during an initial phase ("Phase One") using the existing PPP residential collection system. The Newspaper Plan document may include discussions of the Participating Producers' intent to develop a second phase that provides for Participating Producers collecting PPP in relation to which they or Affiliates are producers ("Phase Two"), with amendments needed to the Newspaper Plan before Phase Two becomes an approved stewardship plan. For the purposes of this Agreement, Phase Two shall not be considered to be part of the Newspaper Plan and shall be considered an Alternate Approved Stewardship Plan if approved.

- 17.3 Timelines for Approval by September. The Parties will work towards approval by the Director of a Newspaper Plan by September 1, 2017. The Participating Producers acknowledge that approval may only be given if the Director determines that a plan meets regulatory requirements, including, but not limited to, the criteria in section 5 of the Regulation, and that nothing in this Agreement or done pursuant to the Agreement, fetters the Director in exercising the Director's discretion. In support of obtaining such approval:

- (a) The Participating Producers have provided the Province with a draft outline of their draft Newspaper Plan for PPP produced by the Participating Producers;
- (b) The Province and the Participating Producers will exchange comments and draft plans between the Commencement Date and April 30, 2017, for the purpose of having a plan that Ministry of Environment staff consider to meet the criteria in section 5 of the Regulation by April 30, 2017;

- (c) The Participating Producers will not begin consultation on the draft plan prior to May 22nd, 2017, and provided that the Province advises that a draft Newspaper Plan is sufficiently developed for consultation, the Participating Producers will begin consultation no later than June 15, 2017;
 - (d) The Participating Producers will provide a final draft Newspaper Plan for consideration for approval, in relation to Phase One, by the Director by July 31, 2017;
 - (e) The Participating Producers will comply with all other plan submission requirements, including satisfactory consultation with stakeholders prior to submission of the Newspaper Plan for approval by the Director; and
 - (f) Should the Participating Producers opt to pursue approval of Phase Two, the Parties will review, develop and work towards development of a new plan, or amendments to the existing approved plan, for consideration by the Director for approval in a manner similar to the above.
- 17.4 MMBC Activities. The Province will request from the agent of other producers of PPP that funds or operates the existing PPP residential collection system (MMBC Recycling Inc.) a confirmation of the activities that it will undertake pursuant to its approved stewardship plan that relate to the criteria for approval of the Participating Producers' draft stewardship plan.
- 17.5 Director May Require Additional Activities. The Participating Producers acknowledge that nothing in this Agreement fetters the discretion of the Director in approving the Newspaper Plan, and that the Director may, in order to make a determination that the Newspaper Plan meets regulatory requirements, require that the Newspaper Plan provide for matters not contemplated by this Agreement or contemplated in arrangements between MMBC Recycling Inc. and the Province or between the Province and Participating Producers as it relates to activities carried out by MMBC Recycling Inc. If a decision of the Director substantially impacts the costs of one or more Participating Producers, the Province will, at the request of the Newspaper's Representative, meet with the Participating Producers to discuss whether any changes to this Agreement may be necessary.

ARTICLE 18

Miscellaneous

- 18.1 No Fettering. Nothing in this Agreement is intended to fetter statutory decision makers or require the Province to make recommendations to the Director or other statutory decision makers based on considerations that are irrelevant or improper under the Regulation or relevant enactment. The Participating Producers acknowledge that decisions of the Director in relation to the imposition of penalties for non-compliance or decisions by crown counsel are decisions made by independent statutory decision makers and that nothing in this Agreement fetters such discretion.
- 18.2 Newspapers' Representative. The Participating Producers hereby designate the Canadian News Media Association as their agent and representative for receiving invoices and reports under Article 6, executing Notices of Accession on behalf of Participating Producers, providing notice on behalf of all Participating Producers to the Province, paying the Cash Amount for 2016, receiving notice to Participating Producers from the Province under this Agreement and doing or

receiving anything where this Agreement contemplates a thing being done or a thing being received by the Newspapers' Representative. Participating Producers may change the Newspapers' Representative by having all Participating Producers designate a new Newspapers' Representative.

- 18.3 Entire Agreement. This Agreement, together with the Agreement in the form of Schedule C, constitutes the entire agreement between the Parties in respect of the subject matter hereof and cancels and supersedes any prior commitments, understandings and agreements between the Parties with respect thereto, including the B.C. Participating Producers Recycling Plan Letter of Intent dated March 1, 2017, all of which become null and void from the date this Agreement is signed. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the Parties regarding the subject matter hereof, other than as expressly set forth in this Agreement and the Agreement in the form of Schedule C. Agreements in the Form of Schedule C are only relevant in relation to the obligations of the Participating Producers amongst themselves and nothing stated or implied in those agreement is relevant for the purposes of interpreting this Agreement.
- 18.4 Assignment. No Party may assign any of its rights, or delegate any of its obligations, under this Agreement without the prior written consent of the other Parties, such consent not to be unreasonably withheld. Any purported assignment or delegation in breach of this restriction is void.
- 18.5 Third Party Beneficiaries. This Agreement is solely for the benefit of the Parties and their respective successors and permitted assigns, and this Agreement will not be deemed to confer upon or give to any other person any claim or other right or remedy.
- 18.6 Enurement. This Agreement will enure to the benefit of and be binding upon the respective heirs, executors, administrators, other legal representatives, successors and permitted assigns of the Parties.
- 18.7 Amendment. This Agreement may only be amended by written agreement duly executed by authorized representatives of the Parties.
- 18.8 Severability. If any provision of this Agreement is determined to be illegal, invalid or unenforceable by an arbitrator or any court of competent jurisdiction, that provision will be severed from this Agreement and the remaining provisions will remain in full force and effect.
- 18.9 Governing Law and Dispute Forum. This Agreement is governed by and will be construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein. For the purpose of all legal proceedings, this Agreement will be deemed to have been performed in the Province of British Columbia and the courts of the Province of British Columbia will have jurisdiction to entertain any action arising under this Agreement. Each of the Parties attorns to the non-exclusive jurisdiction of the courts of the Province of British Columbia.
- 18.10 Remedies Cumulative. The rights and remedies of the parties under this Agreement are cumulative and are in addition to, and not in substitution for, any other rights and remedies available at law or in equity or otherwise. No single or partial exercise by a Party of any right or remedy precludes or otherwise affects the exercise of any other right or remedy to which that Party may be entitled.

- 18.11 Waivers. No waiver of any breach of any provision of this Agreement will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided, will be limited to the specific breach waived.
- 18.12 Timing. Time is of the essence of this Agreement and of every part hereof and no extension or variation of this Agreement will operate as a waiver of this provision.
- 18.13 Independent Legal Advice. The Original Producers and the Province each acknowledge that this Agreement was a product of joint negotiation and both the Original Producers and the Province have obtained their own independent legal advice with respect to the terms of this Agreement prior to its execution. Each Acceding Producer acknowledges that it has been advised that it should obtain independent legal advice as to the terms of this agreement.
- 18.14 Counterparts. This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original and all of which taken together will be deemed to constitute one and the same instrument.
- 18.15 Delivery of Notices. The Province may deliver notice to the Participating Producers under this Agreement, other than notice under Article 12 [*Events of Default*], by delivering such notice to the Newspapers' Representative as set out in this Agreement. Notice under this Agreement provided to the Province on behalf of all Participating Producers must be delivered by the Newspapers' Representative.

Any notice contemplated by this Agreement, to be effective, must be in writing and delivered as follows:

- (a) by fax to the addressee's fax number specified below (for Original Producers), or on the Notice of Accession under Article 16 (for Acceding Producers), in which case it will be deemed to be received on the day of transmittal unless transmitted after the normal business hours of the addressee or on a day that is not a business day, in which cases it will be deemed to be received on the following business day;
- (b) by hand to the addressee's address specified below (for Original Producers), or on the Notice of Accession under Article 16 (for Acceding Producers), in which case it will be deemed to be received on the day of its delivery; or
- (c) by prepaid post to the addressee's address specified below (for Original Producers), or on the Notice of Accession under Article 16 (for Acceding Producers), in which case if mailed during any period when normal postal services prevail, it will be deemed to be received on the fifth business day after its mailing.
- (d) by email to the email address specified below (for Original Producers), or on the Notice of Accession under Article 16 (for Acceding Producers), provided that receipt of such email is acknowledged (other than by automatic notification).

The Province

Mailing Address:

Attention Deputy Minister

Ministry of Environment (or such other Ministry responsible for the Recycling Regulation)

PO Box 9339 Stn Prov Govt

5th Floor, 2975 Jutland Road

Victoria, B.C. V8W 9M1

Facsimile:

250 387-6003

Email:

ENV.Mail@gov.bc.ca

The Newspapers' Representative

Mailing Address:

Canadian News Media Association

c/o Mr. John Hinds

37 Front Street

Suite 200

Toronto, Ontario

M3E 1B3

Facsimile:

1-416-923-7206

Email:

jhinds@newsmediacanada.ca

Black Press Ltd.

Mailing Address:

#310-5460 152nd Ave

Surrey, BC

V3S 5J9

Attention: Rick O'Connor, President/CEO

Facsimile:

604 575-5329

Email:

ricko@blackpress.ca

Glacier Media Inc.

Mailing Address:

Glacier Media Inc
c/o Mr. Orest Smysniuk, Chief Financial Officer
389 West 6th Ave.
Vancouver, B.C.
V5Y 1L1

Facsimile:

604 638-2453

Email:

osmysnuik@glaciermedia.ca

The Globe and Mail Inc.

Mailing Address:

The Globe and Mail
The Globe and Mail Centre
351 King Street East, Suite 1600
Toronto, ON M5A 0N1 Canada

Attention: Legal Department

Email:

legal@globeandmail.com

Postmedia Network Inc.

Mailing Address:

Post Media Network Inc.
Attention: Gord Fisher
1-200 Granville St.
Vancouver, B.C.
V6C 3N3

Facsimile:

604 605-2200

Email:

gfisher@postmedia.ca

Sing Tao Newspapers (Canada 1988) Limited.

Mailing Address:

Sing Tao Newspapers (Canada 1988) Limited
c/o Calvin Wong, President
8508 Ash St, Vancouver, BC V6P 3M2

Facsimile:

604 321-5578

Email:

calvinwong@singtao.ca

or to such other address as may be designated by notice given by any party to the others.

- 18.16 Further Assurances. Each of the Parties will from time to time execute and deliver all such further documents and instruments and do all acts and things as another Party may reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement or to consummate more effectively the transactions contemplated hereby.
- 18.17 Confidentiality. The parties agree that this Agreement contains confidential business information and agree that they will not disclose this Agreement or the contents of this Agreement except
- (a) with the written consent of the other Parties;
 - (b) if required by law, under the *Freedom of Information and Protection of Privacy Act*, R.S.B.C. 1996, c. 165; or
 - (c) in connection with legal proceedings relating to this Agreement.

- 18.18 Appropriation. The Province's obligation to pay money to the Participating Producers is subject to the *Financial Administration Act*, R.S.B.C. 1996, c. 138, which makes that obligation subject to an appropriation being available in the fiscal year of the Province during which payment becomes due. The Province undertakes to use its best efforts to obtain the necessary appropriation in accordance with the Province's financial obligations in this Agreement.

SIGNED on behalf of

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA:

By its duly authorized signatory this 3rd day of April, 2017

Wes Shoemaker

Name of Signatory

Deputy Minister

Title

W. Shoemaker

Signature

SIGNED on behalf of

BLACK PRESS GROUP LTD.:

By its duly authorized signatory this ____ day of _____, 20__

Name of Signatory

Title

Signature

SIGNED on behalf of
GLACIER MEDIA INC.:

By its duly authorized signatory this ____ day of _____, 20__

 Name of Signatory

 Title

 Signature

SIGNED on behalf of
THE GLOBE AND MAIL INC.:

By its duly authorized signatory this ____ day of _____, 20__

 Name of Signatory

 Title

 Signature

- 18.18 Appropriation. The Province's obligation to pay money to the Participating Producers is subject to the *Financial Administration Act*, R.S.B.C. 1996, c. 138, which makes that obligation subject to an appropriation being available in the fiscal year of the Province during which payment becomes due. The Province undertakes to use its best efforts to obtain the necessary appropriation in accordance with the Province's financial obligations in this Agreement.

SIGNED on behalf of

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA:

By its duly authorized signatory this ____ day of _____, 20__

Name of Signatory

Title

Signature

SIGNED on behalf of

BLACK PRESS GROUP LTD.:

By its duly authorized signatory this 2 day of April, 2017

RICK O'CONNOR

Name of Signatory

PRESIDENT / CEO

Title

[Signature]

Signature

SIGNED on behalf of
GLACIER MEDIA INC.:

By its duly authorized signatory this 31st day of MARCH 2017

Orest Smyshuk

Name of Signatory

CEO

Title

Signature

SIGNED on behalf of
THE GLOBE AND MAIL INC.:

By its duly authorized signatory this ____ day of _____, 20__

Name of Signatory

Title

Signature

SIGNED on behalf of
GLACIER MEDIA INC.:

By its duly authorized signatory this ____ day of _____, 20__

Name of Signatory

Title

Signature

SIGNED on behalf of
THE GLOBE AND MAIL INC.:

By its duly authorized signatory this 3rd day of April, 2017

JOHN PHILLIP CRAWLEY
Name of Signatory

PUBLISHER AND CEO

Title

JPCrawley
Signature

SIGNED on behalf of
POSTMEDIA NETWORK INC.:

By its duly authorized signatory this 3rd day of April, 2017

Gordon Fisher.

Name of Signatory

GORDON FISHER

LEVP POSTMEDIA.

Title

Craig Barnard

Signature

SVP Postmedia.
Craig Barnard.

SIGNED on behalf of
SING TAO NEWSPAPERS (CANADA 1988) LIMITED:

By its duly authorized signatory this ____ day of _____, 20__

Name of Signatory

Title

Signature

SIGNED on behalf of
POSTMEDIA NETWORK INC.:

By its duly authorized signatory this ____ day of _____, 20__

Name of Signatory

Title

Signature

SIGNED on behalf of
SING TAO NEWSPAPERS (CANADA 1988) LIMITED:

By its duly authorized signatory this 2nd day of April, 2017

CALVIN WONG

Name of Signatory

Title

President

Title

Signature

W, H L

Signature

Schedule A
Calculation of Volumes Discarded through Residential Waste Stream

For the purposes of the definition of "Discarded through the Residential Waste Stream"

- 1) Subject to paragraph 3 of this Schedule, the following amounts will be considered to not be "Discarded through the Residential Waste Stream:"
 - a. any amount of PPP that is not distributed after printing or production;
 - b. any amount of PPP that is distributed to commercial vendors, or newspaper boxes, and is subsequently collected by Participating Producers or their Affiliates without having been sold or further distributed;
 - c. any amount of PPP that is distributed to hotels or motels (not including residential premises in which rooms are let) for guests;
 - d. any amount of PPP that is distributed to subscribers located in office buildings (not including amounts distributed to commercial vendors or newspaper boxes located in office buildings);
 - e. any amount of PPP that is distributed by hand for free to persons entering Skytrain stations (not including amounts distributed to commercial vendors or newspaper boxes); and
 - f. any amount of PPP that is distributed to airlines or railway companies for distribution to their customers during travel.

- 2) Subject to paragraph 3 of this Schedule, any amounts of PPP not referred to in paragraph 1 of this Schedule will be considered to be "Discarded through the Residential Waste Stream." For greater certainty this includes:
 - a. any amount of PPP delivered to residential premises; and
 - b. any amount of PPP distributed to commercial vendors or newspaper boxes, other than amounts that are subsequently collected by Participating Producers or their Affiliates without having been sold or further distributed.

- 3) If Participating Producers can demonstrate to the satisfaction of the Province through objective evidence (such as waste surveys prepared by third party independent professionals) acceptable to the Province, that the amount that is considered to be Discarded through the Residential Waste Stream under paragraph 2 is an over estimate of the total amount of PPP that is either
 - a. discarded as trash at residential premises or public spaces (i.e. not commercial, institutional or industrial locations) in British Columbia, or
 - b. collected for recycling from residential premises or public spaces in British Columbia,
 the Province agrees to make such adjustments to the assumptions in paragraph 1 and 2 that it considers to be demonstrably justified.

- 4) If the Province can reasonably demonstrate through objective evidence (such as waste surveys prepared by third party independent professionals) that the amount that is considered to be Discarded through the Residential Waste Stream under paragraph 2 is an under-estimate of the total amount of PPP that is
- a. discarded as trash at residential premises or public spaces (i.e. not commercial, institutional or industrial locations) in British Columbia, and
 - b. collected for recycling from residential premises or public spaces in British Columbia,
- the Participating Producers agree that the Province may make reasonable, demonstrably justified, adjustments to the assumptions in paragraphs 1 and 2.
- 5) Amounts referred to in paragraph 2 shall be subject to audit by third party independent professionals using, if applicable, any methodologies reasonably specified by the Province.

Schedule B
Newspapers for Which Original Producers or Affiliates are Producers

Postmedia Network Inc.

Trade names of all newspapers and magazines for which Postmedia Network Inc. is the producer under the Regulation:

Trade name of newspaper
The Vancouver Sun
The Province
National Post

Each Affiliate of Postmedia Network Inc. which is a producer of a newspaper or magazine under the Regulation together with, for each Affiliate, the trade names of all newspapers and magazines for which the Affiliate is the producer under the Regulation:

NONE

The Globe and Mail Inc.

Trade names of all newspapers and magazines for which the Globe and Mail Inc. is the producer under the Regulation:

Trade name of newspaper
Globe and Mail

Each Affiliate of The Globe and Mail Inc. which is a producer of a newspaper or magazine under the Regulation together with, for each Affiliate, the trade names of all newspapers and magazines for which the Affiliate is the producer under the Regulation:

NONE

Black Press Group Ltd.

