

PRIVATE BUSINESS CONTRACT

(FINAL - April 1, 2020)

This PRIVATE BUSINESS CONTRACT (the “Agreement”) is entered into

Between:

CALL2RECYCLE CANADA, INC. (“CALL2RECYCLE”)
a federal not for profit corporation having its head office at:
100 Sheppard Ave East, Suite 800, Toronto, ON, M2N 6N5

And:

[INSERT CLIENT NAME] (the “CLIENT”)

an entity having an office at the address: **[INSERT CLIENT ADDRESS]**

WHEREAS:

- A. CALL2RECYCLE is a not-for-profit organization which operates various stewardship programs and offers private battery collection and recycling for OEM e-bike and e-scooter batteries, and after-market e-bike and e-scooter batteries (the “Batteries”).
- B. CALL2RECYCLE is to develop a private product recycling program on behalf of CLIENT, whereby CALL2RECYCLE will perform certain battery transportation and recycling services and provide services and resources to CLIENT sites or customers (the “e-Mobility Recycling Program”).
- C. The CLIENT will arrange, through its customers, clients, or others, for Batteries to be provided to CALL2RECYCLE for handling and downstream processing in accordance with the e-Mobility Recycling Program.

NOW THEREFORE 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. Definitions and Interpretation

1.1 **Definitions** – In addition to any terms or phrases defined elsewhere in this Agreement, unless the context otherwise specifies or requires, for the purposes of this Agreement, capitalized terms used in this Agreement shall have the respective meanings attributed to them as follows:

“Agreement” means this Private Business Contract and includes all schedules and amendments hereto.

“Agreement Date” means the first date on which the CLIENT has properly completed the CALL2RECYCLE registration system and both parties indicate acceptance of this Agreement via traditional or electronic signature.

“Business Day” means Monday through Friday, excluding statutory holidays and any other day that the government of the applicable province in which the e-Mobility Recycling Program is being administered has elected to be closed for business.

“CALL2RECYCLE Website” means ‘www.call2recycle.ca’, or such other program specific websites as CALL2RECYCLE may from time to time establish and maintain for the fulfillment of its objects and purposes, including www.appelarecycler.ca.

“Confidential Information” means all information, know-how, trade secrets, ideas, designs, technology, applications, methodologies or data concerning or related to products (including all hardware and/or software products) (including the discovery, invention, research, improvement, development, manufacture, marketing, or sale of products), processes, or general business operations (including any business, financial and legal information, corporate strategies, reports, plans, technical documentation, information relating to existing, previous and potential suppliers, customers and contracts, sales, costs, profits, pricing, methods, organization, employee lists and processes), whether relating to the CLIENT (or other CLIENT and/or Member of CALL2RECYCLE, as applicable) or its directors, officers, shareholders, employees, contractors, suppliers or customers, whether such information is conveyed verbally or in written or other tangible form and which, if not otherwise described above, is of such a nature that a reasonable person would believe it to be confidential or proprietary.

“Commencement Date” has the meaning ascribed thereto in Schedule “A” to this Agreement.

“Default” has the meaning ascribed thereto in Section 9.1 of this Agreement.

“e-Mobility Recycling Program” means the recycling plan developed by CALL2RECYCLE in response to the CLIENT’s requested needs for collection of batteries and/or other specific products in the defined Provinces (defined and laid out herein).

“EHFs” means environmental handling fees or any similar fees established pursuant to, or payable as a result of the management of this e-Mobility Recycling Program for the Products.





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“Member” means any company which is a member of CALL2RECYCLE via a membership agreement to manage a stewardship plan or program in a regulated province. CLIENT may also be a Member of CALL2RECYCLE.

“Non-Regulated Product(s)” means any products that are not regulated by a government recycling program in an applicable province.

“Non-Regulated Province(s)” means any province that does not have a government-regulated recycling program for the Products.

“Notice” has the meaning ascribed thereto in Section 12.1 of this Agreement;

“Products” means the Batteries described in Section 3.1 of this Agreement.

“Province(s)” are the provinces within Canada to which this Agreement applies.

