



A Stewardship Plan for Refrigeration Units

Submitted to the British Columbia Ministry of the Environment by:

Canadian Beverage Association

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Canadian Beverage Association

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Glossary of Terms and Abbreviations

BC	British Columbia
CBA	Canadian Beverage Association
EOL	End-of-Life
EPR	Extended Producer Responsibility
GHG	Greenhouse gases
GWP	Global Warming Potential
HFC	Hydroflourocarbons
ODS	Ozone Depleting Substances
RSE	Reclay StewardEdge

Introduction

British Columbia's Recycling Regulation,¹ under the Environmental Management Act, sets out the requirements of extended producer responsibility (EPR), including for approved product stewardship plans. These requirements for product stewardship plans are outlined in section 4 of the Recycling Regulation, stating:

"A producer must submit a product stewardship plan, at the time specified in the applicable Schedule, if any, and in a manner and format satisfactory to a director, for the products within the product category of the product the producer sells, offers for sale, distributes or uses in a commercial enterprise in British Columbia."

As per the Recycling Regulation, beverage brand-owners are financially responsible for the recovery of refrigeration units that exhibit their branding or are owned outright by the beverage company. The following Plan addresses the key elements required by the British Columbia (BC) Ministry of Environment to form a Stewardship Plan:

- Product Management Goals
- Product Life Cycle Management
- Proposed Management System
- Program Performance Measurement (financial/cost management, environmental management)

This stewardship plan replaces the previous stewardship plan for refrigeration units submitted by the Canadian Beverage Association (CBA) and approved on December 27, 2012.

The duty of the producer is provided as per section 2(1) of the Recycling Regulation under the Environmental Management Act:

"Except as otherwise specifically provided in this regulation, a producer must

a) have an approved plan under Part 2 [Product Stewardship Plans] and comply with the approved plan, or

b) comply with Part 3 [Product Stewardship Program Requirements If No Product Stewardship 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."

Products Covered by the Plan

This stewardship plan covers refrigeration units as listed under **2(1)(c)**, "electronic or electrical appliances" and detailed in **Schedule 3** of the **Electronic and Electrical Product** category of the BC Recycling Regulation under the Environmental Management Act.

Under this stewardship plan, refrigeration units include coolers, vending machines and beverage dispensing systems that exhibit the branding of or are owned by a participating CBA member beverage company. CBA members place these machines at commercial locations (such as gas stations, convenience stores, restaurants, offices, factories, department stores, shopping centres, etc.), and are individually responsible for the maintenance, refurbishment and end-of-life (EOL) management of their

¹ http://www.bclaws.ca/civix/document/id/lc/statreg/449_2004

refrigeration equipment. The products covered under this stewardship plan include the following CBA member-owned and branded refrigeration units:

Product Type	Further Description
Beverage Coolers	Countertop 1 door units 2 door units 3 door units
Beverage Vending Machines	72" and 79" high machines that distribute cans and/or PET bottles
Beverage Dispensing Systems	Bar guns Counter units Drop-in units Combo units

The average lifespan of the refrigeration units tends to be extensive. Although maintenance and servicing are required to ensure their longevity, developments in technology have increased the lifespan of these machines. The table below shows the average lifespan of the different types of refrigeration equipment.

Product Type	Average Product Lifespan
Beverage Coolers – Small (countertop)	3-6 years
Beverage Coolers – Larger	13 -15 years
Beverage Vending Machines	9 - 12 years
Beverage Dispensing Systems	7 – 9 years

Currently there are no other agencies, apart from the CBA, appointed to act in a product stewardship capacity for beverage refrigeration units for commercial use in British Columbia. As such, there are no other product stewardship agencies or plans covering the same products.

Program Costs

No consumer fees are charged and no program costs will be passed on directly to consumers.

Stewardship Agency: Canadian Beverage Association (CBA)

The Canadian Beverage Association (CBA) is the national industry association representing the broad spectrum of brands and companies that manufacture and distribute the majority of non-alcoholic beverages consumed in Canada. It acts on behalf of producers of beverage refrigeration units who are obligated under the BC Recycling Regulation.

In registering with the CBA, each producer must sign a Participant Agreement (contained in Appendix III) that formalizes the role of the CBA as its agent to carry out the duties of the producer as set out in

section 2(2) of the Recycling Regulation. This stewardship plan confirms the duties that the CBA will perform on behalf of each registered producer.