Trade names of all newspapers and magazines for which the Black Press Group Ltd. is the producer under the Regulation:

Trade name of newspaper
100 Mile House Free Press
Abbotsford News
Agassiz-Harrison Observer
Alberni Valley News
Aldergrove Star
Ashcroft-Cache Creek Journal
Barriere Star Journal
Bella Coola Coast Mountain News
Boulevard - Okanagan
Boulevard Chinese Edition
Boulevard Mid-Island
Boulevard Vancouver Edition
Boulevard Victoria
Boundary Creek Times
Burns Lake / Lakes District News
Campbell River Mirror
Canadian Grapes to Wine
Castlegar News
Chilliwack Progress
Clearwater Times
Cloverdale Reporter
Courtenay / Comox Valley Record
Cranbrook Daily Townsman
Cranbrook Kootenay News Advertiser
Creston Valley Advance
Duncan Cowichan Valley Citizen
Fernie Free Press
Fort St. James Caledonia Courier
Golden Star
Goldstream News Gazette
Grand Forks Gazette
Gulf Island Driftwood
Haida Gwaii Observer

Hope Standard
Houston Today
Indulge (Chinese/English)
Indulge Magazine
Invermere, The Valley Echo
Kelowna Capital News
Keremeos, The Review
Kimberley Daily Bulletin
Kitimat, Northern Sentinel
Ladysmith-Chemainus Chronicle
Lake Cowichan Gazette
Langley Advance
Langley Times
Maple Ridge-Pitt Meadows News
Mission City Record
Monday Magazine
N2K Magazine
Nakusp, Arrow Lakes News
Nanaimo News Bulletin
Nelson Star
North Delta Reporter
Northern Connector
Oak Bay News
Parksville/Qualicum Beach News
Peace Arch News, White Rock/South Surrey
Penticton Western News
Port Hardy, North Island Gazette
Prince Rupert, The Northern View
Princeton, The Similkameen Spotlight
Quesnel, Cariboo Observer
Real Estate Weekly Abbotsford
Real Estate Weekly Langley
Real Estate Weekly Surrey
Revelstoke Times Review
Rossland News
Saanich News
Salmon Arm Observer

Salmon Arm, Shuswap Market News
Sicamous, Eagle Valley News
Sidney, Peninsula News Review
Smithers, Interior News
Sooke News Mirror
Summerland Review
Surrey Now
Surrey, North Delta Leader
Terrace Standard
Tofino-Ucluelet Westerly News
Trail Daily Times
Vancouver Island Free Daily
Vanderhoof, Omineca Express
Vernon, Morning Star
Victoria News
Williams Lake Advisor
Williams Lake Tribune
Wine Trails
Winfield, Lake Country Calendar

Each Affiliate of Black Press Group Ltd. which is a producer of a newspaper or magazine under the Regulation together with, for each Affiliate, the trade names of all newspapers and magazines for which the Affiliate is the producer under the Regulation:

None.

Glacier Media Inc.

Trade names of all newspapers and magazines for which Glacier Media Inc. is the producer under the Regulation:

Trade name of newspaper
Business in Vancouver
Western Investor
Real Estate Weekly
Alaska Highway News
Pipeline News North
The Mirror
Northern Horizon
Prince George Citizen
Vancouver Courier
North Shore News
Burnaby Now
New Westminster Record
Richmond News
Delta Optimist
Tri-City News
Westender
Bowen Island Undercurrent
Squamish Chief
Whistler Question
Whistler Pique
Bridge River Lillooet News
Powell River Peak
Coast Reporter

Sing Tao Newspapers (Canada 1988) Ltd.

Trade names of all newspapers and magazines for which Sing Tao Newspapers (Canada 1988) Ltd. is the producer under the Regulation:

Trade name of newspaper
Sing Tao Daily
Sing Tao Real Estate Guide
Entertainment Insider
Sing Tao Weekly Magazine
Canadian City Post
Sing Tao Etel Directory

Each Affiliate of Sing Tao Newspapers (Canada 1988) Ltd. which is a producer of a newspaper or magazine under the Regulation together with, for each Affiliate, the trade names of all newspapers and magazines for which the Affiliate is the producer under the Regulation:

NONE.

Schedule C – Notice of Accession

In this Notice of Accession,

“Agreement” means the Agreement amongst Her Majesty the Queen in Right of the Province of British Columbia and certain producers of newspapers, a copy of which is attached as an Annex to this Notice (the “Agreement”); and

“Newspapers’ Representative” and “Participating Producer” have the meaning ascribed to those terms in the Agreement.

Part 1: to be completed by newspaper producer applying to become Participating Producer:

[Full Legal Name of
Person who is a Producer of Newspapers Distributed in BC], (the “Applicant”) hereby applies to accede to the Agreement and agrees to be bound by all the terms and conditions of the Agreement as a Participating Producer.

The Applicant represents and warrants that the following is a complete and accurate description of the matters set out in section 10.1(c) of the Agreement:

Trade names of all newspapers and magazines for which the Applicant is the producer under the Regulation:

Trade name of newspaper

Each Affiliate of the Applicant which is a producer of a newspaper or magazine under the Regulation together with, for each Affiliate, the trade names of all newspapers and magazines for which the Affiliate is the producer under the Regulation:

Name of Affiliate:
Trade name of Newspapers produced by Affiliate:

Name of Affiliate:
Trade name of Newspapers produced by Affiliate:

The Applicant acknowledges that it has been advised that it should obtain independent legal advice as to the terms and conditions of the Agreement prior to executing the Agreement, and expressly declares

- it has sought such legal advice. *[cross out and initial if not applicable]*
- it does not wish to obtain such legal advice. *[cross out and initial if not applicable]*

[Applicant must cross out and initial one of the above bullets.]

The Applicant's address for delivery of notice under the Agreement is as follows:

Mailing Address:

[**]

Facsimile

[**]

Email

[**]

Executed by _____

Name of Applicant

By its duly authorized signatory this ____ day of _____, 20__

Name of Signatory

Title

Signature

Part 2: to be completed by Newspapers' Representative

The Newspapers' Representative as agent for the Participating Producers hereby agrees that the Applicant hereby becomes a party to the Agreement and is bound to terms and conditions of the Agreement as a Participating Producer.

Executed by the **Newspapers' Representative** as agent for Participating Producers

By its duly authorized signatory this ____ day of _____, 20__

Name of Signatory

Title

Signature

Part 3: to be completed by Newspapers' Representative

Her Majesty the Queen in Right of British Columbia hereby agrees that the Applicant will become a party to the Agreement and be bound to terms and conditions of the Agreement as a Participating Producerp.

Executed by **Her Majesty the Queen in Right of British Columbia**, as represented by the
Minister of Environment,

By its duly authorized signatory this ____ day of _____, 20__

Name of Signatory

Title

Signature

**NB: Executed Agreement together with previous fully executed Notices of Accession to be
attached to the Notice as schedule**



Natural Resource Sector

**GOVERNMENT TRANSFER –
GRANT AGREEMENT**

Agreement #:

Project Title:

THIS AGREEMENT dated for reference the 31st day of March , 2016

BETWEEN

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF
BRITISH COLUMBIA, represented by the Minister of Environment (ENV)

(the "Province")

AND *Multi-Material BC (MMBC)*, a corporation incorporated pursuant to
the laws of British Columbia

(the "Recipient")

The parties to this Agreement agree as follows:

SECTION 1 - DEFINITIONS

1. Where used in this Agreement

- (a) "Financial Contribution" means the total aggregate value stipulated in Schedule B;
- (b) "Material" means all findings, data, reports, documents, records and material, (both printed and electronic, including but not limited to, hard disk or diskettes), whether complete or otherwise, that have been produced, received, compiled or acquired by, or provided by or on behalf of the Province to, the Recipient as a direct result of this Agreement, but does not include
 - I. personal Information which could reasonably be expected to reveal the identity of clients;
 - II. assets or other property owned or controlled by the Recipient;
- (c) "Project" means the project described in Schedule A;
- (d) "Services" means the services described in Schedule A;
- (e) "Term" means the duration of the Agreement stipulated in Schedule A;
- (f) "Third Party" means any person or entity or its officers, employees or agents, other than a party to this Agreement that is involved in the delivery of the Services.
- (g) "Refund" means any refund or remission of federal or provincial tax or duty available with respect to any items that the Province has paid for or agreed to pay for under this Agreement.

SECTION 2 - APPOINTMENT

The Recipient must carry out and complete the Project described in Schedule A and may use the Province's funding only for the purpose specified in Schedule A.

SECTION 3 - PAYMENT OF FINANCIAL CONTRIBUTION

Subject to the provisions of this Agreement, the Province must pay the Recipient the amount, in the manner, and at the times set out in Schedule B.

The Province has no obligation to make the Financial Contribution unless the Recipient has complied with the criteria set out in Schedule A.

The Province's obligation to make the Financial Contribution is subject to

- (a) sufficient monies being available in an appropriation, as defined in the *Financial Administration Act* ("FAA"), to enable the Province, in any fiscal year when any payment of money by the Province to the Recipient falls due pursuant to this Agreement, to make that payment; and
- (b) Treasury Board, as defined in the FAA, not having controlled or limited, pursuant to the FAA, expenditure under any appropriation referred to in subparagraph (a) of this paragraph.

The previous paragraph continues in force indefinitely, even after this Agreement expires or is terminated.

The Recipient is responsible for any Provincial Sales Tax (PST) and Goods and Services Tax (GST) and any other charges for which the Province has not expressly agreed to accept responsibility under the terms of this Agreement.

The Recipient must declare any amounts owing to the government under legislation or an agreement. Amounts due to the Recipient under this Agreement may be set-off against amounts owing to the government.

SECTION 4 - REPRESENTATIONS AND WARRANTIES

The Recipient represents and warrants to the Province, with the intent that the Province rely on it in entering into this Agreement, that

- (a) all information, statements, documents and reports furnished or submitted by the Recipient to the Province in connection with this Agreement are true and correct; and
- (b) the Recipient is not in breach of, or in default under, any law of Canada or of the Province of British Columbia applicable to or binding on it.

All representations, warranties, covenants and agreements made in this Agreement and all certificates, applications or other documents delivered by or on behalf of the Recipient are material, have been relied on by the Province, and continue in effect during the continuation of this Agreement.

Representation and Warranty of Government

The government of British Columbia represents and warrants to the Recipient that it has all necessary authority to execute, deliver and perform under this Agreement and to provide to the Recipient the monies described in Schedule B hereto.

SECTION 5 - INDEPENDENT RELATIONSHIP

No partnership, joint venture, agency or other legal entity is created by this Agreement or by any actions of the parties pursuant to this Agreement.

The Recipient is independent and neither the Recipient nor its servants, agents or employees are the servants, employees, or agents of the Province.

SECTION 6 - RECIPIENT'S OBLIGATIONS

The Recipient must

- (a) carry out the Services in accordance with the terms of this Agreement during the Term stated in Schedule A;
- (b) comply with the requirements set out in Schedule B, including all requirements concerning the use, application and expenditure of the payments provided under this Agreement;
- (c) comply with all applicable laws;
- (d) hire and retain only qualified staff;
- (e) unless agreed otherwise, supply all labour, materials and approvals necessary to carry out the Services;
- (f) unless agreed otherwise, retain ownership to all assets acquired or intangible property created in the process of carrying out this Agreement; and
- (g) co-operate with the Province in making the public announcements regarding the Services and the details of this Agreement that the Province requests.

SECTION 7 - RECORDS

The Recipient must

- (a) establish and maintain accounting and administrative records in form and content satisfactory of the Province; and
- (b) establish and maintain books of account, invoices, receipts and vouchers for all expenses incurred in form and content satisfactory to the Province.

The Province does not have control, for the purpose of the *Freedom of Information and Protection of Privacy Act*, of the records held by the Recipient.

SECTION 8 - REPORTS/STATEMENTS AND ACCOUNTING

At the sole option of the Province, any portion of the funds provided to the Recipient under this Agreement and not expended at the end of the Term

- (a) must be returned by the Recipient to the Minister of Finance;
- (b) may be retained by the Recipient as supplemental funding provided for under an amendment to this Agreement; or
- (c) may be deducted by the Province from any future grants and transfers approved by the Province.

SECTION 9 - CONFLICT OF INTEREST

The Recipient must not, during the Term, perform a service for or provide advice to any person if the performance of that service or the provision of the advice may, in the reasonable opinion of the Province, give rise to a conflict of interest between the obligations of the Recipient to the Province under this Agreement and the obligations of the Recipient to the other person.

SECTION 10 - CONFIDENTIALITY

The Recipient must treat as confidential all information and material supplied to or obtained by the Recipient, or any Third Party, as a result of this Agreement. The Recipient must not, without the prior written consent of the Province, permit its disclosure, except as required by applicable law or to the extent that the disclosure is necessary to enable the Recipient to fulfill its obligations under this Agreement.

SECTION 11 - DEFAULT

Any of the following events constitute an Event of Default:

- (a) the Recipient fails to comply with any provision of this Agreement;
- (b) any representation or warranty made by the Recipient in accepting this Agreement is untrue or incorrect;
- (c) any information, statement, certificate, report or other document furnished or submitted by or on behalf of the Recipient pursuant to or as a result of this Agreement is untrue or incorrect;
- (d) the Recipient ceases, in the opinion of the Province, to operate;
- (e) a change occurs with respect to any one or more, of the properties, assets, condition (financial or otherwise), business or operations of the Recipient which, in the opinion of the Province, materially adversely affects the ability of the Recipient to fulfill its obligations under this Agreement;
- (f) an order is made or a resolution is passed or a petition is filed for the liquidation or winding up of the Recipient;

- (g) the Recipient becomes insolvent or commits an act of bankruptcy or makes an assignment for the benefit of its creditors or otherwise acknowledges its insolvency;
- (h) a bankruptcy petition is filed or presented against, or a proposal under *the Bankruptcy and Insolvency Act* (Canada) is made by, the Recipient;
- (i) a receiver or receiver-manager of any property of the Recipient is appointed;
- U) the Recipient permits any sum which is not disputed to be due by it to remain unpaid after legal proceedings have been commenced to enforce payment.

SECTION 12 - TERMINATION

Upon the occurrence of any Event of Default and at any time after that the Province may, despite any other provision of this Agreement, at its option, elect to do any one or more of the following:

- (a) terminate this Agreement, in which case the payment of the amount required under the last paragraph of Section 12 of this Agreement discharges the Province of all liability to the Recipient under this Agreement;
- (b) require the Event of Default be remedied within a time period specified by the Province;
- (c) suspend any installment of the Financial Contribution or any amount that is due to the Recipient while the Event of Default continues;
- (d) waive the Event of Default;
- (e) pursue any other remedy available at law or in equity.

If this Agreement is terminated before 100% completion of the Project, the Province must pay to the Recipient that portion of the Financial Contribution which is equal to the portion of the Project completed to the satisfaction of the Province prior to termination.

SECTION 13- DISPUTE RESOLUTION

The Parties agree to first refer any matter in dispute under this Agreement to senior officers of the Parties. If the matter cannot be resolved, they must submit it to a mediator as agreed upon by both Parties, both acting reasonably. The Parties must bear equally the expenditures directly related to the mediation process.

SECTION 14 - INSURANCE

Insurance

Without limiting its obligations or liabilities under this Agreement, and at its own expense, the Recipient must obtain and maintain insurance which it is required to have by law and

insurance which a prudent businessperson conducting similar operations would obtain and maintain to cover the risks it has assumed or may encounter as a result of entering into this Agreement or providing the Services during the Term.

If applicable, the Recipient must ensure the Province is added as an additional insured on insurance policies of the Recipient and Third Parties.

Within 10 business days of obtaining each relevant policy of insurance, and from time to time if requested by the Province, the Recipient must provide to the Province evidence of the insurance in the form of a completed Province of British Columbia Certificate of Insurance. If requested by the Province at any time, the Recipient must provide to the province certified true copies of the relevant insurance policies.

The Recipient must require and ensure that each Third Party maintains insurances comparable to those required above.

SECTION 15- ASSIGNMENT AND SUB-CONTRACTING

The Recipient must not, without the prior, written consent of the Province

- (a) assign, either directly or indirectly, this Agreement or any right of the Recipient under this Agreement; or
- (b) sub-contract any obligation of the Recipient under this Agreement.

No sub-contract entered into by the Recipient relieves the Recipient from any of its obligations under this Agreement or imposes on the Province any obligation or liability arising from it.

This Agreement binds the Province and its assigns and the Recipient and the Recipient's successors and permitted assigns.

SECTION 16 - REPAYMENT OR REDUCTIONS

An amount paid by the Province to the Recipient or which is treated as such pursuant to the terms of this Agreement, and to which the Recipient is not entitled according to the terms of this Agreement is repayable to the Province and until repaid constitutes a debt due to the Province.

If for any reason, the Project is not completed to the satisfaction of the Province, the Recipient must repay to the Province the Province's Financial Contribution (or any part which has been paid to the Recipient) under this Agreement, within 30 days of receipt by the Recipient of a written request for repayment from the Province.

SECTION 17 - NOTICES

If in this Agreement any notice or other communication is required to be given by any of the parties, it must be given in writing. It is effectively given

- (a) by delivery to the address of the party set out below, on the date of delivery; or,
- (b) by pre-paid registered mail, to the address of the party set out below, on the fifth business day after mailing; or
- (c) by e-mail, to the e-mail address of the party, mentioned in this Agreement, on the date the e-mail is sent.

The contact details of the parties are

Province: BC Ministry of Environment
Bob McDonald, PO Box 9341, STN PROV GOVT,
Bob.McDonald@gov.bc.ca, ph: 250 387-3588

Recipient: Multi-Material British Columbia
230-171 Esplanade West
North Vancouver, BC V7M 3J9
Ph: 778-588-9504

The address, phone number, facsimile number, or email set out above may be changed by notice in the manner set out in this provision.

SECTION 18 - NON-WAIVER

No term or condition of this Agreement and no breach by the Recipient of any term or condition is waived unless the waiver is in writing signed by the Province and the Recipient.

A written waiver by the Province of any breach by the Recipient of any provision of this Agreement is not a waiver of any other provision or of any subsequent breach of the same or any other provision of this Agreement.

SECTION 19 - ENTIRE AGREEMENT

This Agreement including the Schedules constitutes the entire Agreement between the parties with respect to the subject matter of this Agreement.

SECTION 20 - MISCELLANEOUS

Changes to this Agreement are only effective if made in writing and by both parties.

All of the provisions of this Agreement in favour of the Province and all of the rights and remedies of the Province, either at law or in equity, survive any expiration or sooner termination of this Agreement.