“Records” has the meaning ascribed thereto in Section 7.1 of this Agreement.

“Regulations” and “Regulated” means government mandated requirements for recycling defined products in an applicable province.

“Rules and Policies” means any rules, directives, procedure manuals, administrative guidance or other document regarding or relating to the implementation of the e-Mobility Recycling Program established by CALL2RECYCLE in effect, or which may be established by CALL2RECYCLE in connection with the e-Mobility Recycling Program, as the same may be modified, amended or replaced from time to time, in accordance with this Agreement, and includes, but is not limited to any Schedules to this Agreement.

“Trade Name and Logo” means the trade name and style, trade-marks, and logos and designs used, owned by, or licensed by the CLIENT in connection with the CLIENT’s business.

2. Rule of Interpretation

2.1 **Rules of Interpretation** – In this Agreement the following rules shall apply to the interpretation thereof: words denoting the singular include the plural and vice versa and words denoting any gender include all genders; the words “include”, “includes” and “including” and other similar words and expressions shall in all cases be deemed to be followed by the words “without limitation”; any reference to a statute shall mean the statute in force as at the date hereof, together with all regulations promulgated thereunder, as the same may be amended, re-enacted, consolidated and/or replaced, from time to time, and any successor statute thereto, unless otherwise expressly provided; when calculating the period of time within which or following which any act is to be done or step taken, the date which is the reference day in calculating such period shall be excluded; unless otherwise specifically noted herein, all dollar amounts are expressed in Canadian currency; the division of this Agreement into separate Articles, Sections and subsections and the insertion of headings are for convenience of reference only and shall not affect the construction or



interpretation of this Agreement; and except as otherwise specifically defined or provided for in this Agreement, words or abbreviations which have well known or trade meanings are used in accordance with their recognized meanings.

3. Products and e-Mobility Recycling Program Participation

3.1 The parties agree that CALL2RECYCLE will manage the e-Mobility Recycling Program on behalf of CLIENT and their retailers in the following territories:

	Non-Regulated Products in Regulated Provinces	Non-Regulated Products in Non-Regulated Provinces
Provinces	B.C., ON	AB, NB, NS, NFLD
Products	<p>OEM eBike batteries that come with the purchase of a bicycle and are used to propel the vehicle forward.</p> <p>OEM eScooter batteries that come with the purchase of a scooter and are used to propel the vehicle forward.</p>	<p>OEM eBike batteries that come with the purchase of a bicycle and are used to propel the vehicle forward.</p> <p>OEM eScooter batteries that come with the purchase of a scooter and are used to propel the vehicle forward.</p> <p>Aftermarket eBike batteries that are sold individually as either an ad-on to the bicycle or as a replacement for an OEM battery.</p> <p>Aftermarket eScooter batteries that are sold individually as a replacement for an OEM battery.</p>

3.2 e-Mobility Recycling Program Participation – CALL2RECYCLE operates a number of recycling programs in both Non-Regulated Provinces and Regulated Province, in accordance with the Regulations thereto. The CLIENT hereby agrees to participate in the e-Mobility Recycling Program identified by it pursuant to Section 3.1, and agrees that CALL2RECYCLE shall implement and operate the e-Mobility Recycling Programs for the collection, transportation and recycling of the Products relating to such e-Mobility Recycling Programs for and on behalf of the CLIENT.

4. Confidentiality Obligations

4.1 Subject to disclosure of information in accordance with this Agreement, its Schedules, and any applicable Rules and Policies, this Agreement shall not provide the CLIENT with access to, or any right in or to, any Confidential Information of any other CLIENT and/or Member of CALL2RECYCLE.



4.2 The Parties agrees to keep confidential and prevent disclosure to any third-party of any and all Confidential Information transmitted by the other party for any purpose, including the audit rights of CALL2RECYCLE as set out in this Agreement, except as may be required by law or permitted pursuant to this Agreement, its Schedules and/or any Rules and Policies, or any consent given or deemed to be given by the CLIENT.

5. Covenants of the Client

5.1 Compliance – The CLIENT covenants and agrees at all times during the term of this Agreement to abide by the terms and conditions of this Agreement, its Schedules, and any applicable Rules and Policies.