A current list of producers that the CBA represents is available on the association's website at <http://www.canadianbeverage.ca/about-us/>. The four members participating in the stewardship plan, include:

- Coca-Cola Refreshments Canada
- PepsiCo Beverages Canada
- Red Bull Canada
- Refresco Group

As the CBA currently administers the only approved stewardship plan for refrigeration units in BC, it is expected that member producers manage all beverage refrigeration units for commercial use in the province.

Public Education Materials and Strategies

The Stewardship Plan only includes commercial products managed and processed internally by CBA members and distributors. To ensure public awareness of the CBA's efforts to properly manage the refrigeration units, the CBA will continue to post its stewardship plan and annual reports on its website. The link to the website is the following: <http://www.canadianbeverage.ca/environment/stewardship/>

CBA members will continue to place a notification sticker on all refrigeration units if sold to a third party to direct the third party to contact the CBA for instructions on where the unit can be properly disposed of at its EOL.

Agency Governance

The CBA is a not-for-profit organization incorporated under the Canada Not-for-profit Corporations Act. Full details of the CBA's incorporation are accessible at the following federal government website link: <https://www.ic.gc.ca/app/scr/cc/CorporationsCanada/fdrlCrpDtIs.html?corpId=737119>.

The association's current board of directors is listed in Appendix II.

The CBA maintains transparency with its members and stakeholders by posting annual reports and materials on its website. Annual Reports can be accessed at the following link: (<http://www.canadianbeverage.ca/environment/stewardship/>).

Annual Report

The CBA will compile an annual report to be submitted to the Ministry of Environment that includes the following:

1. Program Highlights
2. Performance Data
 - a. Recovery
 - b. Post-Collection Management

3. Continuous Improvement

In its annual report to the BC Ministry of Environment, the CBA will note any changes to its operational structure or Board of Directors since the previous annual report.

Dispute Resolution

The program will enter into contract agreement with suppliers or service providers as required. Any disputes arising from contracts would be resolved using normal commercial legal procedures.

Product Life Cycle Management

Baseline data

The CBA engaged Reclay StewardEdge (RSE) to conduct a review of the baseline study for the original stewardship plan, which was prepared by RSE. After the completion of further research and work to reassess the baseline study to ensure its accuracy, the CBA is confident the original recovery assumptions from the 2013 Baseline Study for CBA-member refrigeration units remains valid and accurate.

The original baseline recycling rate analysis found that the average recycling rate for all refrigeration units is 83%. CBA member processes and third-party recyclers have remained the same as per the previous stewardship plan. As such, the average recycling rate for the three categories of products covered under the plan will also remain unchanged.

Current Collection System

CBA members continue to operate a closed-collection network and any maintenance or refurbishments (parts replacements etc.) are undertaken by the beverage company or its local distributor. Therefore, when a unit requires retrofitting or refurbishment it is collected and transported by the member or distributor to their facility for further triage and maintenance. Units are collected for EOL management and refurbishment at collection locations depending on the steward of the unit, which are all located in Metro Vancouver Regional District. Any metal parts that need to be replaced during maintenance or refurbishments are sent to a metal scrapyards.

When it has been determined that refrigeration equipment can no longer be used by the CBA member, a decision is made to remove the equipment as an asset from the company's list of assets and to have the machine recycled and processed by a contracted BC third party (referred to as a processor).

End-of-Life (EOL) Management

Beverage coolers, beverage vending machines and beverage dispensing system units are owned by beverage companies and placed in commercial facilities for use. Therefore, CBA members are individually responsible for the maintenance and EOL management. The lifecycle flow diagram of the refrigeration units is provided in Appendix I. Generally, if a unit breaks down in use the machine will either be repaired on-site or removed to a member's off-site triage facility to be repaired. When the equipment is removed, it is replaced with either a used machine or a new machine. If it is determined that a refrigeration unit can no longer be used, it is prepared for EOL management.

Before a beverage machine is recycled, the refrigerant is removed from the compressor by a licensed technician for reclamation or destruction in accordance with provincial regulations. Additionally, the oil and fluorescent lightbulbs, as well as any other useful parts, are removed to be reused or recycled. Once refrigeration units are ready for EOL management, they are shipped to intermediary scrap metal processors. Refrigeration equipment from CBA members is a very small percentage of the overall metal managed by intermediary processors. As a result, beverage refrigeration equipment is mixed with other scrap metal, including major appliances (such as washers, dryers and freezers), car bodies and other light mixed metals (e.g. bicycle frames, barbecues, metal sheets and siding, metal doors and shelving) from various residential and commercial sources.