Agreement # _____


Nothing in this Agreement operates as a consent, permit, approval or authorization by the Province to or for anything related to the Project that by law, the Recipient is required to obtain unless it is expressly stated to be.

SECTION 21 - ACCEPTANCE

The Recipient indicates its agreement by dating and executing both copies of this Agreement in the space and manner indicated below and returning them to the contact shown above, free of any conditions. In signing or executing below, the Recipient is committing to a binding agreement

IN WITNESS OF WHICH the parties have duly executed this Agreement as of the _____ day of _____, 20__.

SIGNED AND DELIVERED on behalf of the Recipient



Signature of Recipient's Signing Authority

Allen Laramie, Managing Dir.

Printed Name & Title of Recipient's Signing Authority

March 31st, 2016
Date , _____

SIGNED AND DELIVERED on behalf of the Province,



Signature of Province's Signing Authority

W.H. (Wes) Shoemaker, Deputy Minister

Printed Name & Title of Province's Signing Authority

Date

March 31, 2016

SCHEDULE A - SERVICES

The Project

TERM

Notwithstanding the date of execution of this Agreement, the term of this Agreement starts on March 31, 2016 and ends on March 31, 2018.

PROJECT

The Province is supporting the expansion of producer funded recycling collection of Packaging and Printed Paper (PPP) services in select BC communities.

PURPOSE & EXPECTED RESULTS

The Province intends to see producer funded recycling collection services expanded to communities currently without such funding in place. The monies will be distributed by MMBC (the product stewardship agency currently implementing the PPP program on behalf of all producers), but distribution of these funds to the communities identified by the Province will not involve MMBC incorporating these communities or materials into MMBC's operational and reporting framework.

The \$5 million Provincial contribution will be used to fund one year of curbside recycling collection services currently in place in the communities of the City of Abbotsford, City of Chilliwack and District of Mission at a minimum, plus other communities as this level of funding permits.

The \$5 million Provincial contribution is considered bridging funding to relieve the above communities of the current lack of newspaper funding, while the Province and MMBC pursue longer term approaches to service expansion, funding expansion, and leveraging of additional producer funding for additional communities.

The contribution will also be used to leverage MMBC producer funding for recycling services for the City of Kamloops through a customized one-year funding arrangement by MMBC.

The funding of the above noted communities through the \$5 million Provincial contribution will also form the first component of a sustainable On-boarding Plan (the "Plan") that will be further developed over the next 90 days. The Plan will see all currently waitlisted communities offered MMBC producer funded services starting no later than January 2018, with offers communicated to these communities during 2017. The Plan will be developed by ENV and MMBC, and should be agreed upon by June 30, 2016 and form the basis of a joint MOU for execution over the following 18 months.

The Plan is over and above the offer of funding through the \$5 million Provincial contribution. It will recognize and set out a means to address all issues serving as barriers to province-wide implementation of the PPP program:

- The Plan will incorporate the fundamental Provincial commitment to identify a resolution to the newspaper industry compliance/funding issue by July 2017.
- The Plan will also include commitments to be made by both the Province and MMBC to address outstanding issues such as:
 - broader compliance and enforcement measures, including the application of Administrative Monetary Penalties.
 - materials generated by and issues associated with Encorp Pacific;
 - materials generated by Brewers Distributors Limited;
 - materials generated by Liquor Distribution Branch; and
 - exempted, miscellaneous and unaccounted for materials.

DELIVERABLES

During 2016, MMBC will offer to the communities noted above curbside recycling collection funding for the 2017 calendar year at rates based on an agreed compensation structure. MMBC will work with ENV on developing the above On-boarding Plan and associated MOU by June 30, 2016 in order to see all currently waitlisted communities offered ongoing producer funded services by 2018.

Funding for 2017 will be provided in two distinct manners. For those communities receiving funding through the \$5 million Provincial contribution, it will be at rates based on an agreed-upon compensation structure. This does not involve MMBC incorporating these communities into MMBC's operational and reporting framework. For Kamloops for 2017, funding will also be at rates based on an agreed-upon compensation, but will rely on producer funding on a customized basis due to the short-term arrangement. In contrast to other communities relying on the \$5 million Provincial contribution, Kamloops and its materials will be incorporated into MMBC's reporting framework

Should any of the communities noted not accept the contribution or producer funding offered, MMBC will approach alternative communities to be selected by the Province in order to support local PPP recycling services, as these levels of funding permit.

Provincial funding can only be used for supporting curbside recycling collection and processing services by the communities noted above and/or alternative communities selected by the Province.

REPORTING REQUIREMENTS:

Financial Reporting:

Interim Reporting

The Recipient must provide an accounting for the use of the \$5 million Provincial contribution upon written request by the Province, and on a quarterly basis during the term noted.

Annual Reporting

The Recipient shall summarize the distribution of Provincial funds in the communities noted above in an annual report that is submitted to the Ministry of Environment.

The Recipient shall not include or represent the collected tonnages or financial expenditures specifically resulting from the Provincial contribution (\$5 million) as part of its annual reporting requirements to the Ministry as per its approved stewardship plan and in accordance with the Recycling Regulation.

All MMBC producer funded tonnes e.g. Kamloops will be reported as per the current regulatory requirements in place.

Final Reporting

The Recipient must, no later than 90 days after the end of the Term, provide a final financial report including:

- a Project income and expenditure summary which identifies all sources and use of the total Provincial funds by the above noted communities over the term of this Agreement;
- a statement detailing the use by the above noted communities of the Province's contributions provided over the term of this Agreement.
- a description of the costs incurred by the Recipient in carrying out the terms of this Agreement.

Certification / Attestation

All financial reports submitted by the Recipient must be certified by a senior officer of the Recipient's organization (such as a CEO or CFO) attesting to the correctness and completeness of the financial information provided.

Project Reporting:

Ongoing Communication

The Recipient must make all reasonable efforts to respond to ad-hoc requests by the Province for information on Project progress. The Recipient must also advise the Province immediately of any substantial events that could impact the Project timeline. This includes reporting on progress towards the MOU as set out in Schedule A.

Annual Reporting

The Recipient must, no later than 30 days after each quarter, provide a progress report on the Project, and progress made in achieving the results as set out in Schedule A.

Final Reporting

The Recipient must, no later than 90 days after the end of the Term, provide a Project performance report with Project highlights, description of outcomes with respect to results set out in Schedule A, quantitative and qualitative description of the accomplishments / success of the Project; challenges faced and solutions found, information on results (negative or positive) that were not anticipated, and lessons learned.

SCHEDULE B
FINANCIAL CONTRIBUTION

PAYMENTS

1. The Province agrees to provide to the Recipient a maximum amount of \$5,000,000 during the Term of the Agreement.
2. Payment of \$5,000,000 must be made upon signing of this Agreement by both Parties.

AGREEMENT

In Regards To

MULTI-MATERIAL BC WAITLIST ONBOARDING PLAN

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, as represented by the Minister of Environment
(the "Province")

AND:

Multi-Material BC Society
("MMBC")

(Collectively referred to as the "Parties")

RECITALS

- A. Under the *Recycling Regulation* producers of certain printed paper and packaging must either implement prescribed collection services or implement an approved product stewardship plan.
- B. MMBC as agent for its member producers implements an approved product stewardship plan, under which MMBC funds or provides recycling collection services to British Columbia communities.
- C. The Province and MMBC wish to expand the delivery of producer funded recycling collection services to eligible British Columbia communities that do not currently have access to such services ("Waitlisted Communities").
- D. To effect such expansion of services, the Province approached MMBC and the Parties entered into the Government Transfer Grant Agreement attached as Schedule 1 (the "Transfer Agreement"), whereby the Province contributed \$5 million to fund one year of curbside recycling collection services in priority Waitlisted Communities and leverage additional producer funded services, as a bridging mechanism until a more comprehensive plan could be established involving all Waitlisted Communities.
- E. The Province subsequently approached MMBC for the purpose of expanding such services to all Waitlisted Communities.

- F. The Province understands that MMBC does not have the direct financial capacity, or authority from its members, to provide expansion of MMBC producer-funded recycling collection services to more Waitlisted Communities, in part because Newspaper Producers are not compliant with the Recycling Regulation or contributing members of MMBC.
- G. The Province understands that MMBC wishes to only consider an arrangement with a term not less than five years and that MMBC wishes the term of the MMBC Stewardship Plan to be extended as part of consideration of a further arrangement with the Province.
- H. Further to Recital D, the Parties have developed the On-boarding Plan attached as Schedule 2 as a flexible plan under which MMBC and the Province will work cooperatively for the Parties' shared goals of expanding recycling collection services to Waitlisted Communities and ensuring producer compliance with the Recycling Regulation.
- I. The Province wishes to make, and MMBC wishes to accept, further provincial contributions to MMBC's cost of expanding delivery of services to Waitlisted Communities to achieve the shared goal of expanding producer funded recycling collection services under the terms and conditions of this agreement.
- J. MMBC and the Province recognize and acknowledge that despite anything in this agreement, the Province and its officers must remain independent in meeting their individual and collective statutory responsibilities under the Recycling Regulation.

Wherefore, in consideration of the premises and mutual covenants and agreements herein, the Parties to this agreement agree as follows:

ARTICLE 1 – INTERPRETATION

- 1.1. Definitions. In this Agreement, the following terms, where capitalized, have the meaning ascribed below:

“Agreement” means this agreement, including schedules and any amendments that may be made further to this Agreement by the Parties from time to time during the term of this Agreement;

“Commencement Date” means December 1, 2016;

“Director” means the director under the Regulation;

“Discarded through the Residential Waste Stream,” in relation to PPP, means PPP that is discarded, in British Columbia, as trash or collected, in British Columbia, for

recycling, that is not collected as trash or recyclables from industrial, commercial or institutional property;

“LDB” means that branch of the Provincial government known as the Liquor Distribution Branch;

“LDB PPP” means, in respect of a calendar year,

- (a) PPP for which the LDB is the producer under the Regulation in that calendar year Discarded through the Residential Waste Stream, and
- (b) the Province’s best estimate, based on information available to it or that it can obtain making reasonable efforts, of any additional PPP associated with liquor products, that are imported into British Columbia during that calendar year and Discarded through the Residential Waste Stream, other than:
 - (i) PPP referred to in paragraph (a),
 - (ii) PPP associated with beer, cider or refreshments the producer of which was, as of December 1, 2017, covered by the approved PPP stewardship plan of BC Brewers Recycled Container Collection Council or subsequently becomes covered by that Plan, and
 - (iii) PPP associated with liquor in relation to which the producer under the Regulation is in compliance with the Regulation;

“Major Newspaper Producer” means a Non-member Newspaper Producer other than a Minor Newspaper Producer, and “Major Newspaper Producers” means the aggregation of Major Newspaper Producers;

“Membership Agreement” means the Province’s membership agreement with MMBC dated the 16th of May, 2014;

“Minor Newspaper Producer” means a Non-Member Newspaper Producer other than Black Press Ltd., Glacier Media Inc., Postmedia Inc. and the Globe and Mail Inc. and “Minor Newspaper Producers” means the aggregation of all Minor Newspaper Producers;

“MMBC Stewardship Plan” means the Packaging and Printed Paper Stewardship Plan, prepared by MMBC on behalf of its member producers, dated November 19, 2012, together with any amendments approved by the Director from time to time, and including any replacement plan approved by the Director;

“Newspaper Producer” means a person who is a “producer,” as defined by the Regulation in relation to PPP, of PPP in the form of newspapers, but is not

- (a) a “small producer” as defined in the Regulation, or
- (b) in compliance with Part 3 of the Regulation [*Product Stewardship Program Requirements if no Product Stewardship Plan*];

“Newsprint”, in relation to a Newspaper Producer, includes all printed newsprint produced by the producer in the form of a newspaper, and includes classified advertisements, advertisements, or advertising supplements that form part of a newspaper, but does not include flyers, or other material that is inserted in a newspaper;

“Non-member Newspaper Producer” means a Newspaper Producer who has not entered into an agency agreement with MMBC for the purposes of compliance with the Regulation;

“Offer Collection Services,” in relation to a local government, means

- (a) for curbside collection, MMBC will either:
 - (i) offer the local government an arrangement whereby MMBC will pay the local government incentives for curbside collection of PPP, provided by the local government, or
 - (ii) at the option of MMBC, MMBC will offer the local government the option of:
 - (A) the arrangement described in subparagraph (i), or
 - (B) MMBC providing curbside collection of PPP within the territory of the local government.
- (b) for depot and multi-family collection, MMBC will either:
 - (i) offer the local government an arrangement whereby MMBC will pay the local government incentives for depot or multifamily collection of PPP, provided by the local government, or
 - (ii) provide depot and multifamily collection of PPP within the territory of the local government;

“On-boarding Plan” means the MMBC Waitlist On-boarding Plan dated December 7, 2017, a copy of which is attached as Schedule “2” to this Agreement, as amended from time to time by written agreement of the Parties;

“PPP” means packaging, and printed paper as defined in the Regulation;

“Regulation” means the *Recycling Regulation*, B.C. Reg. 449/2004 as amended from time to time;

“Tonnes” means metric tonnes;

“Total Audited Residential Volume” means, for a calendar year, the total mass (Tonnes) of Newsprint for which any of the Major Newspaper Producers are a producer under the Regulation that is Discarded through the Residential Waste Stream in that year, as determined under section 3.7;

“Transfer Agreement” means the agreement attached as Schedule 1;

“Volume for Payment Purposes” means, in relation to a calendar year, the total of

- (a) 3,000 Tonnes, (representing the amount the Parties estimate and agree upon, as of the Commencement Date, of Newsprint produced by Minor Newspaper Producers that is Discarded through the Residential Waste Stream during a calendar year), or such other amount the Parties agree to in writing pursuant to section 3.8, plus,
- (b) Total Audited Residential Volume, for that calendar year
minus Tonnes of Newsprint produced by a Non-Member Newspaper Producer that has an approved stewardship plan where such approved stewardship plan:
- (c) does not rely primarily or wholly on collection services offered by MMBC;
- (d) provides for compensation to MMBC for any Newsprint collected by MMBC.

ARTICLE 2– ON BOARDING PLAN

- 2.1 On-boarding Plan. Both parties agree to work co-operatively, taking reasonable and appropriate steps to complete the requirements, tasks and deadlines identified in the On-boarding Plan for the purpose of obtaining the goals identified in the On-boarding Plan. For greater clarity, the obligations of the Province under this section 2.1 are subject to section 6.1.

- 2.2 Amendments to On-boarding Plan. For the purpose of achieving the goals identified in the On-boarding Plan, the Parties agree to negotiate in good faith, amendments to the On-boarding Plan where requirements, tasks and deadlines identified in the On-boarding Plan cannot be reasonably achieved or are no longer appropriate or reasonable.
- 2.3 Information Sharing. The Parties agree to share information as appropriate for the purpose of ensuring transparency in working towards the goals of the On-boarding Plan, and fulfilling obligations under this Agreement. The Parties agree, on the request of the other, to consult with one another regarding the implementation of this Agreement. MMBC will provide the Province with audited financial statements for MMBC on an annual basis, and each Party agrees to, on request of the other Party, make commercially reasonable efforts to provide information that is available to it and relevant to the implementation of sections 2.6 or 2.7. The Province may request from MMBC and MMBC will provide within 30 days a model of MMBC costs following a format similar to the document entitled '2018 BC Cost Model v1.0 – Material Allocations.xls' and issued to the Province on June 2, 2016 as Commercial Confidential – Not for Distribution. Information contained within the Cost Model will include:
- (a) the percent of Newsprint material collected in the MMBC system,
 - (b) the cost to collect and process Newsprint,
 - (c) any indirect costs to manage Newsprint such as the cost to conduct waste composition audits and
 - (d) the commodity revenue attributable to Newsprint
- and will reflect costs incurred in one of the preceding two calendar years.
- 2.4 Confidentiality. Any information provided under section 2.3 will be deemed to be confidential commercial information, which may not be disclosed to any other person except:
- (a) with the consent of the Party who provided the information to the other Party (the "Disclosing Party"),
 - (b) if required by law, including the *Freedom of Information and Protection of Privacy Act*,
 - (c) in connection with legal proceedings relating to this Agreement, or
 - (d) if the Party who received the information from the other Party (the "Receiving Party") demonstrates that the information is generally and publicly available

but in any situation referred to in subsection (b) or (c), the Receiving Party shall provide written notice to the Disclosing Party prior to making such disclosure and provide details of the proposed form, nature and purpose of such disclosure for the purpose of allowing the Disclosing Party to seek a protective order if it considers necessary.

- 2.5 Basis for Commitments. The Parties acknowledge that the obligations of MMBC under section 3.1 of this Agreement, have been negotiated and agreed to based on
- (a) the Parties achieving the goals identified in the On-boarding Plan, or, in the case of Non-member Newspaper Producers, MMBC receiving funds from the Province equivalent to estimated fees that Newspaper Producers would otherwise pay to MMBC over five years if they were members of MMBC as estimated on June 2, 2016;
 - (b) MMBC making contributions to the cost of delivering the services required under section 3.1 from funds available to MMBC to the extent that the costs of delivering such services exceed the contributions provided by the Province under this Agreement and the Transfer Agreement. However, the contribution provided by the Province shall be reduced to the extent that fees are paid or become payable to MMBC by Newspaper Producers who enter into an agency relationship with MMBC for the purpose of compliance with the Regulation during the term of this Agreement; and
 - (c) local governments to whom services are offered under section 3.1, accepting such offers.
- 2.6 Changes to Obligations if Province fails to Implement Onboarding Plan Commitments
The Parties agree that if the Province does not fulfill a commitment made by it in the On-boarding Plan, other than commitments made in relation to compliance with the Regulation by Non-member Newspaper Producers, and such failure has a material impact on the revenues received by MMBC, the Parties will negotiate reasonable changes to Schedule 3 or Section 3.2 or section 3.3 to reflect the negative impact, if any, on MMBC's revenues but taking into consideration that:
- (a) the obligations of MMBC under section 3.1 are intended to be funded in part by contributions from MMBC as described in Schedule 4, and
 - (b) the Parties' intention that any shortfall in revenue expectations that is not caused by the Province's failure to meet commitments under the On-Boarding Plan will be made up by increased contributions from funds available MMBC.

