

**Request for Proposals for  
Sorting Services for Mixed Batteries  
(British Columbia only)  
and/or  
Processing Services for Single-Use Dry Cell Batteries**

*Issued by  
Rechargeable Battery Recycling Corporation of Canada*

Response Deadline:  
May 22, 2009

3:00 p.m. Eastern Standard Time

## **1. BACKGROUND**

The Rechargeable Battery Recycling Corporation and Rechargeable Battery Recycling Corporation of Canada (collectively “RBRCC”) are non-profit public service corporations that promote social welfare by addressing environmental concerns relating to the recycling or proper disposal of rechargeable batteries (including nickel cadmium, nickel metal hydride, nickel zinc, lithium-ion and small sealed lead acid batteries). These batteries power such rechargeable consumer products as video camcorders, cordless telephones, and portable power tools.

RBRCC operates the Call2Recycle® battery and cell phone recycling programs and educates the public with respect to the proper disposal and recycling of batteries. All aspects of the Corporations’ businesses are conducted in an environmentally sensitive manner. The Corporations are convinced that sound environmental product stewardship and sound business practices go hand in hand.

RBRCC now intends to expand that program in two Canadian Provinces to encompass collection of nonrechargeable batteries. This Request for Proposal (“RFP”) solicits your proposal to assist RBRCC in its expanded effort. The company or companies chosen to provide services to RBRCC in response to this RFP will be offered the opportunity to enter into an implementation contract for the specified services. Among other provisions, the contract will require that services be performed in compliance with the requirements specified in RBRCC’s Service Standards, which are attached hereto.

RBRCC therefore seeks proposals from suitably qualified individuals, companies and organizations or other entities (hereinafter “Contractor(s)”) to perform the following services set forth below, as more fully described in this RFP. Preference will be given to contractors who can provide both requested services:

- Single-use dry cell and rechargeable battery sorting for batteries received in British Columbia (BC); and/or
- Single-use dry cell batteries processing for Ontario, BC and potentially other provinces.

RBRCC’s mission is to be the leader in the environmentally sound collection, transportation and recycling of rechargeable batteries. RBRCC is committed to a cleaner, healthier environment through public education on battery recycling. RBRCC pursues both, for the benefit of licensees of the RBRCC Seal and for the communities served.

### **1.1 Overview of Current RBRCC Program**

RBRCC currently provides collection containers, freight and recycling services free to over 1,939 and 1,158 active collection sites in the provinces of Ontario and BC, respectively. Those sites include businesses, communities and public agencies. Here is an outline of RBRCC’s current activities:

**A. Collection Container Fulfillment**

- Orders are processed at RBRCC's fulfillment center in Toronto Ontario.
- There are 2 RBRCC container types – 44kg and 88kg containers.
- RBRCC participants have the option to receive 1, 2 or 4 containers per shipment.
- Baggies are included with each container – each returned battery and cell phone must be in its own baggie for safety and compliance purposes.
- Containers include site identification and prepaid freight labels affixed.

**B. Collection Participants Receive RBRCC Containers**

- Retailers, business, communities and public agencies can sign-up and order containers via RBRCC website or by calling toll free number.
- Participant places batteries and cell phones first into baggie (one battery, one baggie) and then into container until full.
- Participant hands full container to Purolator representative.
- Once the participant container inventory level hits 1, a 2-pack replenishment order is automatically generated.

**C. Collection Participants Shipping Bulk (over 1,100kg or more)**

- RBRCC participants shipping large battery quantities use their own containers ( drums, gaylords, etc.).
- Containers must be properly packaged and labeled prior to shipment.
- Participant ships to RBRCC recycling facility.
- Participant is reimbursed freight cost by RBRCC.