The intermediary processors based within BC then sell the baled metal to downstream scrap metal processors where the equipment is shredded to recover the various ferrous and non-ferrous metals. These scrap metal processors use large electric-powered hammer mill shredders that pulverize bales of mixed metals, which are composed of automobile bodies, appliances and other light mixed scrap metal. Once the scrap metal is pulverized into small pieces, they are then sorted by different “downstream” metal separation processes including magnets, trommels, screens, optical scanners, eddy currents and other types of proprietary process equipment. Shredder output, which is known as “aggregate” in the industry, is an intermediate process material that contains significant amounts of valuable ferrous and nonferrous metal that is separated and sold as commodities. On average, ferrous and non-ferrous metals recovered through these operations account for approximately 75% of the inbound material.

The remaining estimated 25% of the material from the shredded equipment cannot be recovered and is commonly referred to as shredder fluff. Shredder fluff is a mixture of largely non-metallic materials resulting from the shredding of auto bodies, appliances, and other scrap metal materials. It consists primarily of foam, fabric, plastics, rubber, tires, glass, wood, and debris materials. This shredder fluff also consists of approximately 1% of non-recoverable ferrous and non-ferrous metals, such as strips of copper or aluminum that are wrapped around parts of the equipment, or metals imbedded in the insulation or plastic materials. This material cannot be recovered and is therefore sent for disposal.

Again, in our research, we found the recycling rate for refrigeration equipment is higher than the industry average. The baseline study prepared by RSE for the CBA shows that, on average, the recycling rate for all refrigeration units is 83%.

Program Performance Measurement

The CBA will monitor and report on how refrigeration units are managed at their EOL by obligated CBA members.

Performance measure: Collection Rate

The key performance measure of the CBA’s stewardship plan is the collection rate of refrigeration units. Due to the closed-loop, commercial nature of the beverage sector’s operations, refrigeration units are tracked by CBA members throughout their lifecycle until they are sent for EOL management to contracted recyclers. A small number of refrigeration units are sold to customers for continued use and exit the plan’s tracking system while a certain number are transferred out of the province. It is only when units are lost-in-trade (that is, either stolen or misplaced by a customer) that they would not be collected for EOL management. Therefore, the plan’s collection rate is calculated in the following way:

Units Collected (Units sold to third parties, units collected for refurbishment, units sent for EOL management and units transferred to other provinces)

Units Removed from Tracking System: (Numerator plus # of units lost in trade and other adjustments with a net removed from trade position)

Performance Target

The BC Recycling Regulation requires stewardship programs to achieve a recovery rate of 75% whereas the CBA's stewardship plan has had a collection target of 80%.

The CBA has set itself a revised collection target of 85% in the updated stewardship plan.

Program Administration

Members will report to the CBA annually on the following:

- Number of Units: Number of vending and refrigeration units installed, added and removed from the Province of BC in the reporting period.
- Documented Policies and Procedures: List of company policies/procedures pertaining to the EOL management of vending and refrigeration units (including asset tracking protocols).
- Continuous Improvement Efforts: including but not limited to improvements in the EOL management of obligated material.

Program reporting

Members will report to the CBA annually on the following:

- Number of units retrofitted/refurbished in the reporting period.
- Number of units that have reached their EOL that were sent to recycling.
- Improvements made with respect to diversion and recycling as they relate to vending and refrigeration units during the reporting period.

Procedure for Third Party Units

A small percentage of units that have reached their EOL are sold to a third party or may have reached a third party in the past:

- If sold to a third party, the procedure outlining proper disposal will include:
 - A notification on refrigeration units to direct the third party to contact the CBA for instructions on where the unit can be properly disposed of at its EOL.
 - In addition, a clause will be added to future purchase agreement instructing the purchaser of the obligation to properly dispose of unit at its EOL.
- If the CBA is contacted by a third party in possession of a refrigeration unit previously owned by a CBA member, the association will inform that person of the options to properly dispose of the unit.

Product Environmental Impact Reduction, Reusability and Recyclability

Most CBA members' refrigeration units undergo more than one retrofit or refurbishment throughout their lifecycle in order to extend their useful life in-trade. Furthermore, CBA members increasingly use units that depreciate much more slowly, delaying the need for disposal. Further efforts undertaken to reduce environmental impacts include the recycling and reuse of old parts removed from units during refurbishment/repairs.