- 2.7 Obligations if Local Governments do not accept offers. The Parties further agree that if a local government does not accept services offered under section 3.1 or section 3.6 MMBC will accelerate on-boarding of another waitlisted community, where the cost to on-board the accelerated community is approximately equal to MMBC's avoided cost associated with the local government that did not accept services. MMBC will, on request of the Province, consult with the Province in relation to the implementation of this section.

ARTICLE 3 – ON BOARDING COMMITMENTS

- 3.1 Extension of MMBC Services. MMBC will Offer Collection Services to local governments in accordance with the MMBC Stewardship Plan, and as described in Schedule 3, provided that the Province has completed all requirements that are identified in Schedule 3 as pre-conditions for offers to local governments by the applicable dates specified in Schedule 3.
- 3.2 Payment. Subject to sections 3.3 to 3.5, if in respect of a calendar year identified in column 1 of Schedule 5, MMBC initiates, to the satisfaction of the Province, acting reasonably, the actions described in column 2 of Schedule 5 opposite that calendar year by the dates provided in column 2, the Province will become obligated to pay to MMBC an amount equal to \$110/per tonne of Newsprint multiplied by the Volume for Payment Purposes for the calendar year that is prior to the calendar year in Column 1.
- 3.3 Maximum Amount. Despite anything else in this Agreement, the obligations and payments referred to in section 3.2 shall not exceed the maximum payment by the Province identified in Schedule 4 (\$14 million in total) during the term of this Agreement under section 4.1. This amount (\$14 million) includes:
- (a) \$5 million, the receipt of which is hereby acknowledged by MMBC, that MMBC received prior to the date of this Agreement pursuant to the Transfer Agreement, and
 - (b) additional payments up to a maximum of \$9 million made pursuant to section 3.4 and Schedule 4.

This section does not limit the Province's obligation to pay amounts in respect of LDB PPP under section 3.9.

- 3.4 Additional Payments. After the cumulative annual amounts due to MMBC have exceeded \$5 million, the Province will on an annual basis, pay such additional amounts as required to meet its obligations under section 3.2.
- 3.5 Invoicing and Timing of Payments. For each calendar year in column 1 of Schedule 5, MMBC will invoice the Province for the amounts payable by the Province for that

calendar year, on the same schedule as payments are made by producers with a membership agreement with MMBC (January 31, April 30, July 31, and October 31 if paid in installments), on the same terms with regard to payment installments through the calendar year as are imposed on members in respect of their payment of fees to MMBC. Invoices shall identify amounts, if any, paid from funds held by MMBC under section 3.3(a), and any additional payments required under section 3.4. For invoices issued in 2017, prior to the Province submitting Volume for Payment Purposes information under section 3.8 to MMBC, MMBC shall base the invoice on an estimated Volume for Payment Purposes of 32,000 Tonnes, representing the total estimate of the Volume for Payment Purposes for which Major Newspaper Producers are the producer under the Regulations (29,000 Tonnes), and an estimated 3,000 Tonnes for which Minor Newspaper Producers are producers.

After the Province provides MMBC with a Volume for Payment Purposes for 2016 MMBC will, in the next invoice issued to the Province, include adjustments based on the latest Volume for Payment Purpose provided by the Province.

For each subsequent year, MMBC will calculate fees owing based on the most current information made available by the Province and will calculate adjustments upon receipt of the annual data report from the calendar year preceding the year of the invoice.

- 3.6 Continuation of Services and Standing Offer. If MMBC Offers Collection Services to a local government, under section 3.1 for the term set out in Schedule 3, and that offer is accepted by a local government within the time frame set out in Schedule 3, MMBC must continue to provide such services in accordance with accepted offers. If MMBC Offers Collection Services under section 3.1 and that offer is not accepted within the time frame set out in Schedule 3, MMBC must, for a period of two years from when it was required to Offer Collection Services to that Local Government under Schedule 3, continue to Offer Collection Services to that Local Government, as described in Schedule 3, for any 5 year term commencing in that two year period that is specified by the local government, provided that, in no circumstance, is MMBC required to offer Collection Services beyond December 31, 2022.
- 3.7 Provision of Information respecting Newspaper Volumes. The Province, in respect of each calendar year from 2016 to 2020, will provide MMBC with the following information in relation to all Newsprint for which the Major Newspaper Producers are the producers under the Regulation:
- (a) the mass (Tonnes) of Newsprint for which each Major Newspaper Producer is the producer under the Regulation in a calendar year, or if all or some of the Major Newspaper Producers choose to provide information on their combined production,

the mass of Newsprint for which those producers are the producer under the Regulation in the calendar year,

- (b) the mass (Tonnes) of Newsprint for which each Major Newspaper Producer is the producer under the Regulation that is Discarded through the Residential Stream in the calendar year, or if all or some of the Major Newspaper Producers choose to provide information on their combined production under subsection (a), the mass of Newsprint for which those producers are the producer under the Regulation that is Discarded through the Residential Stream in the calendar year,
- (c) the Total Audited Residential Volume, and
- (d) other data and information agreed to by the Parties

The Province will supply this information on the same schedule applicable to all MMBC producers pursuant to the MMBC Membership Agreement, by May 31 of the following calendar year, provided that the Province may defer the provision of information in respect of the 2016 calendar year if it is unable to secure such information making commercially reasonable efforts.

3.8 Audit. The information described in section 3.7 (a) and (b) will, on request by MMBC, be audited by an independent qualified professional engaged by the Province and paid for by the relevant Major Newspaper Producer or those Major Newspaper Producers choosing to provide combined information under Section 3.7 (a), except that if one or more of those producers enter into an arrangement with MMBC whereby those producers agree to allow MMBC to carry out audits to obtain information referred to in Section 3.7 (a) and (b),

- (a) the Province is not required to provide information related to that Major Newspaper Producer, and the Province is not required to include the volumes of Newsprint produced by the Producer in its estimates of Total Audited Residential Volume provided under section 3.7,
- (b) MMBC is required to provide the Province with evidence of the amount referred to in section 3.7 (b).

The Province will consult with MMBC regarding the methodologies that the Province will cause to be used in producing audited information that the Province is required to provide MMBC under this section. The Parties will negotiate changes to the amount referred to in paragraph (a) of the definition of "Volume for Payment Purposes" if either Party can demonstrate that the agreed amount (3,000 Tonnes) no longer represents a reasonable estimated amount of Newsprint produced by Minor Newspaper Producers that is Discarded

through the Residential Waste Stream during a calendar year and will in good faith negotiate adjustments to amounts previously paid in respect of Newsprint produced by Minor Newspaper Producers.

- 3.9 LDB Volumes. For the purposes of paying fees to MMBC under the Province's Membership Agreement with MMBC, the Province will deem itself to be a producer (as defined in the Regulation), as claimed or asserted by MMBC, in relation to all LDB PPP for calendar years 2017 to 2022. The Province will by February 28, 2017, include in the Province's reports of PPP produced by the Province, Tonnes of all LDB PPP produced in 2015, including that portion of PPP where LDB has clearly stated that it is not a producer under the Regulation. The Province will for each year from 2016 to 2021, report such tonnage volumes in accordance with the Membership Agreement, deeming the Province to be the Producer for LDB PPP.
- 3.10 Amendment to Stewardship Plan. The Province will by December 7, 2016, prepare and submit to the Director, a recommendation that the Director approve proposed amendments to the MMBC Stewardship Plan extending the timeframes in Appendix C of that Plan to December 31, 2022.
- 3.11 Newspaper Compliance. The Province will take actions that are appropriate, necessary and within the bounds of the Province's authority to ensure that the Newspaper Producers will be compliant with the Regulation by September 2017, and will remain in compliance with the Regulation until at least December 31, 2022.
- 3.12 Allocation of Tonnage. If Newspaper Producers are brought into compliance with the Regulation by approval under the Regulation of a stewardship plan that includes an arrangement by which MMBC provides collection services for Newsprint and Newspaper Producers include tonnage collected by MMBC under the newspaper producer's stewardship plan, MMBC agrees
- (a) that, subject to the Regulation or terms of an approved stewardship plan, any amounts of newspaper produced by a Non-member Newspaper Producer that has an approved stewardship plan, which is collected by MMBC, for which the Province has paid MMBC under section 3.2, is hereby allocated to the Province and may be re-allocated by the Province to that Newspaper Producer;
 - (b) MMBC will take all commercially reasonable steps necessary to allow such allocation.
- 3.13 Preconditions. The Parties agree that if any pre-condition identified in Schedule 3 is not met and MMBC does not extend services in the manner anticipated under section 3.1, the

Parties will negotiate reasonable delays in the fulfillment of pre-conditions and the delivery of obligations under section 3.1.

ARTICLE 4 – TERM, TERMINATION AND EVENTS OF DEFAULT

- 4.1 Term and Survival. This Agreement commences on the Commencement Date and extends until the latter of December 31, 2022 or the fulfillment of the Province's obligations under section 3.2, unless terminated earlier under this article. Articles 1, 5 and 6 and Section 4.3 survive termination of this Agreement. Section 2.4 of this Agreement survives termination by 3 years.
- 4.2 Review of Agreement and On-boarding Plan. The Parties agree that no later than June 30, 2020, they will meet to review the implementation of this Agreement and the On-boarding Plan and negotiated such further agreements or arrangements, if any, as the Parties agree are necessary for meeting the goals of the On-boarding Plan.
- 4.3 Dispute. In the event that either party alleges and gives notice to the other party that the other party has failed to fulfil an obligation under this Agreement, any such dispute shall be resolved through the Dispute Resolution mechanism in Article 5 of this Agreement.
- 4.4 MMBC Non-Compliance. If MMBC does not comply with section 3.1 or section 3.6, the Province shall give written notice to MMBC, requiring MMBC to correct the non-compliance event, and if MMBC fails to correct the non-compliance event within 30 days to the satisfaction of the Province, the Province may in its sole discretion adjust the obligations and payments it is required to provide to MMBC under section 3.2, by an amount equivalent to what the Minister of Environment or the Minister's delegate, acting reasonably, considers to be the amount of the provincial share of funds that MMBC would have expended but for the non-compliance event in relation to section 3.1.
- 4.5 Provincial Non-Compliance. If the Province does not comply with Section 3.2, and MMBC gives written notice to the Province requiring that the Province correct the non-compliance event, and the Province fails to correct the non-compliance event within 30 days to the satisfaction of MMBC, MMBC shall have the right, in its sole discretion, to reduce its offerings under section 3.1 to the extent commensurate with the shortfall in MMBC's estimated revenue or an increase in MMBC's estimated costs (collectively an "Identified Loss") caused by the Province's non-compliance event, provided that if the Province subsequently compensates MMBC for such Identified Loss, MMBC will make offers required under section 3.1 that have not been made or have been withdrawn pursuant to this section and in relation to such Identified Loss.

- 4.6 Termination. The Parties may terminate participation in this Agreement at any time by mutual consent. However, in no case shall MMBC's obligations under this Agreement extend beyond December 31, 2022.

ARTICLE 5 - DISPUTE RESOLUTION

- 5.1 Dispute Resolution. Any dispute between MMBC and the Province that relates to the validity, construction, meaning, performance or effect of this Agreement or the rights or liabilities of the parties or any matter arising out of, or in connection with this Agreement, excluding any dispute involving the exercise of authority by the Director under the Regulation or the *Environmental Management Act*, (a "**Dispute**") will be addressed as follows:
- (a) The Parties, acting reasonably, will first attempt to resolve the Dispute through senior representatives from each of MMBC and the Province who will meet and work together in good faith to attempt to resolve the Dispute within 15 days of either Party giving notice to the other Party invoking this section 5.1, or as otherwise agreed upon.
 - (b) If the Dispute is not resolved through the discussion above within the time period set out above, then either party may escalate the Dispute to non-binding third party mediation by giving notice to the other Party requesting non-binding third party mediation. The mediation will take place at a time and place mutually agreed by the parties and will be led by a third-party facilitator jointly selected by the parties (who, unless otherwise mutually agreed by the parties, will be an individual accredited to provide such services). If the Dispute remains unresolved within 45 days from the point at which a party gave notice requesting non-binding third party mediation, either party may escalate the Dispute by giving notice to the other party referring the matter to binding arbitration.
 - (c) If the parties, acting reasonably, are unable to resolve the Dispute within the above period, unless otherwise mutually agreed by the parties in writing, the Dispute will be conclusively settled by means of private and confidential binding arbitration, to the exclusion of courts of law. The arbitration will take place before a single arbitrator in Vancouver in the English language and will otherwise be undertaken under the *Arbitration Act*. The decision of the arbitrator will be final and binding on the parties and will not be subject to appeal on any grounds whatsoever, and will be enforceable against MMBC and the Province as the case may be. The parties will mutually agree on an arbitrator within 10 days of giving notice

referring the matter to binding arbitration, and where the parties are unable to mutually agree on an arbitrator, the arbitrator will be determined pursuant to the rules of the British Columbia Arbitration & Mediation Institute.

- (d) Unless the parties otherwise agree in writing or, in the case of an arbitration, the arbitrator otherwise orders, the parties must share equally the costs of a mediation or arbitration under this section 5.1 other than those costs relating to the production of expert evidence or representation by counsel, such costs being the responsibility of each respective party.
- (e) Notwithstanding anything to the contrary in this Section 5.1, either party may start litigation proceedings in a court of law at any time for an application for interim equitable relief and each party hereby attorns to the exclusive jurisdiction of the courts of the Province of British Columbia for such purpose. The parties shall have no other recourse to the courts other than to obtain interim equitable relief, pending the outcome of the dispute resolution process described in sections 5.1 (a), (b), (c) and (d). The parties shall have no right of appeal from a decision of the arbitrator or for any other purpose.

ARTICLE 6 – GENERAL PROVISIONS

- 6.1 Fettering and Improper Purpose. Nothing in this Agreement is intended to fetter statutory decision makers, and any commitment by the Province to take an action that can only be taken by a statutory decision maker will be interpreted as commitment to make recommendations to the statutory decision maker to take that action provided that it is lawful and appropriate in all the circumstances to take such actions. The Province confirms that its payment obligations in this Agreement are not conditional on a decision by a statutory decision-maker.

Nothing in this Agreement is intended to require the Province make recommendations to the Director or other statutory decision makers based on considerations that are irrelevant or improper under the *Recycling Regulation* or relevant enactment.

- 6.2 Entire Agreement and Previous Instruments. Except as specified below,
- (a) this Agreement will constitute the entire agreement between the parties with respect to the subject matter hereof and will replace all prior promises or understandings, oral or written;

- (b) there is no representation, warranty, collateral term or condition or collateral agreement affecting this Agreement, other than as expressed in writing in this Agreement;
- (c) supersedes and invalidates all other commitments, representations and warranties related to the subject matter hereof which may have been made by the parties either orally or in writing prior to the date hereof, including the letter from the Deputy Minister of Environment to the Chair of MMBC, dated October 26, 2016 all of which become null and void from the date this Agreement is signed.

Despite the above, this Agreement,

- (d) does not supersede or invalidate the Membership Agreement or any commitment, representation or warranty contained therein;
 - (e) does not supersede or invalidate sections 3, 5, 7, 8, 9, 10, 14 and 16 of the Transfer Agreement which survive and are incorporated into this Agreement for the term of this Agreement, provided that amounts paid by the Province to MMBC pursuant to the Transfer Agreement shall pursuant to section 3.3(a) of this Agreement constitute partial payment of the Province's obligations under this Agreement.
- 6.3 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia, and the laws of Canada applicable thereto, without giving effect to the principles, policies or provisions thereof concerning conflict or choice of law, and shall be binding on the Province and MMBC, and their respective heirs, trustees, personal representatives, successors and permitted assigns, as the case may be.
- 6.4 Force Majeure. Neither party to this Agreement will be liable to the other party for any failure or delay in fulfilling an obligation hereunder, if said failure or delay is attributable to a fire, act of God, war, riot, civil disturbance, earthquake, flood, or court or any order or action of any level of government, including any order or action of a statutory decision maker under any provincial, federal or local legislation, beyond such party's reasonable control, but not including an action of the Province ("Force Majeure"). The parties agree that the deadline for fulfilling the obligation in question will be extended for a period of time equal to that of the continuance of the Force Majeure. The party to which the Force Majeure applies will use all commercially reasonable efforts to minimize the effect of the Force Majeure on its performance under this Agreement.

- 6.5 Notices. All notices, requests, demands or other communications (collectively “Notices”) given by one party to the other party, will be in writing, in the English language, and will be deemed duly given (i) when delivered by hand; (ii) when sent by facsimile (with receipt confirmed), (iii) except for a notice of termination permitted under this Agreement, by e-mail (with receipt confirmed other than by an automatically generated delivery or read receipt), (iii), on the designated day of delivery after being given to an express overnight courier with a reliable system for tracking delivery, or (iv) six (6) days after the day of mailing, when mailed by Canada Post, registered or certified mail, return receipt requested and postage prepaid, and addressed as follows:

To Province of British Columbia:

Deputy Minister
Ministry of Environment
5th Floor, 2975 Jutland Road
Victoria, BC
Tel: 250.387.5429 | Fax: 250.387.6003
E-mail: wes.shoemaker@gov.bc.ca

Attention: Deputy Minister of Environment

To MMBC:

230-171 Esplanade West
North Vancouver, BC V7M 3J9

Fax No.: 1-844-471-1836
E-mail: alangdon@multimaterialbc.ca

Attention: MMBC Board Chair and MMBC Managing Director

or to such other address as may be designated by notice given by either party to the other.

- 6.6 Further Assurances. 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.
- 6.7 Timing. Time will be of the essence of this Agreement and of every part hereof and no extension or variation of this Agreement will operate as a waiver of this provision.