**D. RBRCC Collection Containers are Received at Recycling Facilities (RF)**

- RF receives RBRCC container from the RBRCC's approved transporter.
- RF opens, sorts and records into RBRCC database for each box:
  - Site Identification
  - Weight for each battery chemistry and cell phone
  - Quantity of cell phones
- RF reconciles daily receipts entered into RBRCC database with count of boxes received from RBRCC's approved transporter.
- Batteries and cell phones are sorted, handled and stored in an environmentally safe manner.
- If the batteries can be recycled at the RF this is done in a timely manner that complies with all regulations.
- All batteries that cannot be processed at the RF are shipped to the recycling facility designated for each battery or cell phone type.
- The same procedure is used for bulk shipments.
- Certificates of recycling are provided to program participants within 30 days of request.

**E. Collection Volumes**

The following table presents RBRCC rechargeable battery processing/sorting activity in 2008 (Ni-CD, Ni-MH, Li-ion and SSLA battery types):

	Lbs	# of Boxes received	# Sites
Ontario	285,000		1,939
BC	56,000	2,100	1,158
Total	341,000		3,097

The following table presents industry potential estimates for Alkaline Batteries:

	Units sold	Lbs	Potential Collection Rates				
			10%	25%	50%	75%	100%
Ontario	180,576,000	11,522,568	1,152,257	2,880,642	5,761,284	8,641,926	11,522,568
BC	68,112,000	4,346,232	434,623	1,086,558	2,173,116	3,259,674	4,346,232
Total	248,688,000	15,868,800	1,586,880	3,967,200	7,934,400	11,901,600	15,868,800

## 2. DEFINITIONS

For the purposes of this RFP, the following definitions shall apply:

MHSM Definitions	Inclusions
<p><b>Single-Use Dry Cell Batteries</b> – Means batteries that are one or more cells, including case, terminals and markings. The source of electrical energy is obtained by the direct conversion of chemical energy that is not designed to be charged by any other electrical source.</p>	<p>Easily removable batteries according to the following chemistry categories:</p> <p>Alkaline-Manganese Zinc-Carbon Lithium batteries Button Cells (a variety of chemistries such as those used in hearing aids, watches, etc.)</p> <p>Includes batteries provided within other products such as toys, electronics, etc.</p>
<p><b>Contractor</b> The company, individual or entity providing a bid in response to this RFP.</p>	
<p><b>Portable Rechargeable Battery:</b> Portable rechargeable battery” means capable of being recharged and weighing less than one kilogram, or battery packs that weigh less than one kilogram, but shall not include a battery used (i) to start an internal combustion engine or as the principal electric power source for a vehicle, such as, but not limited to, an automobile, boat, truck, tractor, golf cart or wheelchair, (ii) for load leveling or storage of electricity generated by an alternative power source, such as solar or wind-driven generators, (iii) as a backup power source for memory or program instruction storage, timekeeping or any similar purpose that requires uninterrupted electrical power in order to function if the primary energy supply fails or fluctuates momentarily, or (iv) to power a medical device.</p>	<p>Easily removable batteries according to the following chemistry categories:</p> <p>Nickel cadmium Nickel metal hydride Small sealed lead acid (under 1 kg) Lithium Ion &amp; Lithium Polymer Nickel zinc</p>
<p><b>Cell Phone:</b> A self-contained device intended to allow communication over a cellular telephone network and to be easily held in one hand.</p>	
<p><b>Recovery Rate:</b> The percentage by weight of material recovered for use in a legitimate marketplace (for purposes other than heat recovery) compared to the input weight of batteries.</p>	