An area of continuous improvement relates to the manufacturers and beverage companies as a whole. Efforts in the industry to increase the useful life of all refrigeration equipment through enhanced durability and modular systems that can be more easily replaced and repaired will reduce the number of units managed for EOL over time. Member companies are undertaking initiatives to improve the environmental and energy performance of their refrigeration units as part of their overall sustainability commitments.

Leadership on Halocarbon Management

CBA members are playing a leadership role on reducing the use of hydrofluorocarbons (HFCs) in refrigeration equipment. HFCs are powerful greenhouse gases (GHGs) with global warming potentials (GWP) thousands of times greater than carbon dioxide. These chemicals were introduced for use as refrigerants and blowing agents to replace ozone-depleting substances (ODS).

As part of the CBA's efforts to address climate change, CBA member companies with facilities in BC are phasing out the use of HFCs in refrigeration units. These efforts include transitioning to natural refrigerants or refrigerants with a low GWP, and installing HFC-free insulating foam in new beverage machines.

For existing machines that still contain ODSs and HFCs, CBA members track and manage these chemicals in accordance with BC Regulation 387/99. Member companies either have their own trained, licensed technician remove refrigerants from the compressors of beverage machines, or have a licensed service provider do so for them. The refrigerant is safely recovered into a container that is then returned to the supplier for reclamation or destruction.

Stakeholder Consultation

The CBA has complied with the Ministry of Environment requirement to incorporate a public consultation process prior to the formal submission of the stewardship plan. As part of the stakeholder consultation process, the CBA posted the plan online and invited the public to call or email the CBA directly with any questions or comments.

- The consultation process included the following:
 - The plan was provided for consultation on April 6, 2018, and stakeholders were given 45 days to submit comments.
 - The plan was posted on the CBA and RCBC websites.
 - <https://www.canadianbeverage.ca/industry-initiatives/stewardship/>
 - <https://www.rcbc.ca/announcement>
 - RCBC also sent an email to its entire membership to inform them about the consultation on the plan and where to send any comments.

- No webinars were held as it was deemed sufficient to post the plan and invite feedback by email or telephone.

After the plan was posted for the required period of time, the CBA received one response:

- The response came from a municipal stakeholder.
- The response received from the municipal stakeholder was reviewed by CBA staff and responded to by email and phone.
- The municipal response touched on the following points with the attendant responses by CBA staff:
 - It was noted that the plan did not include the most updated reference to the Regulation; the CBA has ensured the November 14, 2017, version is now referenced.
 - A question was raised about the statement that no costs would be passed on to consumers. The CBA responded by noting that refrigeration equipment is for commercial use and managed within a closed-collection network, so no recycling costs are passed on to consumers.
 - A suggestion was made to consider including additional details from the “Leadership on Halocarbon Management” guidance document. The CBA responded by noting that the removal of any oils, lights or refrigerant is conducted by licensed technicians who are well versed in the requirements regarding halocarbon removal. Any reporting of these materials is conducted by the licensed technicians.
 - The CBA clarified that, on average, approximately 75% of the ferrous and non-ferrous metals are recovered through scrap metal processing. In our research, however, we found the recycling rate for refrigeration equipment is higher than the industry average. The baseline study prepared by RSE for the CBA shows that, on average, the recycling rate for all refrigeration units is 83%.
 - A suggestion was made that, given the current collection rate, the CBA should establish a target higher than 85%. The CBA noted that it was already increasing its collection target in its updated plan from 80% to 85% and would continue to make efforts to increase the collection rate going forward.