- 6.8 Severability. If any provision, or portion thereof, of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable, such determination will not impair or affect the validity, legality or enforceability of the remaining provisions of this Agreement and each provision, or portion thereof, is hereby declared to be separate, severable and distinct.
- 6.9 Waiver. A waiver of any provision of this Agreement will only be valid if provided in writing and will only be applicable to the specific incident and occurrence so waived. The failure by either party to insist upon the strict performance of this Agreement, or to exercise any term hereof, will not act as a waiver of any right, promise or term, which will continue in full force and effect.
- 6.10 Remedies Cumulative. No single or partial exercise of any right or remedy under this Agreement will preclude any other or further exercise of any other right or remedy in this Agreement or as provided at law or in equity. Rights and remedies provided in this Agreement are cumulative and not exclusive of any right or remedy provided at law or in equity.
- 6.11 Amendment. This Agreement may only be amended by written agreement duly executed by authorized representatives of the parties.
- 6.12 Binding. This Agreement creates binding obligations between the Parties and their successors or permitted assigns.
- 6.13 Assignment. Subject to MMBC's right to assign this Agreement to MMBC Recycling Inc. as part of the reorganization of MMBC as a corporation under federal law, neither the rights nor obligations of either Party may be assigned without the written consent of the other Party.
- 6.14 Appropriation. The Province's obligation to become obligated or pay money to MMBC is subject to the *Financial Administration Act*, which makes that obligation subject to an appropriation being available in the fiscal year of the Province during which such obligation or payment becomes due. The Province undertakes to use its best efforts to obtain the necessary appropriation in accordance with the Province's financial obligations in this Agreement. In the unlikely event that the Province is not successful in securing the necessary appropriation to satisfy its financial obligation to MMBC, then to the extent that Newspaper Producers have not become members of MMBC and paid or become obligated to pay fees to MMBC during the term of this agreement, and are non-compliant with the regulation, within 60 days thereafter, MMBC may at its discretion cease to provide extended services under this Agreement, and to cease collections of newsprint otherwise cover by Newspaper Producer stewardship plans, to the extent that such volumes would be

in excess of minimum volumes necessary for MMBC to meet its approved MMBC Stewardship Plan targets.

- 6.15 Confidentiality. The Parties agree that this Agreement contains confidential business information and agree that they will not disclose the agreement or the contents of the Agreement except

- (a) with the written consent of the other Party
- (b) if required by law, including the *Freedom of Information and Protection of Privacy Act*,
- (c) in connection with legal proceedings relating to this Agreement.

- 6.16 Counterparts. This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original and all of which taken together will be deemed to constitute one and the same instrument. Delivery of an executed signature page to this Agreement by any party by electronic transmission will be as effective as delivery of a manually executed copy of this Agreement by such party.

ARTICLE 7 - SIGNATORIES

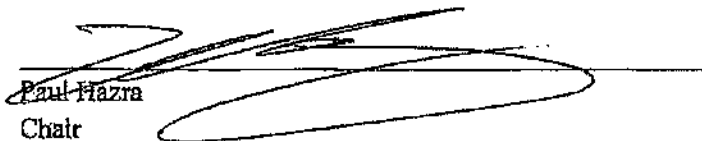
- 7.1 The following Parties confirm their understanding and acceptance of the terms and conditions of this Agreement:



Wes Shoemaker
Deputy Minister
Ministry of Environment
Province of British Columbia

Dec. 9/16

Date



Paul Hazra
Chair
Multi Material BC Society

Date

Dec 12/16

Schedule 1
Transfer Agreement

Schedule 2.
MMBC Waitlist On-Boarding Plan

Schedule 3

Phase 1.

MMBC will by two weeks following the execution of this Agreement, Offer Collection Services to the City of Abbotsford, the District of Mission, the City of Chilliwack, the City of Kamloops, and the Fraser Valley Regional District. MMBCs offer will be for curbside and multifamily collection, as specified in the On-boarding Plan.

The offered service agreement will be effective January 1, 2017, which date shall be conditional on collectors providing MMBC with confirmation that they meet MMBC's Collector Qualification Standards, dated May 31, 2013. Services offered will commence at the earliest date agreed to by the local government that is on or after January 1, 2017, and will extend to December 31, 2021.

Phase 2.

If the Province has met the preconditions for Phase 1 and 2 described below by December 31, 2016, MMBC will Offer Collection Services to the Township of Langley, Town of Comox, Squamish Lillooet Regional District (for Britannia Beach and Furrey Creek), District of Squamish, and City of Powell River and to any local governments listed in Phase 1, above, who did not accept the offer of services during Phase 1. MMBCs offer will be for curbside and multifamily collection, as specified in the On-boarding Plan.

The offered service agreement will be effective July 1, 2017, which date shall be conditional on collectors providing MMBC with confirmation that they meet MMBC's Collector Qualification Standards, dated May 31, 2013. Services offered will commence at the earliest date agreed to by the local government that is on or after July 1, 2017, and will extend to July 1, 2022.

Phase 3.

If the Province has met the preconditions for Phase 3 described below by the dates identified below, MMBC will, by December 31, 2017, Offer Collection Services to City of Delta, Thomson-Nicola Regional District, District of Hope, District of Sechelt, City of Fort St. John, Township of Spallumcheen and to any local governments listed in Phase 1 and Phase 2, above, who did not accept the offer of services during Phase 1 or Phase 2. MMBCs offer will be for curbside and multifamily collection, as specified in the On-boarding Plan.

MMBC will, by December 31, 2017, Offer Collection Services for depot collection to the Regional Districts of East Kootenay, Bulkley Nechako, Central Kootenay and Fraser Fort George.

The Services Agreement will be effective January 1, 2018 which date shall be conditional on collectors providing MMBC with confirmation that they meet MMBC's Collector Qualification Standards, dated May 31, 2013. Services offered will commence at the earliest date after January 1, 2018 agreed to by the local government and extend to December 31, 2022.

Phase 4.

Communities that did not have curbside garbage or PPP collection services as of November 2012 and were ineligible for MMBC collection services under the MMBC Stewardship Plan or that formally opted out of the program and subsequently expressed interest in obtaining MMBC services, will be considered by MMBC on an annual basis, beginning in the 3rd quarter of 2018 as part of the annual performance and accessibility review as outlined in the MMBC Stewardship Plan.

Preconditions for Phase 1 and Phase 2

Parties agree that preconditions for Phase 1 and 2 are met by sections 3.10 and 3.11 of this Agreement.

Preconditions for Phase 3 and 4

The Parties agree that it is a precondition for expanding service in Phase 3 and 4, that the Province will have:

- If MMBC requests in writing prior to June 1, 2017, the Province will have by October 30, 2017 assisted MMBC in reaching an agreement with Encorp on compensation for managing glass deposit containers within the MMBC program, by facilitating discussions between MMBC and Encorp, and if necessary and if the Province considers it appropriate, making recommendations to the Director regarding amendments to Encorp's approved stewardship plan.
- the Province has fulfilled its obligations under section 3.9 of the Agreement (excluding any obligations that are only due at a future date).

All Phases.

The collection services offered to each local government will be those described above on terms and conditions that are consistent with the MMBC Stewardship Plan, as amended from time to time, and on terms and conditions which are substantially the same as MMBC currently provides services of that type to local governments that are served by MMBC as of the date of this Agreement.

Offers will remain open in accordance with section 3.7.

Schedule 4
Distribution of Estimated MMBC Funds for Onboarding as Part of Total Estimated Joint
MMBC/Ministry Funding Commitment

A	B	C	B-C
MMBC's estimate of Total Funds Required for Onboarding (Phases 1 through 3)	Maximum Payment by Province	Provincial Funding previously provided under Transfer Agreement	Additional Provincial Funding provided under section 3.4
\$60 million	\$14million	\$5 million	\$9 million

Schedule 5

Column 1 Year	Column 2 Milestone
2017	<p>Completion of:</p> <ul style="list-style-type: none"> • Offer of Collection Services as described for phase 1 and phase 2 in Schedule 3 by the deadlines referred to in Schedule 3. • Extended Offer of Services as required by section 3.6 throughout 2017 • Provision of collection services in relation to all accepted offers under this Agreement, for the duration of the calendar year 2017.
2018	<p>All of:</p> <ul style="list-style-type: none"> • Offer of Collection Services as described for phase 1, 2 and 3 by the deadlines referred to in Schedule 3. • To extent MMBC, in consultation with the Province, offers services in Phase 4, such Offer of Collection Services. • Extended Offer of Services as required by section 3.6 throughout 2018 • Provision of collection services in relation to all accepted offers under this Agreement, for the duration of the calendar year 2018.
2019	<p>All of:</p> <ul style="list-style-type: none"> • To extent MMBC, in consultation with the Province, offers services in Phase 4, such Offer of Collection Services. • Extended Offer of Services as required by section 3.6 throughout 2019 • Provision of collection services in relation to all accepted offers under this Agreement, for the duration of the calendar year 2019.
2020	<p>All of:</p> <ul style="list-style-type: none"> • To extent MMBC, in consultation with the Province, offers services in Phase 4, such Offer of Collection Services. • Extended Offer of Services as required by section 3.6 throughout 2019 • Provision of collection services in relation to all accepted offers under this Agreement, for the duration of the calendar year 2020.
2021	<p>All of:</p> <ul style="list-style-type: none"> • To extent MMBC, in consultation with the Province, offers services in Phase 4, such Offer of Collection Services. • Extended Offer of Services as required by section 3.6 throughout 2021 • Provision of collection services in relation to all accepted offers under this Agreement, for the duration of the calendar year 2021.

MMBC Waitlist On-boarding Plan

Original targeted timeline for plan development: **June 30, 2016**

Plan implementation: **Ongoing - January 1, 2018**

Definitions:

In this Plan the following terms, when capitalized, have the definitions ascribed below:

“Agreement” means the Agreement between MMBC and the Province executed December 12, 2016;

“Director” means the director under the Regulation;

“Discarded through the Residential Waste Stream,” in discarded, in British Columbia, as trash or collected, in British Columbia for recycling that is not collected as trash or recyclables from industrial, commercial or institutional property;

“LDB PPP” means, in respect of a calendar year,

- (a) PPP for which the LDB is the producer under the Regulation in that calendar year Discarded through the Residential Waste Stream, and
- (b) the Province’s best estimate, based on information available to it or that it can obtain making reasonable efforts, of any additional PPP associated with liquor products, that are imported into British Columbia during that calendar year and Discarded through the Residential Waste Stream, other than:
 - (i) PPP referred to in paragraph (a),
 - (ii) PPP associated with beer, cider or refreshments the producer of which was, as of December 1, 2017, covered by the approved PPP stewardship plan of BC Brewers Recycled Container Collection Council or subsequently becomes covered by that Plan, and
 - (iii) PPP associated with liquor in relation to which the producer under the Regulation is in compliance with the Regulation;

“PPP” means packaging, and printed paper as defined in the Regulation;

“Regulation” means the *Recycling Regulation*, B.C. Reg. 449/2004 as amended from time to time;

Principles:

- The On-boarding Plan is a plan that the Parties have developed for the purpose of allowing the continued roll out of the MMBC program.
- Transparent sharing of information and data towards a shared objective of completing the continued roll out of the MMBC program
- Ensure that additional service does not impact the level of service provided to existing communities within the program
- Both parties agree to work co-operatively, taking reasonable and appropriate steps to complete the requirements, tasks and deadlines identified in the On-boarding Plan for the purpose of obtaining the goals identified in the On-boarding Plan and agree to periodically update the plan as needed to meet its objectives.
- Fulfill government's broader policy objectives associated with implementing EPR programs
- Nothing in this plan fetters the director under the Recycling Regulation, or other statutory decision makers in making decisions under that Regulation or other enactments
- Statutory decision makers to make decisions independently based on relevant factors

Goals & Objectives:

Goals:

- Abbotsford, Chilliwack, Mission, Fraser Valley Regional District and Kamloops on-boarded (i.e. offered MMBC producer funded services via financial incentive offers) as of Jan 2017
- All currently eligible waitlisted communities offered MMBC producer funded services via financial incentive offers in 2017 for service starting no later than January 2018

Objectives:

- Identify and agree upon the outstanding issues with the PPP program impacting MMBC's ability to on-board all waitlisted communities
- Identify and agree upon the process to on-board all waitlisted communities, as the issues become resolved (see Service Rollout Plan)
- Continue to execute this long-term plan for resolving issues identified herein which will form the basis of the Agreement for implementation beginning in 2016
- Ensure compliant producers are paying for fulfilling the obligations of the plan, without materially subsidizing any significant free-riding producers

Outcomes:

- As issues are resolved, waitlist on-boarding can begin (see Attachment: Confirmed MMBC Waitlist)
- By January 1, 2018, the full waitlist is to be offered MMBC financial incentives with a Services Agreement to join the MMBC program
- This on-boarding plan represents the implementation of the MMBC plan for eligible communities that did not accept MMBC's original incentive offer and have since expressed their interest in joining the MMBC program.

- MoE will work with MMBC on two distinct plan amendment recommendations in the near future:
 - Phase 1 – Q4 2016: MoE staff will recommend a Director's amendment to extend the timeframe for the MMBC program, in order to provide MMBC the ability to move with greater certainty when establishing new collection contracts with waitlisted local governments and other service providers (see Issue 8), and will include 'housekeeping' amendments to allow on-boarding of waitlisted communities and review current performance measures to ensure greater certainty for future program implementation.
 - Phase 2 – Q2 2018: MoE staff will recommend an amendment that revises specific language in the plan regarding eligibility of 'new' communities that did not originally qualify for the program, based on Ministry performance goals for the program and the outcome of stakeholder consultation that is planned to occur in Q3 2017 (see Issue 6 and Issue 8)

Requirements:

- This on-boarding plan is based on a number of commitments to be completed by the MOE/provincial government prior to December 31, 2016, as well as others into 2017. If the Province does not fulfill a commitment made by it in this On-boarding Plan, other than commitments made in relation to compliance with the Regulation by Non-member Newspaper Producers, and such failure has a material impact on the revenues received by MMBC, the Parties will negotiate reasonable changes to on-boarding commitments of MMBC or compensation by Province to MMBC, in accordance with the Agreement. It is agreed that:
 - MMBC will not issue contracts to any of Phase One or Phase Two local governments until the government:
 - has provided adequate assurances or commitments that they will resolve the newspaper sector non-compliance issue on an on-going basis under the Recycling Regulation (Issue 1, Task 3). It is agreed that this condition is fulfilled by section 3.11 of the Agreement; and
 - has made recommendations to the Director that the Director approve proposed amendments to the MMBC Stewardship Plan extending the timeframes in Appendix C of that plan to December 31, 2022.(Issue 8, Task 1).
 - MMBC will not issue contracts to any of the Phase Three and Four local governments until the government:
 - has fulfilled commitments for Phase One and Two as described above;
 - (if so requested by MMBC in writing prior to June 1, 2017), the Province will have by October 30, 2017 assisted MMBC in reaching agreement with Encorp on compensation for managing glass deposit containers within MMBC program by facilitation of discussions between MMBC and Encorp and if necessary and if the Province considers it appropriate, making recommendations to the Director regarding amendments to Encorp Pacific's approved stewardship plan; and
 - The Province has complied with all its obligations under section 3.9 of the Agreement (excluding any obligations that are only due at a future date). (Issue 5, Task 6).

Attachment:

1. Confirmed MMBC Waitlist (showing status and service schedule for each community)

Issues Matrix:

Item	Issue	Issue Type	Lead	Due	Critical
1	Newspaper sector non-compliance	Compliance	MoE	Sep 2017	Y
2	Compliance and enforcement (C&E) measures, including the application of AMPs	Compliance	MoE	Jan 2017	Y
3	Materials generated by and issues associated with Encorp Pacific	Regulatory	MMBC/MoE	Oct 2017	Y
4	Materials generated by Brewers Distributors Limited	Regulatory	MoE/MMBC	Aug 2016	Y
5	Materials generated by Liquor Distribution Branch	Regulatory	MoE/MMBC/LDB	Feb 2017	Y
6	MMBC Waitlist for service offering phases	Program	MMBC	Aug 2016	Y
7	Service Roll-out Plan	Program	MMBC	Jan 2018	Y
8	MMBC Plan Stability	Program	MMBC/MoE	Jun 2018	Y

Issues:

1. Newspaper Sector Non-Compliance/MMBC Funding Shortfall (est. tonnage: 32,000 est. cost: \$3.5M including Minor Newspaper Producers)

Goal: Outline steps that government will take to ensure newspaper compliance and funding for on-boarding of communities

Lead: MoE

Deadline: September, 2017

Requirements:

- Accurate tonnage information from newspaper sector, agreed upon by Government and for MMBC to adjust their recovery rate Newspaper tonnage information should indicate volumes for data year and an estimated projection for future years. This will provide insight on MMBC funding shortfall and costs for future years. Province or Major Newspaper Producers to provide audited annual tonnage reports in accordance with the Agreement sections 3.7 and 3.8.
- Newspaper Producers to be covered by the MMBC Stewardship Plan; or obtain approval under the Regulation of a stewardship plan that includes an arrangement by which MMBC collects newspapers, and newspaper producers include tonnage collected by MMBC under the newspaper producer's stewardship plan; or otherwise be in compliance with the Regulation.

Tasks and Due-dates: (Gov = general government to take lead, MoE = Ministry to take lead)

1.	Gov	ADMs and staff to review and facilitate discussions on newspaper tonnage numbers between MMBC and newspapers	June 30, 2017
2.	MoE	Staff to identify options for ongoing commitment from government to resolving newspaper sector non-compliance issue	Aug 30, 2016
3.	Gov	Government to select option(s) to resolve newspaper sector non-compliance issue, and provide assurance/commitment to MMBC	Nov 30, 2016
4.	Gov	Government to finalize approach to resolve newspaper sector non-compliance	Dec 31, 2016
5.	Gov	Government to resolve non-compliance issue with newspaper sector	Sep, 2017
6.	MoE/NSP	Verification process takes place with newspapers	Sep 2017
7.	MMBC	Drawdowns on \$5M GA pending on-boarding of communities	Jan-Oct 2017

2. **Compliance and enforcement (C&E) measures, including the application of AMPs** (est. tonnage: 5,208 est. membership fee: \$2M)

Goal: To complete C&E work on free-riding PPP producers (in addition to newspaper sector)

Objectives:

- Overcome backlog of pending administrative monetary penalties (AMPs)
- Bring remaining non-compliant producers from the previously established (June 2015) Top 60 list into compliance
- Develop Action Plan to complete C&E work on free-riding PPP producers by Jan 31, 2017

Lead: MoE

Deadline: Jan 31, 2017

Requirements:

- Ensure additional resources are allocated to MoE C&E work, alongside additional MMBC resources in a supportive/research role
- Develop a specific C&E Action Plan that identifies all known non-compliant producers, the Top 60 non-compliant producers and focuses on the goal on completing C&E action by Jan 31, 2017.
- Review impact of current exemptions within the regulation and consider changes to scale back these commitments whereby they may have inadvertently exempted large producers. Several smaller compliance-based issues exist, such as producer under-reporting, cross-border sales and internet shopping. MoE has little influence on some of these issues and will support MMBC when working to resolve these issues. The influence of these issues is expected to be minimal, except internet sales, which MoE will work on in the future. Full resolution of these issues is not considered part of the C&E Action Plan, but is part of ongoing 'regulatory maintenance' commitment e.g. further research and evaluation of potential non-compliant producers/sectors, including new producers entering the marketplace.