5.2 Declaration of EHF – During the term of this Agreement, the CLIENT shall report EHF in accordance with Schedule “A” to this Agreement, as may be amended from time to time.

5.3 Remitting of EHFs – During the term of this Agreement, the CLIENT shall remit to CALL2RECYCLE within the next calendar month following the end of each reporting period (as described in Section 5.5 below) all EHF’s on the sale or distribution or deployment of Products by the CLIENT for the e-Mobility Recycling Program.

5.4 Overdue Payments – The CLIENT agrees that any overdue EHF’s owing to CALL2RECYCLE shall be treated by CALL2RECYCLE as a debt owing to CALL2RECYCLE, and subject to interest at the rate and upon the terms set out in Schedule “B” to this Agreement.

5.5 Reporting – The CLIENT agrees to provide CALL2RECYCLE all reports and other information from time to time as are reasonably requested by CALL2RECYCLE, in accordance with Schedule “B” to this Agreement, and to do so within the time frames set out in Schedule “B”. Without limitation, the CLIENT acknowledges that such reports will include reporting monthly, or such other reporting period as permitted by CALL2RECYCLE, on the sales of the CLIENT’S Products relating to the e-Mobility Recycling Program in which the CLIENT is participating, and the sales of any Products for which the CLIENT has agreed to remit EHF’s to CALL2RECYCLE.

6. Covenants of CALL2RECYCLE

6.1 Implementation of e-Mobility Recycling Programs – CALL2RECYCLE shall implement and operate the e-Mobility Recycling Program as outlined in this Agreement.

6.2 Reporting – CALL2RECYCLE agrees to provide the CLIENT with annual reports on the performance of the e-Mobility Recycling Program, in a form and incorporating such content as CALL2RECYCLE may from time to time approve.

6.3 Modifications to Rules and Policies - CALL2RECYCLE will provide not less than ninety (90) days prior written notice to the CLIENT of any amendment or change to any Schedule and/or any



Rules and Policies made in accordance with this Agreement, including any new or additional Rules or Policies.

- 6.4 Modification to EHF rates - CALL2RECYCLE shall provide not less than ninety (90) days prior written notice to the CLIENT of any change to the EHF rate to be charged to the CLIENT under this Agreement and as set out in Schedule “A” hereto.
- 6.5 Amendment to the Agreement – The CLIENT acknowledges that CALL2RECYCLE may amend, change or modify this Agreement from time to time in a manner which is not detrimental to the CLIENT, in CALL2RECYCLE’s sole discretion. CALL2RECYCLE shall provide not less than ninety (90) days prior written notice to the CLIENT of any such amendment.
- 6.6 Amendments to e-Mobility Recycling Program – The CLIENT acknowledges and agrees that CALL2RECYCLE may change, update, replace, restate or otherwise amend the e-Mobility Recycling Program from time to time, subject to approval by the CLIENT, not to be unreasonably withheld. CALL2RECYCLE will provide not less than ninety (90) days prior written notice to the CLIENT of any contemplated amendment to the e-Mobility Recycling Program. The CLIENT shall be bound by each revised version of the same as each revision may be issued, as though each was set out originally in the e-Mobility Recycling Program and the CLIENT covenants and agrees to abide by, comply with and satisfy such revised e-Mobility Recycling Program.
- 6.7 Notice of Regulatory Change – CALL2RECYCLE shall provide prompt written notice to CLIENT
- (a) in the event that a Non-Regulated Product in a Regulated province becomes regulated, at which time this Agreement will be amended to reflect said change, or
 - (b) in the event that a Non-Regulated Product in a Non-Regulated Province becomes regulated, at which time this Agreement will be amended to reflect said change.
- 6.8 Applicable Products – CALL2RECYCLE shall have no obligation arising from this Agreement with respect to any item manufactured, sold, distributed or otherwise handled by the CLIENT which is not a designated Product under the e-Mobility Recycling Program.