Plan Performance Summary

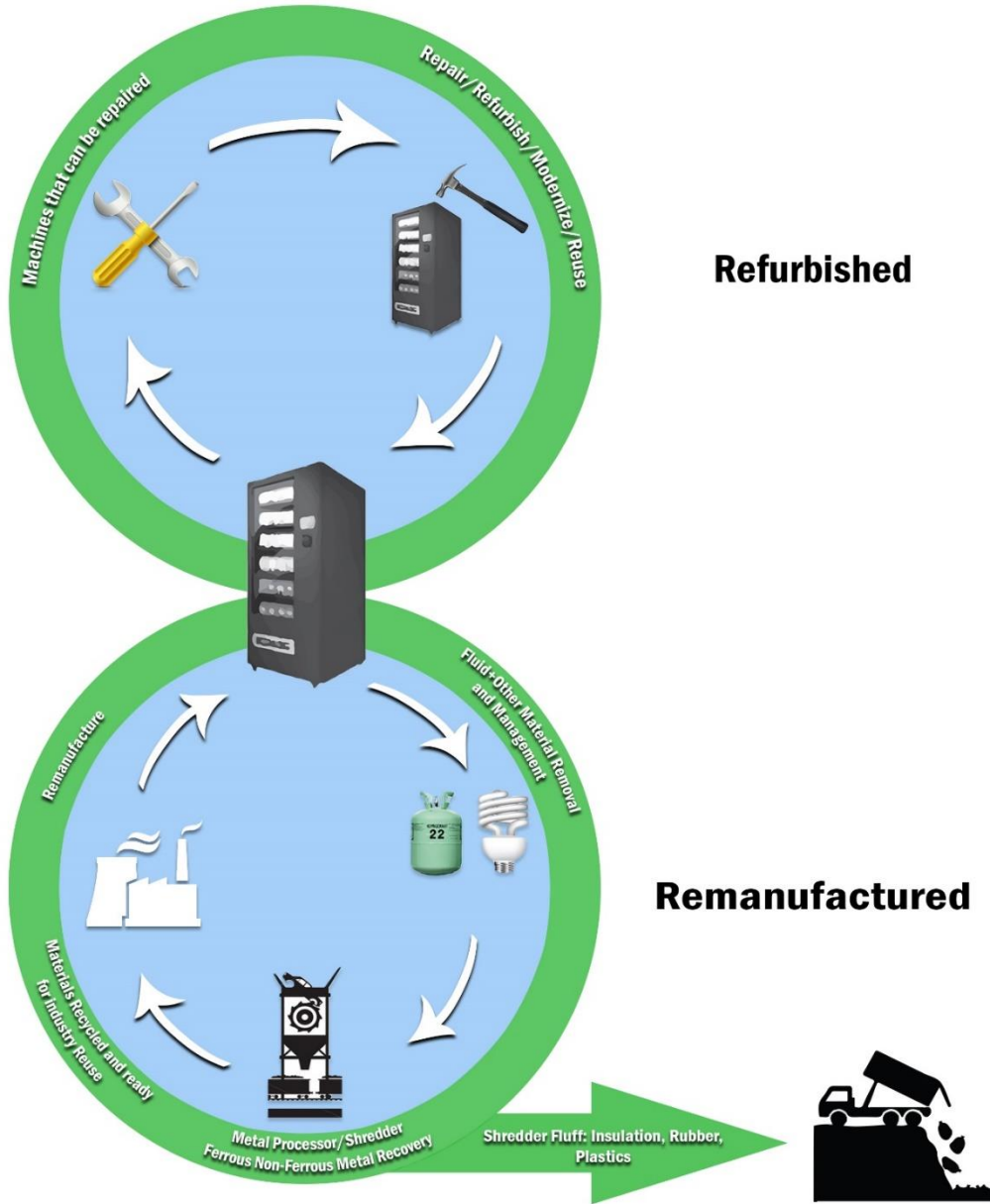
Summary of Program Performance Measure:

Measures	2018	2019	2020	2021	2022
Collection Rate	Collection Target is 85%.	Collection Target is 85%.	Collection Target is 85%.	Collection Target is 85%.	Collection Target is 85%.
Collection System	No specific target. CBA members to continue to maintain complete reverse logistics for products retained which remain in operation or “in-trade” until end of life. For products sold to third parties for continued use (~2% of products available at end of life) CBA commits to educate and provide collection options.				

Consumer Awareness	No specific target. CBA members to maintain current processes. Given product longevity and specificity of market, CBA commits to continue to make third parties aware of stewardship program through notification on product itself and details included in purchase agreements.				
Pollution Prevention Hierarchy	Target all products for collection and management according to Pollution Prevention Hierarchy	Target all products for collection and management according to Pollution Prevention Hierarchy	Target all products for collection and management according to Pollution Prevention Hierarchy	Target all products for collection and management according to Pollution Prevention Hierarchy	Target all products for collection and management according to Pollution Prevention Hierarchy
Reporting commitments	CBA commits to publishing the annual reports with third-party assurance for collection rate targets as stated in this stewardship plan.				

Appendix I

The figure below shows the lifecycle flow diagram of typical refrigeration units.



Appendix II

CBA's current board of directors are listed below:

Neil Antymis, Treasurer
Director, Government Affairs
PepsiCo Beverages Canada

Sassan Jahan
Vice President, Marketing
PepsiCo Beverages Canada

Keith DeGrace
Vice President/General Manager
Red Bull Canada Ltd.

Ron Soreanu
Vice President, Public Affairs and Communications
Coca-Cola Ltd.