Tasks and Due-dates:

1.	MoE	Confirm list of potential non-compliant producers provided by MMBC	Sep 15, 2016
2.	MoE	Issue pending AMPs	Aug 31, 2016
3.	MoE	Develop compliance and enforcement Action Plan	Oct 31, 2016
4.	MoE	Achieve goals of Action Plan as set out therein	Jan 31, 2017
5.	MoE	Undertake review of current exemption criteria, and work on smaller compliance-based issues	Ongoing

Note:

- Ongoing maintenance C&E work post January 2017 is not included in this on-boarding plan and is not considered a critical component to fulfilling this plan.

3. **Materials generated by and issues associated with Encorp Pacific** (est. tonnage: 2,400 est. membership fee: \$921K)

Goal: Encorp Pacific to take financial responsibility for its Schedule 1 material (deposit-return glass containers) that is improperly placed in MMBC PPP collection system (materials are recycled by MMBC, but management costs incurred entirely by MMBC for Encorp stewarded material, while Encorp keeps associated deposits and retains all handling fees).

Objectives:

- MMBC and Encorp develop an agreed upon methodology for determining contamination levels of Encorp material in PPP segregated glass system, and establish appropriate compensation for MMBC.

Lead: MMBC/MoE

Deadline: Dec 31, 2016

Requirements:

- MMBC to work with Encorp to reach a mutually agreeable resolution to this issue
- MoE to intervene only if requested by MMBC and to provide regulatory interpretation
- MoE to convey MMBC's agreement with BDL as a policy precedent
- If requested, MoE to consider making recommendations to the Director regarding amendments to Encorp's approved stewardship plan

Tasks and Due-dates:

1.	MMBC	Develop new methodology	Jun 30, 2016
2.	MMBC	Share methodology with Encorp to review and accept	Jul 31, 2016
2. a	MoE	If Encorp does not accept methodology, upon written request by MMBC MoE will facilitate discussions between MMBC and Encorp	On-going
3.	MMBC	Develop estimate of tonnage volume and cost of deposit containers in PPP segregated glass system	Jun 30, 2016
4.	MMBC	Reach agreement on compensation for managing glass deposit containers within the MMBC program	Dec 31, 2017

4. Materials generated by Brewers Distributors Limited

Goal: For BDL to compensate MMBC for the Schedule 5 material (beer packaging) that is deposited in MMBC PPP collection system (materials are recycled by MMBC, but management costs incurred entirely by MMBC for BDL stewarded material).

Objectives:

- MMBC to implement signed agreement (MOU) with BDL that outlines annual compensation from BDL for Schedule 5 packaging material managed in the MMBC system (becomes active 6 months after approval of BDL Schedule 5 plan)
- BDL stewardship plan identifies retailers and depots as primary return locations for BDL Schedule 5 material. BDL to implement plan upon approval, and identify any potential freeriding PPP producers to Ministry
- MoE staff to submit BDL Schedule 5 PPP stewardship plan to the Statutory Decision Maker (SDM) for decision as soon as possible

Lead: MoE/MMBC

Deadline: Feb 1, 2017

Requirements:

- MoE to lead plan review process in timely manner

Tasks and Due-dates:

1.	MoE	Submit BDL Schedule 5 PPP stewardship plan to SDM for decision.	Jun 15, 2016
2.	MoE	Target SDM to render decision	Jul 31, 2016
3.	BDL	BDL to confirm all producers that will participate in PPP plan	Jan 31, 2017
4.	MMBC	MMBC/BDL agreement active, BDL begins payments to MMBC	Feb 1, 2017

5. **Materials generated by Liquor Distribution Branch** (est. tonnage: 400 est. membership fee: \$150K)

Goal: Government takes responsibility for Schedule 5 material associated with LDB PPP that may be deposited in MMBC residential PPP collection system

Objectives:

- Achieve agreement between MMBC, Government whereby Government will act as if it were the obligated party (first importer) for LDB PPP that may be deposited in MMBC PPP collection system
- Government to provide revised reports that include LDB PPP

Lead: MoE/MMBC/Government

Deadline: Feb 28, 2017

Requirements:

- MMBC to work with LDB to resolve this issue
- MoE and government to facilitate the dialogue if needed and provide government objectives towards resolution

Tasks and Due-dates:

1.	MMBC	Communicate position with LDB	Apr 30, 2016
2.	MoE	Review internally and provide interpretation to legal counsel	May 31, 2016
3.	Gov	Prepare a statement that sets out the Province's position and reasoning, and share with MMBC for legal consideration	Sep 15, 2016
4.	Gov/MoE	Decide on best option to resolve outstanding producer issue: A. Resolve issues of whether government is obligated producer in relation to all LDB PPP and if so pursue LDB as obligated producer. B. request government to become voluntary producer for PPP associated with liquor imports	Sep 30, 2016
5.	Gov	Provide revised reports including secondary liquor packaging for LDB PPP and pay associated fees for this packaging.	Feb 28, 2017
6.	MMBC	Begins to receive compensation (for LDB PPP)	Jan 31, 2017

6. MMBC Waitlist for service offering phases

Goal: Offer MMBC financial incentives to all communities that are eligible under the MMBC stewardship plan and have requested to be added to MMBC's Waitlist to join the MMBC program via a Services Agreement

Objectives:

- Provide updated list of communities currently on MMBC's Waitlist that are eligible under the stewardship plan to join the MMBC program (see Attachment: Confirmed MMBC Waitlist)
- Develop eligibility criteria to determine whether curbside or depot service is the most effective and efficient option for new communities seeking to join the MMBC program (after January 1st, 2018). Once developed, these criteria could be formally adopted through amendments to MMBC's stewardship plan (e.g. any communities currently outside of the program and not eligible for current waitlist)

Lead: MMBC

Deadline: Aug 31, 2016

Requirements:

- MMBC will develop a comprehensive list of all communities in BC, which outlines (see Attachment: Confirmed MMBC Waitlist):
 - Existing service levels
 - History of negotiations (regarding the incentive)
 - Currently waitlisted communities
 - Eligible communities as per MMBC plan that may want to join MMBC via a Services Agreement
 - Estimated tonnage and cost of financial incentives for each community on the waitlist
- Consider amendments to MMBC plan to fulfill intent of plan and provide certainty of service

Tasks and Due-dates:

1.	MoE/MMBC	Confirm approach to incentive offerings to all eligible communities	Jun 30, 2016
2.	MMBC	Provide detailed MMBC Waitlist complete with background regarding community eligibility (see Attachment: Confirmed MMBC Waitlist)	Aug 31, 2016
3.	MMBC/MoE	Consider amendments to MMBC's plan to reflect changes noted above	Jun 30, 2018

7. Service Roll Out Plan

Goal: Provide MMBC financial incentive offers to eligible communities as various issues in on-boarding plan are resolved

Objectives:

- Create a balanced approach to on-boarding, reflecting MoE and MMBC meeting respective compliance and regulatory obligations in staged manner
- Offers of financial incentives by MMBC will be done in a prioritized manner, with the objective of providing the most people with the greatest degree of service as soon as possible i.e. curbside services offered to major population bases first, with depot offerings in more remote jurisdictions to follow.
- At the completion of the roll out plan, all the known waitlisted communities who currently desire PPP collection service through the MMBC program via a Services Agreement will be offered financial incentives and be on-boarded should the local government accept the financial offer and execute the Services Agreement with MMBC.

Lead: MMBC

Deadline: Jan 1, 2018

Requirements:

- MoE is committed to resolving issues on time

Tasks and Due-dates: (see Attachment: Confirmed MMBC Waitlist for definitive offerings), a summary of which follows below:

1.	MMBC	Phase 1 rollout: <ul style="list-style-type: none"> • City of Abbotsford • District of Mission • City of Chilliwack • City of Kamloops • Fraser Valley RD <u>Precondition:</u> <ul style="list-style-type: none"> • Government has provided adequate assurances or commitments that they will resolve the newspaper sector non-compliance issue on an on-going basis under the Recycling Regulation (Issue 1, Task 3). It is agreed that this condition is fulfilled by section 3.11 of the Agreement; and • Government has made recommendations to the Director that the Director approve proposed amendments to the MMBC Stewardship Plan extending the timeframes in Appendix C of that plan to December 31, 2022.(Issue 8, Task 1) 	Jan 2, 2017 (Q1)
2.	MMBC	Phase 2 rollout: <ul style="list-style-type: none"> • Township of Langley • Town of Comox • Britannia Beach and Furrey Creek (SLRD) • District of Squamish • City of Powell River <u>Preconditions:</u> <ul style="list-style-type: none"> • Same as for Phase one 	Jul 1, 2017 (Q3)

3.	MMBC	<p>Phase 3 rollout:</p> <ul style="list-style-type: none"> • City of Delta • Thomson-Nicola Regional District District of Hope • District of Sechelt • City of Fort St. John • Township of Spallumcheen • RDEK, RDBN, RDCK and RDFFG Depots <p><u>Preconditions:</u></p> <ul style="list-style-type: none"> • If so requested by MMBC in writing prior to June 1, 2017, the Province will have by October 30, 2017 assisted MMBC in reaching agreement with Encorp on compensation for managing glass deposit containers within MMBC program by facilitation of discussions between MMBC and Encorp and if necessary and if the Province considers it appropriate, making recommendations to the Director regarding amendments to Encorp Pacific's approved stewardship plan; and • The Province has complied with all its obligations under section 3.9 of the Agreement (excluding any obligations that are only due at a future date). (Issue 5, Task 6). 	Jan 1, 2018 (Q1)
4.	MMBC	<p>Phase 4 rollout:</p> <ul style="list-style-type: none"> • Communities that did not have curbside garbage or packaging collection services as of Nov 2012 and were therefore ineligible for MMBC collection services, or those that formally opted out of the program and now desire service, will be considered for future service by MMBC on an annual basis, beginning Q3 2018. (Subject to any MMBC plan amendments to determine future eligibility) 	Post - Jan 1, 2018

8. MMBC plan stability

Goal: To better clarify and reconcile MMBC performance measures for on-boarding of the waitlist and future services, and align the delayed start date of these service contracts (due to extended timeframe to bring major freeriding PPP producers into compliance) with the MMBC plan itself.

Objectives:

- Provide MMBC with market consistencies associated with renewal of its plan that extends its timeframe (e.g. 5 years through 2022), to better align with new 5-year service contracts to be issued in 2017/2018
- Revised performance measures into plan that reflect existing performance of MMBC and feedback from consultations on the collection system being conducted in the latter half of 2017
- Make amendments to the MMBC plan to accommodate further on-boarding of communities subject to additional eligibility requirements

Lead: MoE/MMBC

Deadline: June 30, 2018

Requirements:

- MMBC will draft an extended plans with amendments
- MoE will review and submit extended plans for SDM consideration
- Revised plans will include several outcomes:
 - Revised wording and extension of performance measures to reconcile with on-boarding contracts
 - Revised performance measures (e.g. 75% tonnage/collection rate, streetscape collection)
 - Revised language regarding future eligibility to help guide additional on-boarding of communities after January 1st, 2018

Tasks and Due-dates:

1.	MOE	Government has made recommendations to the Director that the Director approve proposed amendments to the MMBC Stewardship Plan extending the timeframes in Appendix C of that plan to December 31, 2022	Dec 7, 2016
2.	MMBC	MMBC Consultation (as per the stewardship plan following 3 years of operating data)	Nov. 30, 2017
3.	MMBC	Submit amendments based on feedback from consultation and review of first three years performance data	Mar 31, 2018
3.	MoE	Review and submit amendments to MMBC plan to SDM for consideration	Jun 30, 2018



News Media Canada
Médias d'Info Canada

Stewardship Plan

SEPTEMBER 2017



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1. Introduction

Newsprint is one of the most well-established recyclable commodities in British Columbia (BC) and around the world. Newspaper was the original backbone of residential recycling programs and drove the establishment of the now three-decade old Blue Box/Bag recycling system in BC. Recovered newsprint has strong rates of recycling, and is an abundant, high value commodity that has traditionally assisted in offsetting recycling collection costs, and provided a crucial subsidy that has helped municipalities sustain the collection of other Blue Box/Bag materials.

Newsprint is also distinct in that it is a product as opposed to packaging that should be reduced where possible. The inherent value of this product is that it provides a platform for media to communicate with a large audience and as such is a critical element of a free and democratic society, providing accountability for governments and private institutions, and ensuring an informed public.

In May of 2014, Schedule 5 of the British Columbia *Recycling Regulation* (B.C.) Reg. 449/2004 came into effect, requiring that producers of Packaging and Printed Paper (PPP) be covered under an approved stewardship plan. The PPP category includes newsprint as a type of “printed paper”. Under the umbrella organization the Canadian News Media Association dba News Media Canada (“NMC”), BC’s newspapers have worked to produce a stewardship plan intended to address the interests of all stakeholders, and ensure continued high levels of newspaper recycling in BC.

2. Stewardship Agency

The proposed stewardship plan for residential newsprint has been prepared by BC members of NMC.

NMC is the voice of the print and digital media industry in Canada, providing services to member media organizations in areas like public affairs, marketing, research and product stewardship. NMC currently represents 5 major publishers in BC (Postmedia Network Inc., The Globe and Mail Inc., Black Press Group Ltd., Glacier Media Inc., and Sing Tao Newspapers), who collectively produce 121 individual print news publications. Together NMC’s members account for both the vast majority of the publications as well as approximately 90% of the overall newsprint tonnage distributed in BC.

The remaining newspaper producers in BC are being made aware of NMC’s stewardship plan and are invited to become members as a means of fulfilling their regulatory obligations. If there are any changes to the newspaper producers that are discharging their responsibilities under the *Recycling Regulation* through implementation of this plan (“Participating Producers”), the Ministry of Environment will be notified.

NMC is a national organization that is incorporated under the federal *Not for Profit Corporations Act* (Federal Corporation Info can be found here: <https://www.ic.gc.ca/app/scr/cc/CorporationsCanada/fdrlCrpDtls.html?corpId=9862790>). The organization was formed in 2016 as the result of the amalgamation of the Canadian Newspaper Association and the Canadian Community Newspapers Association and has approximately 800 members from Canada's daily, weekly and community newspapers.

NMC is governed by a board made up of a minimum of 10 and maximum of 17 directors who are appointed by the membership (information on the current board can be found here: <https://nmc->

mic.ca/about-us/boards-of-directors/). The board reflects the diversity of the industry and the communities they represent by striking a balance between daily and weekly, small and large, corporate and independent newspapers, as well as taking into account linguistic and geographic diversity. Rules around the organization's governance and operations are clearly laid out in its bylaws, which are available for review here: <https://nmc-mic.ca/about-us/bylaws/>. NMC is based in Toronto and is supported by a CEO and a small contingent of staff.

The management of stewardship plans has been one of the functions of NMC and its predecessor associations for many years – the newspaper industry's Ontario plan since its inception in 2002, for example. NMC is acting as the assigned stewardship agency for this BC plan on behalf of the above mentioned publishers, in order to gain their compliance under the *Recycling Regulation*, Schedule 5. The plan will be managed by the staff at NMC with policy decisions being made by the board and its relevant committees.

NMC will also be the centralized host for electronic documents related to this plan (including the plan itself), as well as other information on recycling in BC on its website: <https://nmc-mic.ca/public-affairs/newspapers-and-recycling/bc-stewardship/>

3. Regulatory Context

Prior to Schedule 5 being added to the *Recycling Regulation*, newsprint recycling was not regulated in BC (aside from local disposal restrictions). Its addition now means that “a producer must (a) have an approved plan under Part 2 [Product stewardship plans] and comply with the approved plan with respect to a product in order to sell, offer for sale, distribute or use in a commercial enterprise the product in British Columbia.”

Following this change, BC's newspapers actively worked together to prepare a compliant plan, going through multiple iterations that have ultimately lead to the following stewardship plan. The intent is to gain Ministry of Environment approval for this plan to be in effect for a minimum of 5 years. At the end of this term, NMC will evaluate the performance of the plan and consider how to proceed.

Appendix C is provided at this time to share possible future intentions of NMC and gain initial feedback during consultation. However, these future intentions are not to be considered part of the NMC stewardship plan being submitted for approval to the Ministry of Environment, but are included only for context. If NMC proceeds with the approach laid out in Appendix C, a new or significantly amended stewardship plan will be developed, consulted upon and submitted for approval under the *Recycling Regulation* at that time.

4. Definition of Newsprint

Recycling Regulation Schedule 5 defines printed paper as “paper that is not packaging, but is printed with text or graphics as a medium for communicating information, and includes telephone directories, but does not include other types of bound reference books, bound literary books, or bound text books”. For the purposes of this stewardship plan, newsprint is considered “printed paper” under the list of PPP items and encompasses the main body of a newspaper comprising the news and other sections,

including advertising printed within these sections. Printed paper may also include magazine type paper for members of the plan that produce and distribute this type of material in BC.

Printed paper for which newspaper producers are responsible under the *Recycling Regulation* does not include flyers or other inserts that are separate from the newspaper itself. Under the *Recycling Regulation* these are the direct responsibility of the owner or licensee of the trademark under which the flyers are circulated (i.e. the advertiser). Producer obligations further do not apply to any samples, merchandise, or other promotional items which may be distributed alongside or within a newspaper; these are also the direct responsibility of the advertiser or brand owner.