### **3. SINGLE-USE DRY CELL AND RECHARGEABLE BATTERY SORTING (BC ONLY)**

#### **3.1 Contractor(s) will:**

- Receive RBRCC boxes from the RBRCC's approved transporter(s).
- Open, sort materials included. Batteries are to be sorted by type and chemistry as listed below; cell phones separated; and other materials separated and stored properly (depending upon their characteristics). Record into RBRCC-supplied database for each box:
  - Originating Site Identification
  - Weights for each of the following categories:
    - Single use battery: other than lithium and/or button cell
    - Single use battery: lithium
    - Single use battery: button cell
    - Portable Rechargeable Battery: nickel-cadmium
    - Portable Rechargeable Battery: nickel metal hydride
    - Portable Rechargeable Battery: lithium ion/lithium polymer
    - Portable Rechargeable Battery: small sealed lead acid
    - Portable Rechargeable Battery: nickel zinc
    - Cell phones
    - Other materials not listed above.
- Reconcile daily receipts entered into RBRCC database with count of boxes received from RBRCC's approved transporter(s).
- Sort, handle and store batteries, cell phones and any other materials received in boxes in an environmentally safe manner and in full compliance with law and regulation and RBRCC Service Requirements (Attachment A).

- If the batteries can be recycled at the sorting facility, and RBRCC has contacted with Contractor for such service, do so in a timely manner that complies with law.
- All batteries that cannot be processed shall be shipped to the recycling facility designated by RBRCC for each battery or type.
- Ensure that sorted batteries are transported to RBRCC's approved and contracted Processors and all cell phones are made available for pickup by RBRCC's contracted cell phone processor.
- Other materials found in boxes to be handled appropriately depending on characteristics
- The same procedures shall be used for bulk shipments.
- All services and information shall be subject to audits at the discretion of RBRCC.

#### **4. SINGLE-USE DRY CELL BATTERY PROCESSING**

##### **4.1 Contractor will:**

- Receive transport/collection containers of single-use dry cell batteries for processing from sorting facility(ies).
- Comply with all applicable legal and regulatory requirements and RBRCC Service Requirements (Attachment A).
- Reclaim single-use dry cell batteries in a cost effective manner.
- Maximize diversion and limit the amount of residual waste sent for disposal. Comply with Basel requirements.
- Provide reporting of battery received by weight or, at RBRCC's option, other measure.
- Provide regular statements of the Recovery Rate.
- Ensure for complete material tracking from collection to final market destination. Inform RBRCC in writing of the downstream receiving sites names, locations, treatment process, the associated licenses and permits and quantity/volume of material recycled and disposed at each downstream location.
- All services and information shall be subject to audits at the discretion of RBRCC.

**5. CONTRACTUAL PROVISIONS.**

Contractor(s) will be required to enter into contract(s) with RBRCC typical of commercial contracts covering the services being obtained. While specific wording of provisions may be subject to adjustment, RBRCC will require the following matters to be confirmed in such contract.

(1) Term:

The term of the agreement shall be for three years with an option for RBRCC to renew subject to price adjustment.

(2) Permits:

A copy of all permits and licenses may be requested by RBRCC and must be provided within 48 hours of such request.

(3) Insurance:

The Contractor will maintain in force for the duration of the contract the following insurance coverage, listing RBRCC as an additional insured:

	<u>Type of Coverage</u>	<u>Amount of Coverage</u>
(A)	Workers' Compensation	Statutory Amount
(B)	Employer's Liability	\$1,000,000 each occurrence
(C)	Public Liability (bodily injury)	\$2,000,000 per occurrence \$4,000,000 annual aggregate
(D)	Public Liability (property damage)	\$2,000,000 per occurrence \$4,000,000 annual aggregate
(E)	Automobile Liability	\$1,000,000 each occurrence

The successful Proponent(s) will be required to remain in good standing with the Workplace Safety and Insurance Board (WSIB) or equivalent during the duration of this contract.

Evidence of all insurance requirements must be provided upon request.