Wayne Delfino, Chair
Director, PASO
Canada Dry Mott's Inc.

Richard Glover
President
PepsiCo Beverages Canada

Carol-Anne Gower
VP, Marketing and Business Development
Canada Dry Mott's Inc., a division of Dr. Pepper Snapple Group Company

Shane Grant
President, Canada BU
Coca-Cola Ltd.

Stephen du Toit
Senior VP, Business Transformation
Coca-Cola Refreshments Canada

Pierre Turner
Senior Vice President, Quality, R & D, Sustainability
Lassonde Industries Inc.

Jim Goetz
President
Canadian Beverage Association

Appendix III

British Columbia Refrigeration Units Management Agreement

This British Columbia (BC) Participants Agreement (the “**Agreement**”) is entered into on _____ of the year 20__.

BETWEEN

Canadian Beverage Association,
an industry-funded, not-for-profit, corporation
 (“**CBA**”)
AND
 [**Name of Company**]
 (“**Participant**”)

WHEREAS

- A. CBA manages the BC stewardship plan for its members’ refrigeration units located in BC and reports annually to the BC Government on the management of these units; and
- B. The Participant is a “steward” of refrigeration units located in BC. In consideration of the mutual promises contained in this Agreement and other good and valuable consideration, the receipt of which is hereby acknowledged by each party hereto, the parties agree as follows:

1. INTERPRETATION

- 1.1 **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia, and subject to Article 5, the parties to this Agreement submit to the exclusive jurisdiction of the Courts of the Province of British Columbia.
- 1.2 **Headings and References.** The headings in this Agreement shall not affect the interpretation of this Agreement.
- 1.3 **References.** Unless otherwise stated, a reference herein to a numbered or lettered article, section, subsection, clause or schedule refers to the article, section, subsection, clause or schedule bearing that number or letter in this Agreement. A reference to “this Agreement” means this Agreement together with any amendments thereof or Schedules attached.
- 1.4 **Recitals.** The recitals hereinbefore contained are true and correct and form an integral part of this Agreement.

2. CONFIDENTIALITY

- 2.1 CBA acknowledges and agrees that certain information made available to it from time to time in accordance with this Agreement by the Participant is confidential in nature. For the purposes of this Agreement, confidential information (“**Confidential Information**”) means information received by or made available to CBA, its agents or personnel that: (i) is not generally known in the industry in which the Participant is engaged; (ii) is “personal information” within the meaning of the *Personal Information Protection and Electronic Documents Act* (Canada), as amended from time to time, and any other applicable law now in force or that may in the future come into force governing the collection, use, disclosure and protection of personal information applicable to either party or to any information collected, used or disclosed in the course of the Participant’s participation under the terms of this Agreement; (iii) would logically be considered confidential and/or proprietary; (iv) would do the Participant harm if divulged; or (v) is marked “Confidential” or “Proprietary”, and shall include all reporting documentation provided by the Participant in accordance with this Agreement.
- 2.2 In no way limiting or superseding any other confidentiality obligations of CBA to Participant (whether in a prior written agreement or under applicable law), CBA agrees: (a) to hold the Confidential Information in confidence by using the same degree of care to safeguard such Confidential Information as it uses to protect its own information of like character, but in no event less than a reasonable degree of care; (b) to limit disclosure of the Confidential Information to its employees, agents or subcontractors having a need to know the Confidential Information for the purposes of this Agreement; (c) not to directly or indirectly disclose any Confidential Information to any third party unless and only to the extent required by any judicial or governmental request, requirement or order; provided that CBA will take reasonable steps to give the Participant sufficient prior notice in order to contest such request, requirement or order by notifying the Participant of such request; (d) to use the Confidential Information solely and exclusively in accordance with the terms of this Agreement; (e) not remove or obscure proprietary rights notices that appear on Confidential Information and copies thereof; and (f) advise Participant promptly in writing of any unauthorized disclosure or use of Confidential Information. CBA shall cause its agents, subcontractors and employees to whom it may be permitted to disclose or provide any such Confidential Information to comply with the provisions of this Section 2. Upon termination of this Agreement, CBA shall return or destroy all Confidential Information as directed by the Participant, provided however, CBA shall be permitted to retain such Confidential Information as required by applicable law, solely for as long as such Confidential Information is required to be retained pursuant to such applicable law.