Under Section 5 of the *Recycling Regulation*, a PPP plan must adequately provide “for the collection of the product by the producer from residential premises and from municipal property that is not industrial, commercial or institutional property”. This plan therefore includes only newsprint disposed of at residential properties and street facilities. It does not include any material from printing facilities, such as start-up waste, off-cuts or over-issue newspapers, nor newspapers from commercial settings such as offices, hotels and schools.

During consultation, a question arose about the inclusion of plastic film packaging that may be used for some newspapers during the wetter months in order to keep them dry. Such material is covered by this plan as it is acceptable in Recycle BC’s depot system (upon which this plan relies) along with other types of plastic film packaging.

For reporting and recovery rate calculation purposes, producers covered under this plan will track the weight of all newsprint and similar product distributed to residential premises and street facilities as described above. These quantities will then be reported on and used as the denominator in any recovery rate calculations, and only this material will be covered by the plan.

5. Program Development

Newsprint is a unique type of PPP that newspapers are printed on. As noted previously, newspapers are a product – not a package or simply promotional printed paper – that communicates news and information and as such plays a critical role in our democratic society. Whereas it makes environmental sense to charge packaging producers per tonne of waste to incent them to reduce the amount used for their products, it does not make sense to cause publishers to publish less volume of information where societal value comes from more content being published, not less. Newspapers also rely on print advertising for the vast majority of their revenue (generally 90% or more), and thus require a significant volume of pages dedicated to it. So while allocating weight-based costs to packaging or promotional printed paper is an appropriate incentive for using less material, NMC does not interpret that the intent of the *Recycling Regulation* is to reduce or eliminate such a product as newspapers by treating them as waste to be avoided.

Nonetheless, the expanded choice of news media facilitated by technology has also meant that newsprint as a platform is no longer as dominant as it once was, and less newsprint is produced and recycled as a result. This changing paradigm has meant the end of many publications and weakened the sustainability of many others.

In this context, newspapers across Canada and beyond have actively worked to comply with EPR recycling regulations through provision of “Value-in-Kind” (VIK) advertising (that they are able to provide at no charge, largely in place of cash payments) to address costs associated with compliance requirements. Working with the Government of BC, NMC has come to a similar arrangement intended to bring our members into compliance while providing benefit to the Government of BC and residents, and without significantly threatening our members’ financial ability to continue to operate. This arrangement is further discussed below, but involves NMC providing the Government of BC with mainly VIK advertising, with the savings realized by the government applied to the ongoing costs of managing newspaper through the well-established recycling network with which residents have become accustomed.

In May 2014, Multi-Material BC Society (“MMBC”) implemented their residential PPP collection and processing system across the province, providing curbside, multi-family and depot collection in most BC communities. In early 2017, MMBC’s plan and MMBC responsibilities were transferred to MMBC Recycling Inc. doing business as Recycle BC (“Recycle BC”).

With their system established, it is both logical and efficient for newsprint material to continue to be collected alongside other residential PPP. NMC therefore followed a stewardship plan approach somewhat similar to that used by other stewards in the province, such as the Electronic Products Recycling Association (EPRA) and Brewers Recycling Container Collection Council (BRCCC). EPRA’s collection system for example, utilizes the “Return-it”TM Depot system operated by Encorp Pacific. These depots are primarily used for beverage container returns, however the inclusion of the EPRA electronics program means that BC residents can return old electronics alongside beverage containers to the same place, creating a more efficient and convenient system. The BRCCC stewardship plan also utilizes other stewardship programs, such as working with Recycle BC to track beer secondary packaging that enters their system. This material is identified through material audits and the BRCCC takes financial responsibility for it, along with ensuring there is no double-counting between collection systems.

The NMC stewardship plan is based on a somewhat similar type of arrangement. Under this plan, newsprint will continue to be collected through the Recycle BC curbside, multi-family and depot system, in the same way that BC residents have become accustomed over many decades. Recycle BC and its contracted collection partners (mostly member municipalities) will continue to be the sole parties in control of how the material is collected (i.e. depot vs. curbside, single vs. multi-stream) based on collection efficiency, material value and other such considerations, and will continue to control all aspects of commodity sales for the recovered material. Details of the collection system will remain the same as set out in the approved Recycle BC stewardship plan under section 4 “Program Design”.

Under this NMC plan, the Government of BC also plays an important role. The Government of BC is a significant user of print advertising, particularly in newspapers, using it extensively to inform the public of important government initiatives. This communication is critical – particularly at the local level where the community newspaper is often the only source of local news – in keeping BC residents informed of important government affairs.

Therefore under this plan, Participating Producers will provide VIK advertising to the Government of BC, as a means to finance newsprint recycling in BC. This provision of advertising from Participating Producers to the Government of BC will result in direct cost-savings to the Government of BC, that will in turn contribute towards Recycle BC receiving full compensation for fees charged for collecting and recycling newsprint. Although this is somewhat of a unique approach to paying for stewardship

collection services, it is intended to bring newspaper publishers into compliance with the *Recycling Regulation* with no disruption to existing collection services. In addition, it will make Recycle BC better able to fund/offer collection services to additional communities across BC that had previously been waitlisted as a result of limited producer participation/funding.

It is important to note that as much as the above approach references other stewardship agency examples where one relies on and directly contracts with the other for select services, there is no such direct commercial arrangement between NMC and Recycle BC under this plan. Rather, there is significant reliance on and compensation provided through the Government of BC. This is noted only for clarification, as the net effect of these arrangements is similar to that involving direct reliance between other stewardship agencies.

6. Stewardship Agency Responsibilities

NMC will ensure a number of specific duties are performed on behalf of members. These duties will be performed through partial reliance on the existing Recycle BC system, as set out in its approved stewardship plan, as well as directly by NMC.

On behalf of Participating Producers NMC will rely on Recycle BC's continued implementation of the following aspects of the Recycle BC stewardship plan:

- Material collection at curbside, multi-family buildings, depots, and streetscapes (where applicable)
- Material transfer, processing, marketing, and shipping
- Material audits
- Consumer awareness (as part of overall mix of PPP materials collected)
- Dispute resolution with Recycle BC contracted service providers

Although it is anticipated that Recycle BC will continue to implement these activities as currently, responsibility for such implementation will ultimately be with Participating Producers (newspaper producers).

Duties performed by NMC on behalf of Participating Producers, independent of the Recycle BC plan include:

- Stewardship plan preparation, consultation, revisions and submission for final approval
- NMC acting as sole stewardship agency for all member newspaper producers in BC
- Consumer awareness (working with NMC members in addition to Recycle BC's efforts)
- Tracking of annual newsprint tonnages distributed by members (working with NMC members)
- Compilation of annual recovery rate for newsprint
- Annual report preparation and third party audit
- Driving collaboration on environmental impacts (see Section 12 of this plan)
- Dispute resolution with NMC members

If for any reason this plan should become void or cease to operate, NMC will maintain its responsibility to keep member publishers in compliance. This will be achieved by working with either an alternative

existing plan if feasible or pursuing a 'stand-alone' plan exclusively for NMC members (i.e. not reliant on another party to fulfill select regulatory requirements).

7. Consultation

The NMC stewardship plan was subject to a full consultation process as per the *Recycling Regulation* section 5(1)(b).

Consultation commenced with the posting of this plan on July 11th on NMC's website: (www.newsmediacanada.ca). At the same time NMC published a press release with information on the plan, the consultation period dates, consultation events, and contact information for submitting feedback. NMC notified stakeholders of this release and the plan's publication via the various waste and recycling associations active in BC, such as the Recycling Council of British Columbia (RCBC), the Coast Waste Management Association (CWMA), the Waste Management Association of BC (WMABC), and local government networks and associations. Those in the newspaper and publishing industry were also informed via NMC networks. Notification of consultation through these associations ensured awareness of the plan reached all stakeholders, including local and regional governments, newspaper producers, industry associations, environmental groups, First Nations, and the BC public at large.

NMC conducted 3 webinars on July 20th, August 16th and September 8th, which were accessible to any and all interested stakeholders including members of the public. These events consisted of a slide presentation including:

- Critical plan elements
- A clear explanation of how the NMC plan relies on elements of the Recycle BC plan and system
- Potential impacts on those effected by the plan
- Clarification regarding the information-only nature of the possible future plan described in Appendix C
- Q&A

Questions received during these events were documented. A list of questions and answers and a description of how, if appropriate, they were incorporated into the stewardship plan is included as Appendix D.

This consultation program lasted considerably longer than the 45 day minimum set out by the Ministry of Environment. That said, following implementation, NMC will continue to accept stakeholder feedback as it may arise throughout the 5 year term of this plan. This feedback will be received and addressed by NMC staff in charge of stewardship plan management.

8. Collection System and Consumer Accessibility

The proposed plan would have no negative effect on residents in terms of the collection system and consumer accessibility because it relies wholly on the existing Recycle BC system to which residents are already well-accustomed. Specifically, the plan relies on section 4.4 "Collection of Packaging and Printed Paper from Residents and Streetscapes" of the current Recycle BC plan, which details the collection system for different types of residential dwellings in different areas.

The only possible effects that this plan could have on accessibility would be positive: newspaper compliance and participation may in turn result in Recycle BC's potential expansion of accessibility to currently waitlisted communities, as well as increased consumer awareness of the collection system that would result from newspaper-based promotion.

As noted previously, the arrangement in place between the NMC and the Government of BC that facilitates the collection of newsprint via the Recycle BC system is for a period of 5 years. NMC also recognizes that since it depends on Recycle BC, the proposed plan is subject to changes to the Recycle BC system resulting from, for example, new communities joining the program and potential future plan amendments.

9. Consumer Awareness

Consumer awareness as it relates to this plan has already been largely established through Recycle BC's efforts to date. This will continue to be the case as Recycle BC's communication efforts and measurement of awareness is ongoing, as described in detail in section 4.9 "Communications" on pages 14 and 15 of their plan. Reliance on the Recycle BC plan would in turn be subject to any amendments to that plan as far as consumer awareness is concerned.

One element of the Recycle BC plan is to "Deploy an effective mix of communication and P&E tactics", in order to ensure residents are effectively exposed to messaging about the program. To further this end, newspapers plan to supplement Recycle BC's efforts with the same type of recycling promotion that we have been engaged in for many years. This includes featuring the recycling symbol on newspapers and running advertisements that promote the recycling and recyclability of newsprint to consumers.

As part of this plan, member newspapers will continue this practice, as well as running targeted promotion of the collection system available. Specifically, each Participating Producer under this plan will run a minimum of 2 such promotional pieces within the first 4 months following plan approval and implementation.

Advertising via newspapers is particularly appropriate when it comes to this stewardship plan because the communication is printed on the recyclable material itself and is directly targeted to the specific user of the product. This system is much more direct and efficient than trying to reach users via more general media such as radio and TV. As the newsprint product itself is a communication medium and this information will go directly to the user of the product, NMC does not anticipate using other media (TV, radio, etc.) for consumer awareness purposes, but will provide information via the NMC and member websites.

10. Management of Program Costs

The Recycling Regulation Section 5(1)(c) requires that stewardship plans adequately provide for producers paying the costs of collecting and managing the product. Through the arrangement with the Government of BC and in turn Recycle BC, this plan meets this requirement.

The newspaper industry fully accepts the responsibility for collection and management of its product under the regulation, and will ensure that associated costs are paid for over the duration of the 5 year timeframe of this plan. No local governments or other producers will be paying for the collection and management of this material. There will be no accumulated reserves as fees will be assigned to producers according to their residential tonnage of newsprint distributed each year.

The temporary arrangement between NMC and the Government of BC, and the Government of BC and Recycle BC, results in Recycle BC being compensated at levels equivalent to fees currently paid by other newsprint producers that are members of Recycle BC such as producers of grocery flyers. NMC's direct contribution/payment against costs comes in the form of a combined cash equivalent in VIK advertising and direct cash payment to the Government of BC, as well as the incurrence of overhead and administrative NMC agency costs, and finally indirect contribution through complementary consumer awareness advertising. This approach is comparable with those in other Canadian jurisdictions and is considered reasonable given the role of newspapers in our society and the financial challenges currently faced by this industry.

11. Dispute Resolution

This proposed plan involves relationships between NMC and its members, as well as NMC and the Government of BC. NMC does not foresee disputes arising given that there is a clear understanding between NMC members and the Government of BC, and because the NMC has strong relations with its members. That said, should any disputes arise, NMC will strive for amicable resolution. An arbitrated resolution mechanism would be utilized in the event that amicable negotiation is not successful.

By extension, this plan also requires relationships between the Government of BC and Recycle BC and between Recycle BC and their service providers. NMC will not become involved in any disputes between the Government of BC and Recycle BC, and the dispute resolution mechanism that Recycle BC already has established in their plan for dealing with their service providers is expected to be used for any such cases without NMC involvement.

12. Environmental Impacts

From an environmental perspective, integrating the responsibility for newsprint collection and recycling with the existing Recycle BC program is the ideal system. This integration means that all PPP will be managed together, creating economies of scale in collection, processing and distribution of commodities that maximizes overall efficiency and in turn minimizes environmental impacts. Collecting multiple materials from households all at once will ensure reduced GHG emissions per tonne of PPP collected, as will consolidation of the distribution chain for the recovered commodity. Where applicable, a common depot system including newspaper will also result in reduced GHG emissions as it will allow consumers to take advantage of a single point of return.

Newsprint itself also has the added benefit of stable domestic processing capacity in the Pacific Northwestern United States. So where newsprint is collected by Recycle BC separately and/or where

sorting capability exists to extract newsprint from mixed paper, processors may be able take advantage of more local markets with lesser transportation requirements at Recycle BC's discretion.

With respect to the Pollution Prevention Hierarchy, section 5.4 (page 28) of Recycle BC's plan lays out their adherence to managing materials collected at the highest level possible, and this would include newsprint under this plan. At the highest level, "reduction" is not really an appropriate criterion for newsprint for reasons discussed earlier (i.e. newspapers are a product, not a package and reducing their volumes means having less of a valuable product). That said, similar to Recycle BC's environmental commitments, newspapers have changed to much lighter weight paper in recent years, as well as reducing page size in many cases, both of which have reduced environmental impacts without significantly compromising the newspaper product.

"Redesign" is another area where newspapers have made significant strides. For over 10 years now, many of BC's newspapers have been using high levels of vegetable-based inks free of all Volatile Organic Compounds (VOCs). The change to less toxic ingredients has made these newspapers much more environmentally friendly and 100% safe for reuse applications such as food wrap, pet-bedding and bin-lining. Under this plan, newspapers will continue to search for new and innovative redesign strategies such as this example to reduce the impacts of our products.

Following the exhaustion of the above efforts at the top of the hierarchy, all remaining material collected by Recycle BC would be managed at the "recycle the product" level. Newsprint has a number of unique characteristics that make it one of the most recycled and recyclable materials in the current PPP basket:

- It has a specific, consistent and high demand recycling application: new newsprint and magazines
- It has multiple, consistent mill buyers in the Pacific Northwest that ensure a recycling market for the recovered newsprint – even in the most depressed economic periods
- It is easy for residents to recognize and is traditionally sorted with minimal non-newsprint contamination
- It is made of a single material, rather than a composite, so does not have any plastic or metal attached to it and does not require more involved processes resulting in greater by-product
- It is in no way connected to food products, so carries no risk of residues or putrescible contamination entering the recycling system, as do many types of packaging

Residual waste or contamination coming from newsprint will therefore be minimal and recycling maximized within the Recycle BC system.

13. Performance Monitoring and Reporting Commitments

Newsprint is a highly recognizable grade of fibre with a long history of successful recycling in BC, dating back to the late 1980s. Most BC residents are familiar with the Blue Box/Bag and other programs that have been used specifically for newsprint over the past decades and continue to be used in the Recycle BC collection system. Therefore NMC is confident that the transition to this plan would be seamless and the high degree of recycling maintained.

For reporting purposes, NMC will track all tonnages of newspaper distributed to the residential market in BC by member publications. In order to calculate a recovery rate, this tonnage will be divided by the tonnage of newspaper collected through the Recycle BC system, as determined by internal auditing of materials collected.

The *Recycling Regulation* requires that stewardship plans achieve a 75% recovery rate within a reasonable amount of time and NMC commits to maintaining the expectedly higher than 75% recovery rate calculated in the first year of the program, through the remaining duration of the plan. In other words, there will be no going backwards from the status-quo recovery rate for the newspaper-specific product itself once calculated.

Recycle BC will provide newspaper-specific collection tonnage information, which will count toward this plan's recovery target. This information will be communicated to NMC and will inform NMC's reporting, which will then be subject to third party audits for non-financial information, as per the Regulation and MoE guidance documents.

As a plan, other elements subject to performance measures will be monitored and reported on as they currently are by Recycle BC and their auditors, which will in turn inform reporting requirements for the NMC plan. These include measures pertaining to accessibility, operational and efficiency indicators, and overall resident awareness of the program as outlined in the Recycle BC plan section 5.5 "Reporting".

Glossary of Terms and Abbreviations

Contingency Plan / Stand-Alone Plan: The outline in Appendix C that would take over from the initial stewardship plan at the end of the 5 year term in the event it is not extended

NMC / News Media Canada: The association representing Canadian print and digital media, and the manager of this stewardship plan

ONP: Recycling industry abbreviation for the newspaper material grade (“Old Newsprint”)

Pollution Prevention Hierarchy: The official waste management hierarchy of the BC Government, which ranks, from top to bottom: Reduce, Reuse, Recycle, Recovery, Residuals Management

PPP / Packaging and Printed Paper: The product category under Schedule 5 of the Recycling Regulation that covers packaging and printed paper, where printed paper “means paper that is not packaging, but is printed with text or graphics as a medium for communicating information, and includes telephone directories, but does not include (a) other types of bound reference books, (b) bound literary books, or (c) bound text books.”