- (4) Confidentiality: Contractor(s) will enter into a confidentiality agreement that protects all information provided by RBRCC or by any service provider in the delivery of the work.
- (5) The Contractor(s) must conduct the work to conform in an effective, efficient and lawful manner consistent with RBRCC's Service Requirements (Attachment A). Sorting contractor will be responsible for handling non-battery/cell phone material found in RBRCC containers, in accordance with specified terms.
- (6) Rejection of deliveries by sorting contractor because of high percentage content of non-battery/cell phone materials will not be allowable, but costs for handling excessive amounts of such non-conforming materials may be specified.
- (7) All services and information shall be subject to audits at the discretion of RBRCC.
- (8) RBRCC shall not be limited in its right to contract for identical or similar services from any other party or source by virtue of having entered into a Contract with Contractor.
- (9) Hold harmless language and indemnification language acceptable to RBRCC.

## 6. RFP RESPONSE PACKAGE

All RFP response packages shall include the following:

- A. Clear indication of the service(s) specified in Attachment A to which the Proponent is responding;
  - Completed sorting cost quotation – Table 1 below;
  - Completed processing cost quotation – Table 2 below; and
  - Processors Only: Completed recycling information – Table 3 below.
- B. A methodology summary that provides a detailed description of:
  - Process and technology;
  - Minimum and maximum sorting and/or processing capability(ies);
  - Management of contamination and hazardous materials;
  - Existing material tracking system;
  - Markets to which recovered materials provided;
  - Coordination with transport service providers;
  - Recovery rate (*i.e.*, percentage of whole battery that is recovered for use in new product(s)); and
  - Compliance with applicable environmental, health and safety and transportation regulations, in an overview, but with supplemental data on the following issues to be available on request:
    - Permit numbers
    - Monitoring
    - Emissions
    - Training
    - BAN and ISO certifications

- Material tracking document record retention
  - Final destination receipt and disposal documentation/certification
- C. A summary of the Contractor(s) qualifications (may be included separately as an Appendix); and
- D. Identification of other commitments that may affect completion of work or may create a conflict of interest with the work to be completed.

**6.1 Sorting Cost Quotation**

- A. Contractor(s) shall provide cost quotations for sorting that include the following cost considerations:
- Receiving mixed batteries;
  - Sorting and classifying by battery chemistry/type as described in section 3.1;
  - Bulking sorted batteries; and
  - Management of materials other than used batteries and cell phones collected, and of residual shipping containers....
- B. Contractor(s) shall provide a total cost per kg to sort, using Table 1.

**Table 1: Sorting Costs per Pound**

Base Cost per kg (\$)	Identify Volume Discount Thresholds (L)	Identify associated volume discount price from reduction base cost (\$)
\$ _____ per kg		

**6.2 Processing Cost Quotation**

- A. (Contractor(s) shall provide cost quotations for processing that include the following cost considerations:
- Receiving mixed batteries, either mixed or sorted by battery chemistry;

- Bulking and processing by battery chemistry;
  - Downstream processing material management; and
  - Residual material management and residual waste management.
- B. Contractor(s) shall provide information on volume discount thresholds and associated volume discount price reductions from base cost, as well as pricing.
- C. Contractor(s) shall provide a total cost per kg to process, using Table 2 or a comparable alternative, by battery chemistry, that is consistent with current processing capabilities.

**Table 2: Processing Costs per Pound by Battery Chemistry**

Battery Chemistry	Base Cost per kg(\$)	Identify Volume Discount Thresholds (L)	Identify, if applicable, associated volume discount price from reduction base cost (\$)
Alkaline-Manganese and Zinc-Carbon Batteries (Consumer type cells) bearing labels indicating, or otherwise reasonably known to have, no intentionally-introduced mercury	\$ _____		
	Per kg		
Alkaline-Manganese and Zinc-Carbon Batteries (Consumer type cells) that may reasonably be believed to contain intentionally-introduced mercury	\$ _____		
	per kg		
Lithium Primary Batteries (includes MnO <sub>2</sub> , SO <sub>2</sub> , and Thionyl Chloride type, excludes Li Ion)	\$ _____		
	per kg		
Zinc-air Button Cell Batteries (Hg free)	\$ _____		
	per kg		
Silver Oxide Button Cell Batteries (Hg free)	\$ _____		
	per kg		