7. Audit by CALL2RECYCLE/Refund Request by CLIENT

- 7.1 Audit Right – CALL2RECYCLE may from time to time, at its discretion, audit and inspect the records of the CLIENT with respect to the sale, supply, distribution and importing of Products in the relevant provinces where the Programs are being implemented and operated (the “Records”) in order to verify the accuracy of the remittances of EHF’s by the Client to CALL2RECYCLE under this Agreement. The CLIENT acknowledges that CALL2RECYCLE may use a designated third-party to perform such audit and inspection. CALL2RECYCLE is responsible for the costs of the audit.



- 7.2 **Cooperation of CLIENT** – If CALL2RECYCLE notifies the CLIENT that it intends to conduct an audit as described in Section 7.1 above, the CLIENT shall make available or cause to be made available to CALL2RECYCLE, or its designee, within thirty (30) days following a written request therefor and during regular business hours at its head office, any and all information and material as may be reasonably requested by CALL2RECYCLE, or its designee, for the purposes described in Section 7.1 above, and otherwise give such cooperation as may be required by CALL2RECYCLE, or its designee, including providing access to all Records and any other information in respect of transactions relating to the Products. The CLIENT shall have the right to observe and be informed in respect of all audit activities conducted by CALL2RECYCLE, or its designee, hereunder.
- 7.3 **Notification of Results** – Within sixty (60) days of completion of any audit or inspection under this Section 7, CALL2RECYCLE shall provide to the CLIENT a summary report of the results of such audit or inspection.
- 7.4 **Under-Payment** – If any audit discloses that the CLIENT has under-paid EHF's to CALL2RECYCLE, such under-payment and the CLIENT shall be subject to the applicable fees set out in Schedule "B" to this Agreement.
- 7.5 **Over-Payment** – If any audit discloses that the CLIENT has over-paid EHF's to CALL2RECYCLE, such over-payment shall be subject to the treatment set out in Schedule "B" to this Agreement. Without in any way limiting the foregoing, in such event, CALL2RECYCLE shall promptly notify in writing the CLIENT of such over-payment and reimburse the CLIENT within thirty (30) days of such notice.
- 7.6 **No Waiver** – Any inspection, audit or review by CALL2RECYCLE, or its designee, pursuant to this Section 7 shall not relieve the CLIENT of any of its obligations to fulfil or comply with the terms of this Agreement.
- 7.7 **Refund Request** – If CLIENT in good faith believes it has overpaid EHF's and no audit has been conducted, CLIENT shall notify CALL2RECYCLE and provide supporting materials to CALL2RECYCLE. CALL2RECYCLE, acting reasonably, shall within sixty (60) days of receiving such notice either: (i) confirm such overpayment and refund the overpaid amount; or (ii) provide a written explanation in sufficient detail explaining why CALL2RECYCLE disagrees with the CLIENT'S assertion that the CLIENT has overpaid.

8. Term and Termination

- 8.1 **Termination** – This Agreement may only be terminated in accordance with the provisions of this Section 8.
- 8.2 **Resignation** – CLIENT may terminate this Agreement at any time upon providing ninety (90) days written notice in which case the Agreement shall terminate as of the end of such notice period. In the event that CLIENT is also a Member of CALL2RECYCLE and participates in a program for



Regulated products in Regulated provinces, the termination of this Agreement does not remove any obligation of the CLIENT to its duties as Member under any other agreement with CALL2RECYCLE.