Recovery Rate: The rate, expressed in percentage form, calculated by dividing the amount of a material recovered by the total distributed

Recycling Regulation: The framework regulation under the Environmental Management Act that regulates product stewardship programs in British Columbia; product categories are separated into different “Schedules” which can be added via Order-In-Council

Schedule 5: The schedule of the Recycling Regulation that covers Packaging and Printed Paper

VIK / Value in Kind: A form of payment by provision of free newspaper advertising

Appendix A: Performance Measures Summary

Performance Measure	2017	2018	2019	2020	2021/2022
Recovery Rate	At a minimum, maintain the current status quo recovery rate, whether the <i>Recycling Regulation</i> mandated 75% rate, or a higher rate if material audits during the first year of the plan show the status quo to be higher than 75%				
Recovery Rate Reporting	<ul style="list-style-type: none">Track tonnes of newspaper distributed to residential premises in BC by Participating ProducersUtilize Recycle BC audit data on newspapersBreak up tonnages distributed by Regional District as Recycle BC audit data allowsUtilize Recycle BC audit data on newspapers collected to calculate and report on overall recovery rate for the province as a percentage, as well as detailed figures by Regional District and per capita where data allows; subject to third party assurance				
Consumer Awareness	<ul style="list-style-type: none">Run targeted promotion of the Recycle BC collection system for newspaper, with a minimum of 2 promotional pieces from each member publication within 4 months of plan approval	<ul style="list-style-type: none">Continue ongoing recycling promotion in BC newspapersDo consumer awareness survey in 2020 to gauge level of consumer awarenessRely on Recycle BC’s ongoing communication campaigns and awareness tracking			
Accessibility	<ul style="list-style-type: none">Rely on the approved Recycle BC plan’s accessibility commitments to single-family, multi-family, depot, and, where applicable, streetscapes collection; this includes commitments for Recycle BC to report on accessibility levels throughout BC, and such accessibility will in turn be reported by NMC				
Pollution Prevention Hierarchy & Environmental Impacts	<ul style="list-style-type: none">Continue to make efforts where possible to reduce the environmental impacts of paper and inks used in newspaper productionEnsure that at least 85% of inks used by Participating Producers in production of newspapers contain soy-based oil; achieve 95% by 2021/2022, assuming available supplyInclude specific messaging on sorting and clean newspaper recycling in ongoing promotion efforts				

Appendix B: Stewardship Plan Members

Following is a list of newspaper producers and affiliates (titles) currently represented by this stewardship plan; this list may expand in the case that additional newspaper publications wish to become part of it:

- Postmedia Network Inc.
 - The Vancouver Sun
 - The Province
 - National Post
- The Globe and Mail Inc.
 - Globe and Mail
- Black Press Group Ltd
 - 100 Mile House Free Press
 - Abbotsford News
 - Agassiz-Harrison Observer
 - Alberni Valley News
 - Aldergrove Star
 - Ashcroft-Cache Creek Journal
 - Barriere Star Journal
 - Bella Coola Coast Mountain News
 - Boulevard – Okanagan
 - Boulevard Chinese Edition
 - Boulevard Mid-Island
 - Boulevard Vancouver Edition
 - Boulevard Victoria
 - Boundary Creek Times
 - Burns Lake / Lakes District News
 - Campbell River Mirror
 - Canadian Grapes to Wine
 - Castlegar News
 - Chilliwack Progress
 - Clearwater Times
 - Cloverdale Reporter
 - Courtenay / Comox Valley Record
 - Cranbrook Daily Townsman
 - Cranbrook Kootenay News Advertiser
 - Creston Valley Advance
 - Duncan Cowichan Valley Citizen
 - Fernie Free Press
 - Fort St. James Caledonia Courier
 - Golden Star
 - Goldstream News Gazette

- Grand Forks Gazette
- Gulf Island Driftwood
- Haida Gwaii Observer
- Hope Standard
- Houston Today
- Indulge (Chinese/English)
- Indulge Magazine
- Invermere, The Valley Echo
- Kelowna Capital News
- Keremeos, The Review
- Kimberly Daily Bulletin
- Kitimat, Northern Sentinel
- Ladysmith-Chemainus Chronicle
- Lake Cowichan Gazette
- Langley Advance
- Langley Times
- Maple Ridge-Pitt Meadows News
- Mission City Record
- Monday Magazine
- N2K Magazine
- Nakusp, Arrow Lakes News
- Nanaimo News Bulletin
- Nelson Star
- North Delta Reporter
- Northern Connector
- Oak Bay News
- Parksville/Qualicum Beach News
- Peace Arch News, White Rock/South Surrey
- Penticton Western News
- Port Hardy, The Norther View
- Princeton, The Similkameen Spotlight
- Quesnel, Cariboo Observer
- Real Estate Weekly Abbotsford
- Real Estate Weekly Langley
- Real Estate Weekly Surrey
- Revelstoke Times Review
- Rossland News
- Saanich News
- Salmon Arm Observer
- Salmon Arm, Shuswap Market News
- Sicamous, Eagle Valley News
- Sidney, Peninsula News Review
- Smithers, Interior News
- Sooke News Mirror

- Summerland Review
 - Surrey Now
 - Surrey, North Delta Leader
 - Terrace Standard
 - Tofino-Ucuelet Westerly News
 - Trail Daily Times
 - Vancouver Island Free Daily
 - Vanderhoof, Omineca Express
 - Vernon, Morning Star
 - Victoria News
 - Williams Lake Advisor
 - Williams Lake Tribune
 - Wine Trails
 - Winfield, Lake County Calendar
- Glacier Media Inc.
 - Business in Vancouver
 - Western Investor
 - Real Estate Weekly
 - Alaska Highway News
 - Pipeline News North
 - The Mirror
 - Northern Horizon
 - Prince George Citizen
 - Vancouver Courier
 - North Shore News
 - Burnaby Now
 - New Westminster Record
 - Richmond News
 - Delta Optimist
 - Tri-City News
 - Westender
 - Bowen Island Undercurrent
 - Squamish Chief
 - Whistler Question
 - Whistler Pique
 - Bridge River Lillooet News
 - Powell River Peak
 - Coast Reporter
- Sing Tao Newspapers (Canada 1988) Ltd.
 - Sing Tao Daily
 - Sing Tao Real Estate Guide
 - Entertainment Insider

- Sing Tao Weekly Magazine
- Canadian City Post
- Sing Tao Etel Directory

Appendix C: Contingency Plan / Stand-Alone Plan

In the event that the plan proposed in this document is discontinued for any reason, NMC has prepared an outline for a Contingency / Stand-Alone plan for newspaper recycling in BC.

This section is being provided for information purposes only so that the Ministry and stakeholders can better understand NMC's potential long-term strategy. Consultation anticipates and welcomes comments on this Appendix in order to help further develop such a contingency plan, however it is important to be clear that it is only an outline of what the next stages may look like and is not an official plan that will be reviewed or approved by the MoE at this time. In the event it becomes necessary to implement, a more detailed version of the plan would be drafted utilizing preliminary feedback to date, then publicized, and subject to a full consultation and a government review process of its own.

1. Introduction

Under the Contingency plan, NMC will operate a stand-alone collection and processing system for members' newsprint in communities across BC.

2. Collection System Overview

The collection system under a stand-alone newspaper plan would be based on a number of components. First and foremost, in the interests of efficiency and utilization of existing infrastructure, the collection would utilize a "reverse distribution" system using local newspaper delivery drivers to pick-up Old Newsprint (ONP) curbside in all areas in BC that currently have curbside or multi-family recycling service. Other areas that currently use depots for newsprint recycling would be serviced in a similar fashion under this plan, through drop-off bins at depots, Newspaper Offices and other convenient locations that have room for bins and meet criteria of safety and accessibility.

This reverse distribution system would see collected newsprint returned back to a network of printers, distribution centres or directly to a recycling processing centre based on geographical and logistical considerations. For more remote areas, the system would utilize "backhauling" of recovered material in the trucks used to deliver newspapers. Baling and compaction would also be used as much as possible to maximize trucking efficiency.

The curbside system would make use of a "Green Bag" system similar to historical blue bags, which residents would use for their old newspapers. The bags would have instructions for use printed on them and would be distributed to every BC household currently receiving direct services. The costs associated with these bags will be partially offset by revenue sponsorship/advertising opportunities.

3. Benefits of a Stand-Alone Plan Exclusive to Newsprint

Implementing an exclusive plan for newsprint would have multiple benefits that make this an attractive option if necessary:

- **Collection Efficiency:** Newspapers have an exclusive and established residential distribution system in place already, and a "reverse-distribution" system would take advantage of the vehicles and drivers that currently deliver newspapers.

- **Material Quality and Market Value:** The system would be for newsprint only which would result in less contamination and a pure newsprint grade of material that would command higher market values as compared to mixed paper grades where newsprint is combined with other types of paper.
- **Reduced Processing Requirements:** Newspaper collected in an exclusive system would require very limited sorting (a capital-intensive and expensive part of the process for mixed materials), which would reduce processing costs and complexity.
- **Guaranteed Highest End Use:** Newsprint grades are typically used only for recycling back into new newspaper, flyers and magazine paper. This is preferable to newspaper being part of mixed paper grades which may be “down-cycled” into lower value products such as low-grade packaging, which are sold for lower prices and are less likely to be recycled again.
- **Active Domestic Markets:** There are multiple, active recycling mills in the Pacific Northwest that currently purchase recovered newsprint, ensuring that much of the newsprint is recycled within the region over and over. This is typically not the case for mixed paper grades which are virtually all exported to overseas markets for processing.
- **Charitable Benefit:** Newspaper Publishers will encourage and support charitable organizations to participate in the newsprint recycling plan (i.e. through newspaper drives, similar to bottle drives) and will share a portion of funds with local charities.

4. Required Plan Elements per the BC Recycling Regulation:

The Recycling Regulation has a number of required elements for approved stewardship plans. The stand-alone plan for newspapers would address all of these areas.

4.1 Product Recovery Targets

The Recycling Regulation requires that stewardship plans achieve a 75% recovery rate within a reasonable amount of time. Newspapers have long been at or above this collection target and that would continue to be the case under a stand-alone stewardship plan. Similar to the proposed plan, this 75% rate would be maintained under the stand-alone plan unless surpassed during implementation of the initial plan (a higher rate identified in the initial audit of actual newspaper recovery), any such higher rate would then become the baseline rate that would be maintained.

Most BC residents are familiar with blue box/bag programs that have been used specifically for newsprint over the past decades, and because NMC envisions a similar collection system (Green Bag), the same habits will be engaged and the transition should cause limited confusion. As a communication product, newspapers also have the added benefit of being able to communicate recycling information directly with consumers through print and digital promotion.

4.2 Consultation

Due to the added complexity, consultation for a stand-alone plan would be an extended version of the plan under the initial 5-year scenario. It would involve publicizing the plan, conducting consultation by webinars, public meetings, and direct meetings with stakeholder associations and individuals. Specific attention would be paid to all impacted groups: local and regional governments, newspaper producers, the public, industry associations, First Nations and environmental groups. Participation and input from

consultations would be fully documented, reviewed and where appropriate incorporated to become part of the final plan submission.

4.3 How Producers Will Bear the Costs of Collection and Recovery

Members under this plan will report and submit their volumes of newsprint distributed in BC to NMC, which will in turn be responsible for invoicing the newspaper owners for the net cost of the collection system based on tonnage, collecting funds and paying service providers and other costs of running the program.

The resale value of newsprint will cover a significant portion of the costs of the system. Newsprint will be separated after collection, and generate a higher resale price and revenue, making the system more economically efficient.

4.4 Reasonable and Free Consumer Access to Collection Facilities

The reverse-distribution collection system guarantees that everyone receiving newspaper delivery will enjoy the same convenience on the collection side. The proposed system of depot/community collection for areas without curbside guarantees accessibility for all areas where newspapers are distributed.

4.5 Consumers Awareness

Consumer awareness will be very simple to achieve under a stand-alone plan because the newspapers can communicate all necessary information directly to the consumer through promotion on the newspapers themselves. This communication will be targeted and ongoing, and may also be supplemented via our newspapers' online websites. Collection containers (Green bags for households, larger bins for depot and drop off bins), will also feature information on the system.

4.6 Assessing Performance

A stand-alone plan under NMC will adhere to the annual reporting requirement as laid out in the *Recycling Regulation*, with report detail to include:

- Summary of collection system activity (curbside and depot/drop-off)
- Tonnages distributed and collected by region and per capita
- Summary of communication efforts and consumer awareness levels
- Details on challenges and solutions, efforts made to manage the costs and environmental impacts of the stewardship plan
- Summary of material audit results

4.7 Dispute Resolution Procedure

NMC will work to strive for amicable rather than legal resolution to any and all disputes whether they be with residents or service providers. Arbitrated resolution would be a mechanism utilized in the event that amicable negotiation is not successful.

4.8 Life Cycle Management of Products

The environmental impacts of newspaper recycling will continue to be minimal under this plan as they have been under similar systems throughout the years. Impacts will be less on account of the reverse distribution system and various other environmental benefits as described previously.

4.9 Product Management as per the Pollution Prevention Hierarchy

As it has for many years, the newspaper industry will continue to find ways to light-weight our product as well as make its production more environmentally sustainable through redesign. All remaining newsprint collected will be recycled for new newsprint and such, corresponding to the “Recycle the product” level of the hierarchy, with negligible amounts of (mainly contaminated) product directed to the lower energy recovery and disposal levels of the hierarchy.

Appendix D: Consultation Summary

News Media Canada partnered with a professional communications firm to carry out the consultation program for this stewardship plan. The program consisted of 3 webinar presentations with opportunity for live questions as well as an email address where questions and comments could be sent at any time throughout the consultation period. NMC conducted the webinars on July 20th, August 16th and September 8th, which were accessible to any and all interested stakeholders including members of the public. The webinars were well-attended, with 59 participants across the 3 sessions including strong representation from:

- government (local, regional and provincial)
- the newspaper industry
- the waste and recycling industry
- other sectors

The presentation from the webinars was also made available online along with the plan, to encourage further comment. Between the webinars and emails, a total of 13 questions/comments were received. Each of these is documented and addressed as appropriate in the table to follow.

Industry Sector	Question / Comment	Response	Change to Plan Submission
Municipal Government	Will Recycle BC depots be required to have separate collection containers for newspapers, or will newspapers continue to be part of Category 1 - Printed Papers?	NMC will rely on the Recycle BC Plan for collection. NMC anticipates no changes to current collection systems or categories.	No change
Municipal Government	What about the plastic bags and elastics that newspapers are often delivered with?	The plastic is covered by the plan as it is widely accepted for recycling by local depots.	Plan amended under "Section 4: Definition of Newsprint"
Municipal Government	What will happen to the non-Recycle BC collection systems that exist now for some community newspapers or in large urban areas that requested it?	NMC anticipates no changes to current collection systems.	No change
Municipal Government	Will News Media BC reimburse either the Province or Recycle BC for the three years of stewardship activities that were provided to newspapers before this plan?	This is the arrangement and the process that all three parties have agreed to. NMC will not be reimbursing for any activities prior to 2016.	No change
Regional Government	Will there be funding subsidies provided through News Media Canada Stewardship Plan to local governments that are not able to be in contract with or approved by Recycle BC, for their recycled PPP?	It is not NMC's intention to subsidize any local governments that do not currently have a contract with Recycle BC. The arrangement is between NMC and the Province, and the Province and Recycle BC so it would be solely Recycle BC's decision on further expanding PPP collection areas.	No change
Municipal Government	How will you know what percentage of material recycled is from News Media Canada stewards versus the materials that will come from flyers that this program is not responsible for?	NMC is responsible for reporting on the volume that its BC members generate yearly. Recycle BC would have information provided by all producers on material	No change

		generation, as well as audit data on the composition of material collected. The newspaper-specific tonnage determined by these audits would be the numerator to calculate the recovery rate.	
Municipal Government	If Recycle BC is providing all of the collection and recycling service as well as public awareness and auditing, why not partner with them and ensure they are fairly paid for the services?	<p>The NMC plan is not dissimilar to others that create their own stewardship plan that integrates with existing EPR infrastructure and services.</p> <p>NMC has negotiated with the Province of BC directly as the Province was in a position to take full advantage of a VIK-style system as used in other Canadian provinces, because they are a large user of newspaper advertising.</p>	No change
Municipal Government	Why not pay fees in for awareness programs and then use those funds to buy media ads to avoid issues of getting ads on the back page or if the benefit goes to the province, to make sure that the ads are used to increase collection of materials and not some other government program?	NMC BC members will work actively to support awareness through ads run its publications. NMC as with other producers want the infrastructure to work and be efficient. It is in NMC's interest to support Recycle BC with ads that are meaningful and well placed in its papers, supporting a variety of initiatives including information, instructions and facts about recycling newsprint. NMC will control the ads and their placement and ensure that they are effective.	No change
Newspaper Industry	Please explain the relationship between News Media Canada, the Province of BC and Recycle BC as it relates to the plan.	NMC will provide a combination of cash and VIK payments to the Province of BC for a five-year term. With the savings incurred, the Province of BC will then compensate Recycle BC for newspaper recycling services for the same term.	No change

Newspaper Industry	How will News Media Canada pay for the collection and distribution of newspapers to be recycled?	Per above through the agreement with the Province of BC.	No change
Regional Government	Page 5, 6. Stewardship Agency Responsibilities: "Material collection at curbside, multi-family buildings, depots and streetscapes (where applicable)." Based on prior experience with public space recycling, it is likely that take-out food containers, coffee cups, and newspapers are a significant portion of the materials discarded on streetscapes. What role is News Media Canada intending to play in the roll-out of streetscape collection of PPP?	NMC would rely on the Recycle BC Plan to provide streetscape collection of PPP, and newspapers specifically, on our behalf.	No change
Regional Government	Page 7, 10. Management of Program Costs: "No local government or other producers will be paying for the collection and management of this material." How does News Media Canada intend to demonstrate this? Many local governments say that the Recycle BC market-clearing price does not cover all of their costs.	NMC has confidence that the cash and VIK agreement with the Province adequately covers these costs to Recycle BC. NMC cannot comment on the Recycle BC market clearing price for services.	No change
Regional Government	Page 16, 2. Collection System Overview "The curbside system would make use of a "Green Bag" system similar to historical blue bags, which residents would use for their old newspapers." Implementing an additional collection mechanism, especially one that isn't integrated with existing municipal garbage, organics and recycling collection may lead to resistance and/or confusion among residents. Have residents been consulted about this potential plan?	This question refers to an element in the Contingency / Stand-Alone plan in Appendix C, which will be consulted on in more detail should NMC pursue this option in the future. That said, NMC did consult with the public through a survey completed in May 2014 and the findings of this survey were that residents were not resistant to separating newsprint as this is a long established practice across BC.	No change

Thank you



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