Battery Chemistry	Base Cost per kg(\$)	Identify Volume Discount Thresholds (L)	Identify, if applicable, associated volume discount price from reduction base cost (\$)
Mercury and or Mercury containing batteries not identified above	\$ _____ per kg		
Other	\$ _____ Per kg		

*Note: Contractors are to provide separate processing costs based on types of battery chemistries when there is a difference in costs and/or technology used. That is, identify the processing costs for single-use dry cell batteries including alkaline-manganese, zinc-carbon, lithium primary batteries, zinc-air button cell batteries, silver oxide button cell batteries, and other Phase 1 batteries as per the Proponents operation. Create additional table entries for each battery chemistry type, as needed.*

### 6.3 Recovery Information

RBRCC requires that each Proponent responding to provide single-use dry cell battery processing services indicate whether its facility(ies) has the ability to recycle each battery chemistry type using Table 4:

YES (for battery chemistries that can be recycled)

NO (for battery chemistries that cannot be recycled)

Identify the Recovery Rate of reusable material as a percentage for each battery chemistry type, if applicable. Calculate as:

Total kgs of Post-Processing Product Handled	x 100%
Total kg's of Post-Processing Product Recovered + Total kg Residual Material (Waste)	

**Table 3: Recovery Information for each Waste Type**

<b>Waste Type</b>	<b>Identify if battery type is recyclable in your processing operation (Yes / No)</b>	<b>Current Recovery Rate (%)</b>	<b>Product(s) / By-Product Materials Generated (Please List)</b>
Alkaline-manganese batteries w/o intentionally-introduced mercury			
Zinc-carbon batteries w/o intentionally-introduced mercury			
Lithium primary batteries			
Zinc-air button cell batteries			
Silver oxide button cell batteries			
Other:			

Note: Other – define other wastes that can be recycled within your operation if not in the list above.

## **7. EVALUATION AND SELECTION**

### **7.1 Closing Date and Time**

One 1 electronic copy (gbroe@rbrc.com) of Responses are to be received on or before 3:00 p.m. ET local time, on May 22, 2009.

#### Selection of Successful Proposals

- A. RBRCC shall have the right, based on a change in its work requirements, time demands or budget constraints, to:
- Accept any proposal;
  - Accept any part of any proposal;
  - Accept different proposals for different portions of work;
  - Reject any proposals;
  - Reject any part of any proposal;
  - Reject all proposals; and/or
  - Terminate the RFP process.
- B. Following the initial screening, RBRCC may request one or more Contractor(s) to make presentations in order to clarify or verify the proposal and to develop a comprehensive assessment of the proposal. RBRCC will schedule the time and location of these presentations which may be undertaken in conjunction with a processing site tour at the Contractor's site(s). Presentations are at the option of RBRCC and may not be conducted.
- C. It is the intent of RBRCC to contract with the firm or firms that will provide the best overall value to meet RBRCC's current and future needs. Cost will be considered but it will not necessarily be the sole determining factor for an award.
- D. Contracts may be entered with as many Contractors as deemed necessary to fulfill the anticipated requirements of RBRCC.

## **8. CONDITIONS OF RFP RESPONSE SUBMISSION**

### **8.1 No Liability for Expenses**

RBRCC shall not be liable for any expenses incurred in the preparation and submission of the Bid.

### **8.2 Right Not to Proceed**

RBRCC reserves the right not to proceed with a Contract and to reject any or all of the Proposals. If RBRCC decides, in its sole discretion, to accept any of the Proposal, the Contractor proposing the lowest RFP price will not necessarily be accepted and RBRCC may, in its sole discretion, consider any other factors it deems appropriate in awarding the Contract. While RBRCC is not obligated to consider Proposals that do not strictly comply with its requirements, it nevertheless reserves the right to do so, and specifically RBRCC reserves the right to waive strict compliance with the requirement of this RFP as it, in its sole discretion, may decide.