- 8.3 Termination for Insolvency – This Agreement will terminate automatically if: (i) the CLIENT 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 CLIENT, files a petition in bankruptcy or for a reorganization under the appropriate bankruptcy legislation, or is adjudicated bankrupt or insolvent; or (ii) if a court order is entered, without the consent of the CLIENT, appointing a receiver or trustee for all or substantially all of the property of the CLIENT, or approving a petition 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 CLIENT.
- 8.4 Termination for Default - Either party may terminate this Agreement with immediate effect if the other party commits a Default. Termination from this Agreement does not remove obligation of CLIENT to its duties as Member of CALL2RECYCLE for regulated products in regulated provinces. In the event that CLIENT is also a Member of CALL2RECYCLE and participates in a program for Regulated products in Regulated provinces, the termination of this Agreement does not remove any obligation of the CLIENT to its duties as Member under any other agreement with CALL2RECYCLE.
- 8.5 Effect of Termination –Termination shall not affect the CLIENT’S obligations to submit any reporting or pay any amount to CALL2RECYCLE up to and include the date of termination. Should the Agreement be terminated, CLIENT shall respond to any request for reporting or make payments owing within 60 days from the date it has received written notice of CALL2RECYCLE of same.
- 8.6 Final Audit Right – At the discretion of CALL2RECYCLE, a termination notice by a CLIENT may trigger a final audit undertaken by CALL2RECYCLE. CALL2RECYCLE is responsible for the costs of the audit, if any.
- 8.7 Survival – The provisions of Section 4, Sections 5.3 and 5.4, Section 7, Section 8.5, 8.6 and 8.8 shall survive termination of this Agreement.
- 8.8 Notwithstanding the foregoing, in connection with the payment of EHF’s by the CLIENT to CALL2RECYCLE, the CLIENT shall only be liable for the accrued and unpaid EHF’s as of the effective date of termination of this Agreement.

9. Default

- 9.1 Default –The occurrence of any of the following while this Agreement is in effect shall constitute a “Default” under this Agreement:



- (a) If the CLIENT or CALL2RECYCLE breaches or fails to comply with any provision of this Agreement, the e-Mobility Recycling Program, or any applicable Rule or Policy, and does not rectify such breach or failure to the other party's reasonable satisfaction within thirty (30) days of written notice of the breach or failure being sent by the other party.
- (b) If the CLIENT fails to make payment of any amount required in this Agreement or e-Mobility Recycling Program, when such payment becomes due and payable, and fails to pay such amount in full within thirty (30) days of written demand therefor being sent by CALL2RECYCLE.

10. Dispute Resolution

- 10.1 **Best Efforts** – In the event of any disputes, claim, question or difference arising out of or relating to this Agreement or any breach hereof, the parties shall use their respective best endeavours, acting reasonably, to settle such dispute, claim question or difference. To this effect, the parties shall consult and negotiate with each other, in good faith and understanding of their mutual interests, to reach a just and equitable solution satisfactory to all parties to the dispute.
- 10.2 **Arbitration** – If the parties do not reach a solution within a period of twenty (20) days, then upon written notice by any party to the others, the dispute, question or difference shall be finally settled by arbitration to be held in accordance with the provisions of the *Arbitrations Act* (Ontario) and any amendments thereto. The arbitrator shall be appointed by unanimous agreement of the parties to the Agreement or in the event of failure to agree within 10 days, any party may apply to a judge of the Superior Court of Justice in the City of Toronto to appoint an arbitrator. In the event that either party applies to the Superior Court of Justice under this Section 10.2, the parties attorn to the exclusive jurisdiction of the courts in the City of Toronto. The procedure to be followed shall be agreed to by the parties within ten (10) days of the appointment of the arbitrator, or, in default of such agreement, determined by the arbitrator. The arbitrator shall have the power to proceed with the arbitration and to deliver his or her award notwithstanding the default by any party in respect of any procedural order made by the arbitrator. The arbitrator shall be instructed that time is of the essence and the arbitration award must be rendered within 30 days of the submission of such dispute to arbitration. The arbitration shall take place in the City of Toronto unless otherwise agreed by the parties. The arbitrator shall not amend or otherwise alter the terms and conditions of this Agreement. The arbitration award shall be given in writing and shall be final and binding on all parties, not subject to any appeal, and shall deal with the costs of arbitration and all matters related thereto. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction. The parties hereby agree to carry out any decision or order of the arbitrator in good faith.

11. Trade Name and Logo.

- 11.1 **Use of CLIENT Trade Name and Logo** – Upon the occurrence of the Commencement Date, and through the duration of CLIENT's participation in the e-Mobility Recycling Program, CLIENT assigns, conveys, transfers and delivers to CALL2RECYCLE, at no cost, a limited right for CALL2RECYCLE to





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make use of CLIENT’s Trade Name and Logo for the purpose of marketing, promotional activities, advertising, Member and/or general public information and reporting, including, but not limited to: publishing CLIENT’s Trade Name and Logo in CALL2RECYCLE’s annual reports and on its website. In the event that the Agreement is terminated, CALL2RECYCLE shall have no obligation to remove any publications that used CLIENT’s Trade Name and Logo prior to termination of this Agreement.