- 2.3 The information reported by the Participant in accordance with Section 2 shall only be released to other CBA Participants or otherwise in an aggregate form and where the Participant cannot be identified.
- 2.4 The provisions of this Section 2 shall survive and remain in full force and effect following any termination or expiry of this Agreement.

3. TERM

- 3.1 This Agreement shall commence on the date set forth above and, subject to earlier termination as provided for in this Agreement, continue in effect for a term of one year, terminating on December 31, 2018 (the “**Term**”). The initial Term shall thereafter automatically renew for additional one (1) year periods (the initial Term and any renewal thereof being collectively referred to herein as the “**Term**”) unless the Participant terminates this Agreement by no less than thirty (30) days written notice prior to the end of the then current Term, or CBA terminates this Agreement by no less than ninety (90) days written notice prior to the end of the then current Term.
- 3.2 The rights and remedies in this Section 3 are cumulative and in addition to any other right or remedy available under this Agreement, at law or equity.

4. TERMINATION

- 4.1 **Default Termination.** If a party (the “**Defaulting Party**”) breaches any term or condition of this Agreement, the other party may deliver notice of the breach to the Defaulting Party. In the event the breach is not cured within seven (7) days of such notice, the party having delivered such notice may terminate this Agreement on notice to the Defaulting Party.
- 4.2 **Other Termination.** Unless the parties agree otherwise, in the sole and absolute discretion of the non-Insolvent Party) this Agreement will terminate automatically if: (i) either party (in this Section, an “**Insolvent Party**”) makes an assignment for the benefit of its creditors, consents to the appointment of a receiver for all or substantially all of the property of the Insolvent Party, files a petition in bankruptcy or for a reorganization under the appropriate bankruptcy legislation, or is adjudicated bankrupt or insolvent; (ii) if a court order is entered, without the consent of the Insolvent Party, appointing a receiver or trustee for all or substantially all of the property of the Insolvent Party, or approving a petition in bankruptcy or for a reorganization pursuant to the appropriate bankruptcy legislation or for any other judicial modification or alteration of the rights of creditors of the Insolvent Party; or (iii) CBA breaches its obligations in Section 2 hereof.

- 4.3 Upon the effective date of termination of this Agreement, CBA will inform the Province of British Columbia that the Agreement between the Participant and the CBA has been terminated.

5. Resolution Negotiation

- 5.1 In the event of a dispute or difference between the parties arising out of or in connection with this Agreement or in respect of any defined legal relationship associated with it or derived from it including the formation or enforceability of this Agreement or any failure to reach agreement where an agreement is required (a "**Dispute**"), the parties shall make all reasonable efforts to resolve the Dispute by amicable negotiations. In this regard each party shall promptly set forth in writing to the other party the basis of the Dispute in reasonable detail and appoint a designated representative having authority to resolve and settle such Dispute. The designated representatives shall meet as often as the parties reasonably deem appropriate to discuss the Dispute and attempt to resolve the dispute without the necessity of mediation pursuant to Section 5.2. Formal proceedings under Section 5.2 may not be commenced until the earlier of (i) the time when the parties conclude in good faith that amicable resolution of the Dispute does not appear likely or (ii) the expiration of fourteen (14) days following the date on which the Dispute was first set forth in writing in accordance with this Section 5.1.
- 5.2 If a Dispute is not resolved pursuant to the informal dispute mechanism in Section 5.1, a party may deliver written notice (a "**Mediation Notice**") to the other party requiring the Dispute go to mediation, in which case the parties shall attempt to appoint a mutually acceptable mediator within 14 days of delivery of the Mediation Notice.
- (a) **Participation in Mediation.** If the parties agree on a mediator they shall participate in good faith in the mediation and related negotiations for a period of at least 30 days.
- (b) **Costs of Mediation.** The parties will bear their own mediation costs, and shall share equally the mediator's costs.
- 5.3 The parties agree that the existence of a Dispute, any efforts or proceedings to resolve a Dispute, whether informal or pursuant to mediation, and any rulings or decisions issued by the mediator pursuant to Section 5.2, shall be held in confidence, shall be treated as compromise and settlement negotiations under applicable evidence rules, and shall be governed as Confidential Information by the terms and conditions of Section 2.

- 5.4 Notwithstanding any other provision of this Agreement, a party may apply for and receive interim or injunctive relief from a court of competent jurisdiction (whether as a temporary restraining order, preliminary injunction or otherwise) or specific performance at any time.
- 5.5 This Section 5 shall not be construed to prevent a party from instituting, and a party is authorized to institute, formal court proceedings, earlier to avoid the expiration of any applicable limitations period.
- 5.6 The parties agree to continue performing their obligations hereunder while the Dispute is being resolved as provided in this Section 5, unless and until the Dispute is resolved or until this Agreement is terminated. The time frame for a party to cure any breach of the terms of this Agreement shall not be delayed or suspended pending the resolution of any Dispute hereunder.