## **9. INQUIRIES**

All inquiries regarding this RFP should be directed to:

Greg Broe  
RBRCC  
gbroe@rbrcc.com

Any interpretation, correction or change in this RFP shall be made by Addendum. Any Interpretation, correction or change in the Bid Documents made in any other manner shall not be binding, on RBRCC.

WRFMAIN 12985764.4

## ATTACHMENT A

### RBRC Service Requirements

#### Definitions

The following definitions shall apply to this document, unless they conflict with a definition set forth in the Agreement into which this document is incorporated, in which case the definitions set forth in that Agreement shall control:

1. "Facility" means the operations of CONTRACTOR addressed by the Agreement into which this document is incorporated by reference.
2. "Eligible Batteries" means any cells or batteries that are collected in the RBRC Recycling Programs other than batteries that are incorporated in Used Cellular Telephones or in Used Consumer Products.
3. "Used Consumer Products" means used handheld products intended for use by consumers or businesses that incorporate what otherwise would be an Eligible Battery or Eligible Batteries as a power source and from which such Battery(ies) is/are not easily removable.
4. "Nonconforming Materials" means:
  - any items or materials other than Eligible Batteries and Used Cellular Telephones that are collected in good-faith by RBRC through its recycling programs and shipped to CONTRACTOR in the same shipping container as Eligible Batteries if, in CONTRACTOR 's estimation, such items and materials exceed (in the aggregate) five (5) percent by weight of the container; and
  - any items or materials (except for Used Cellular Telephones) in a container collected by RBRC through its recycling programs and shipped to CONTRACTOR if that container does not contain Eligible Batteries.
5. "Reclaim" means to process with the intention of recovering metal values, within the meaning of 40 C.F.R. 261.1(c)(4). "Reclamation" shall mean such processing.
6. "Handle," "Handled" or "Handling" means to engage in one or more of the following activities: reclaim, recover, treat, sort, ship, transfer, package for transportation, transport, or temporarily store in the course of such activities.
7. "RBRC CANADA Recycling Programs" means the mechanisms and programs sponsored, operated or employed by RBRC CANADA to collect used batteries and/or Used Cellular Telephones for recycling.

8. “Generator” means an entity that owns or operates a location from which Eligible Batteries collected in RBRC CANADA Recycling Programs are sent to CONTRACTOR .

9. Primary Batteries means Eligible Batteries that employ any nonrechargeable technology.

10. Rechargeable Battery means Eligible Batteries that employ any rechargeable technology.

11. “Used Cellular Telephones” means cellular telephones and other electronic devices incorporating a telephone contained in boxes employed in the RBRC Recycling Programs or otherwise included in containers of Eligible Batteries. The term also means cellular telephone chargers, headphones and other devices associated with the use of cellular telephones and contained in such boxes or containers.

### **Provisions Pertaining to Sorting**

#### 1. Shipment Scheduling

CONTRACTOR may at its option specify maximum weight limits for shipments to CONTRACTOR. Any shipment exceeding these weight limits shall require pre-approval from CONTRACTOR. If CONTRACTOR exercises this option, it shall provide RBRC CANADA with a phone number to provide to Generators to obtain such approval.

#### 2. Acceptance of Eligible Batteries

CONTRACTOR shall accept shipments of Eligible Batteries that are delivered to CONTRACTOR = from each Generator as part of the RBRC Canada Recycling Programs. Except for containers provided to Generators by RBRC Canada or a parent or affiliate of RBRC Canada, CONTRACTOR may at its discretion require pre-approval of any shipment to CONTRACTOR ’s facility.

CONTRACTOR may reject containers that contain more than 5% Nonconforming Materials or, in its discretion, may elect to Handle the Eligible Batteries in the container and reject only the Nonconforming Materials, but any rejected material shall be handled in a safe and environmentally sound manner and in accordance with all legal and regulatory requirements. CONTRACTOR may notify RBRC CANADA that it has received a container with Nonconforming Materials, in which case, RBRC CANADA shall notify the Generator (if identifiable) in writing that any future shipments containing Nonconforming Materials may be rejected under the terms of the RBRC CANADA Recycling Programs. Nothing in this paragraph shall be construed to prevent CONTRACTOR from Handling any Nonconforming Materials under the terms of any agreement CONTRACTOR may have with any Generator.

CONTRACTOR may reject any incoming shipments of Eligible Batteries which do not comply with all applicable laws. CONTRACTOR has the sole obligation to identify and reject all Eligible Batteries included in incoming shipments that CONTRACTOR cannot legally accept.

3. Sorting of Eligible Batteries

a. CONTRACTOR shall sort for purposes of reclamation or proper disposal all incoming shipments of Eligible Batteries that are not received sufficiently sorted for those purposes. This sorting shall separate Eligible Batteries and Used Consumer Products by battery chemistry and/or type as specified in writing by RBRC CANADA.

b. CONTRACTOR shall package for off-site transportation by ground all sorted batteries, other than those that are being reclaimed at its Facility in accordance with the rules and regulations of Transport Canada and all other Provincial, Federal and State agencies.

4. Transportation of Eligible Batteries and Other Materials from CONTRACTOR

CONTRACTOR shall make all arrangements for transporting those Eligible Batteries and other materials that are not being reclaimed at its Facility. In all cases, CONTRACTOR shall assure that such transportation is in full compliance with all international, federal, state and local laws, and with the applicable laws of other nations.

5. Handling of Used Cellular Telephones

CONTRACTOR shall segregate all Used Cellular Telephones it receives as a result of the RBRC CANADA Recycling Programs from other materials received as a result of such programs. CONTRACTOR shall not disturb any identifying marks or packaging in which Used Cellular Telephones are received and shall not remove batteries from such telephones. After sorting, the Used Cellular Telephones shall be placed in used boxes received by CONTRACTOR as a result of the RBRC CANADA Recycling Programs, or other equivalent packages to be paid for by RBRC CANADA or its designated contractor. CONTRACTOR shall label the boxes as such and cooperate with RBRC CANADA's cell phone recycling contractor -in arranging for the further shipment of the Used Cellular Telephones to a location designated by RBRC CANADA. Shipping costs shall be paid by RBRC CANADA or RBRC CANADA's specified cell phone recycling -contractor.

6. Handling Responsibilities

CONTRACTOR shall be solely responsible for all obligations and liabilities arising from its possession of Eligible Batteries, Used Cell Phones and Nonconforming Materials while they remain in CONTRACTOR's possession. CONTRACTOR shall arrange for all Nonconforming Materials accepted at the CONTRACTOR Facility to be reclaimed or disposed of in an environmentally sound manner and, as between CONTRACTOR and RBRC CANADA, CONTRACTOR shall be fully responsible for the proper Handling,

reclamation and/or disposal of such materials. Such reclamation or proper disposal shall be at a facility selected at CONTRACTOR 's sole discretion from a list approved in writing by RBRC Canada, and shipment of the material shall be in full compliance with all international, federal, state and local laws, and with the applicable laws of other nations.

7. Environmental Audits

CONTRACTOR shall cooperate with RBRC CANADA in performing environmental audits of its Facility on a reasonable schedule.