6. General

- 6.1 *Recitals*: The recitals hereinbefore contained are true and correct and form an integral part of this Agreement.
- 6.2 *Counterparts*: This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which when taken together shall constitute one and the same agreement. Any counterpart signature transmitted by facsimile or by sending a scanned copy by electronic mail or similar electronic transmission shall be deemed an original signature.
- 6.3 *Further Assurances*: The parties hereby agree from time to time to execute such further or other documents (whether under corporate seal or otherwise) and do all such other acts and things as may be necessary or desirable to give effect to the terms of this Agreement and to carry out and effectuate the provisions hereof.
- 6.4 *Severability*: If for any reason any term, covenant or condition of this Agreement, or the application thereof to any person or circumstance, is to any extent held or rendered invalid, unenforceable or illegal, then such term, covenant or condition (a) shall be deemed to be independent of the remainder of the Agreement and severable and divisible therefrom, and its invalidity, unenforceability or illegality shall not affect, impair or invalidate the remainder of the Agreement or any part thereof; and (b) shall continue to be applicable to and enforceable to the fullest extent permitted by law against any person and circumstance other than those to which it has been held or rendered invalid, unenforceable or illegal.

- 6.5 *No Waiver:* No condoning or waiver by a party of any default or breach by the other party at any time or times in respect of any of the obligations, terms, covenants and conditions contained in this Agreement to be performed or observed by the breaching party shall be deemed or construed to operate as a waiver of the non-breaching party's rights under this Agreement in respect of any continuing or subsequent default or breach nor so as to defeat or affect in any way the rights and remedies of such party under this Agreement in respect of any such continuing or subsequent default or breach. Unless expressly waived in writing, the failure of a party to insist in any one or more cases upon the strict performance of any of the obligations, terms, covenants and conditions contained in this Agreement to be performed or observed by the breaching party shall not be deemed or construed to operate as a waiver for the future strict performance or observance of such agreements, terms, covenants and conditions.
- 6.6 *Interpretation.* If any payment is required to be made or other action is required to be taken pursuant to this Agreement on a day which is not a business day (defined as any day of the week other than Saturday, Sunday or a statutory holiday in the Province of Manitoba), then such payment or action shall be made or taken on the next business day. The term "including" means "including, without limitation" and "include" and "includes" shall have corresponding meanings. The wording of this Agreement shall be deemed to be mutually chosen by the parties and no rule of strict construction shall be applied against any party.
- 6.7 *Language:* The parties acknowledge and agree that they have required that this Agreement be prepared in the English language. Les parties reconnaissent avoir exigé que les présentes soient rédigées en langue anglaise.
- 6.8 *Currency:* All references herein to currency are to Canadian currency and any and all payments shall be made in Canadian currency.
- 6.9 *Time of Essence:* Time is of the essence of this Agreement and every part hereof.
- 6.10 *Entire Agreement:* This Agreement constitutes the entire agreement between the parties regarding the subject matter hereof. It is understood and agreed that there are no agreements, conditions, warranties, terms, representations or arrangements, oral or written, statutory or otherwise, other than those contained herein, and that all prior conversations, understandings, arrangements, statements, communications or agreements, oral or written, with respect to this Agreement are hereby superseded. No change, amendment or supplement to any provision of this Agreement shall be binding unless it is in writing and signed all of the parties hereto.

IN WITNESS WHEREOF this Agreement is deemed to have taken effect as of the day and year written above:

Canadian Beverage Association

Authorized Signatory

Witness

Print Name

Print Name

Title

Title

Date

Date

[Name of Company]

Authorized Signatory

Witness

Print Name

Print Name

Title

Title

Date

Date

Participants Registration Form

Business Name: _____

Business Address:

_____ Street

_____ City Province/State

_____ Country Postal/Zip Code

Phone Number:

() _____

Fax Number: _____

Contact Name: _____

Position: _____

Contact Address:

_____ Street

_____ City Province/State

_____ Country Postal/Zip Code

Phone Number:

() _____

E-Mail: _____

Signature: _____

Date:

_____ Month Day Year

Contact Address:

_____ Street

_____ City Province/State

_____ Country Postal/Zip Code