8. Reporting, Recordkeeping and Related Requirements

CONTRACTOR shall comply with the following service level targets:

- 1) All shipping containers received as part of the RBRC CANADA Recycling Programs will be entered into the database created using RBRC CANADA 's proprietary software (which RBRC CANADA will make available for CONTRACTOR 's use) (hereinafter, "RBRC CANADA 's database") within two (2) business days of receipt.
- 2) CONTRACTOR shall provide to RBRC CANADA through RBRC CANADA 's data base a daily reconciliation of all shipping containers received via each carrier (UPS/FedEx/Other) to the daily receipt report. The number of shipping containers received must equal number of shipping containers recorded in RBRC CANADA 's database with less than a 2% error rate.
- 3) CONTRACTOR shall inspect all shipping containers received under the RBRC CANADA Recycling Programs and shall notify RBRC CANADA within five (5) business days of receipt of any shipping container found not to comply with transportation regulations and RBRC Canada implementing policies (as described in this provision). CONTRACTOR will report this information using RBRC CANADA 's database. Notification shall specify the occurrence of each of the following areas of noncompliance, if applicable to any shipping container:
  - Two or more batteries in a container do not meet one of the following accepted methods for protection:
    - Securing each individual battery, or cell phone with a battery, in a separate plastic bag.
    - Covering battery terminals with tape.
    - Packaging the battery in a manner so that terminals cannot come into contact with any other object.
    - Battery has recessed terminals that cannot come into contact with any other object.

- There is a loose metallic object (paper clip, metal rod, nail, hook, etc.) in the container that could come into contact with battery terminals or breach a method of protection.
- No attempt was made to properly seal the container.
- A battery was found to be leaking inside the container.
- There is evidence of a combustion incident inside the container.
- Where any of the foregoing conditions are met, whether the noncompliance pertained to lithium ion or lithium metal batteries.

5) CONTRACTOR shall ship each month's cell phone receipts to RBRC CANADA's cell phone processor by the twelfth calendar day of the following month.

6) In accordance with RBRC CANADA's participation in the Basel Action Network's e-CONTRACTOR qualification program and other environmental certification programs, CONTRACTOR shall support the audit process, through telephone interviews, provision of data, onsite inspections and follow up, and shall comply with all regulations regarding the shipment of e-waste to non-OECD countries.

7) CONTRACTOR shall provide to RBRC CANADA by the twelfth calendar day of each month a report stating the weight of batteries collected through the RBRC CANADA Recycling Programs and shipped to third parties for recycling or reclamation during the prior month. The report must reference the BOL or shipping document number used by CONTRACTOR to each third party. CONTRACTOR must also provide copies of (a) the third party vendor's material-received notices to confirm delivery, and (b) a final certificate of consumption.

### **Provisions Relating to Processing Batteries**

1) The following provisions set forth above as to sorting Eligible Batteries shall apply equally to Sorting of Covered Batteries:

2) CONTRACTOR shall arrange for all Eligible Batteries accepted at the CONTRACTOR Facility and specified as Covered Batteries in the Agreement in which this document is incorporated to be "reclaimed" within the meaning of 40 C.F.R. 261.1(c)(4) by CONTRACTOR. Such reclamation shall comply with all applicable laws and regulations.

3) Upon request, CONTRACTOR shall provide RBRC CANADA Certificates of Waste Materials Recycling for batteries from RBRC CANADA Recycling Program received and processed by CONTRACTOR no later than thirty days after processing, sufficient to meet the requirements of the Basel Action Network. Upon

request, CONTRACTOR shall provide Certificates of Acceptance to RBRC CANADA customers no later than thirty days after receipt.

4) CONTRACTOR shall Handle all materials it receives under this AMENDED AND RESTATED AGREEMENT (including, but not limited to, the Eligible Batteries, Used Consumer Products and Used Cellular Telephones) and operate the Facility in a careful, workmanlike, and lawful manner, taking all necessary and appropriate precautions, and shall comply with all applicable laws, rules and regulations, including but not limited to those enforced by Transport Canada.

5) CONTRACTOR shall be solely responsible for all obligations and liabilities arising from its possession Eligible Batteries, Used Consumer Products and Nonconforming Materials while they remain in CONTRACTOR's possession and for any such materials or constituents derived there from that are shipped elsewhere.