12. General Provisions

12.1 **Notices** – All notices or other communications required or permitted under this Agreement (each, a “Notice”) shall be in writing and shall be delivered in person, by prepaid courier service or by e-mail as follows:

To CALL2RECYCLE at:

Call2Recycle Canada, Inc.
Attention: President
100 Sheppard Ave East, Suite 800, Toronto, ON, M2N 6N5
E-Mail: emobility@call2recycle.ca

To the CLIENT at: ●

Company Name: ●
Attention: ●
Address: ●
E-Mail: ●

If personally delivered or delivered via pre-paid courier, a Notice will be deemed to have been given and received on the date of actual delivery and, if by e-mail, a Notice will be deemed to have been given and received on the date sent if sent during normal business hours on a Business Day and otherwise on the next Business Day.

Either party may at any time and from time to time notify the other party in accordance with this Section 12 of a change of address or e-mail address, to which all notices will be given to it thereafter until further notice in accordance with this Section 12.

12.2 **Assignment** – This Agreement is assignable by CALL2RECYCLE without the consent of the CLIENT to any corporate entity incorporated for the purpose of carrying out the E-Mobility Recycling Programs in replacement of or succession to CALL2RECYCLE, provided that ninety (90) days prior written notice is provided to the CLIENT of such assignment and that assignee continues to be bound by the provisions of this Agreement. Except as provided above, neither this Agreement nor the rights or obligations of either party are assignable, except with the prior written consent of the other party, which consent cannot be unreasonably withheld or delayed.



- 12.3 Enurement – This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.
- 12.4 Entire Agreement – This Agreement supersedes any prior agreements or understandings between the parties, whether oral or written.
- 12.5 Waiver – Any waiver by a party or any failure on a party’s part to exercise any of its rights in respect of this Agreement shall be limited to the particular instance and shall not extend to any other instance or matter in this Agreement or in any way otherwise affect the rights or remedies of such party.
- 12.6 Further Assurances – The parties agree to execute and deliver all such other and additional instruments or documents and to do all such other acts and things as may be reasonably necessary to give full effect to this Agreement.
- 12.7 Governing Law – This Agreement shall be governed by, and interpreted and enforced in accordance with the laws of the Province of Ontario.

FOR CLIENT:

By: _____
(Signature)

(Printed Name and Title)

(Date)

FOR CALL2RECYCLE CANADA:

By: _____

(Signature)

(Printed Name and Title)

(Date)



SCHEDULE “A”

Declaration of Environmental Handling fees

- 1. EHF Value.** The EHF for eBike and eScooter batteries to be remit under this Agreement is a flat fee of \$10 CDN per battery, and includes all eBike and eScooter batteries, including: batteries that come with OEM bikes and scooters, replacement aftermarket batteries, batteries sold as part of any bicycle conversion kit, and any batteries used by ride sharing and rental operators.
- 2. Annual EHF Review.** The EHF is subject to annual review by CALL2RECYCLE and may be amended from time to time at CALL2RECYCLE’s sole discretion. Ninety (90) days prior written notice will be given to CLIENT prior to any amendments to the EHF value as set out in Section 1 of this Schedule “A”.
- 3. e-Mobility Recycling Program Commencement Date.** The e-Mobility Recycling program shall commence on January 1, 2021 (the “Commencement Date”). As of the date of the Commencement Date, EHF’s shall be charged in accordance with the terms and conditions of the Agreement and the Schedules attached thereto.



SCHEDULE “B”

Reporting - Rules and Policies

1. **Reporting.** CLIENT is required to report EHF under the Agreement to CALL2RECYCLE based on the following reporting schedule:
 - (a) If CLIENT expects to market products generating annual EHF under the Agreement that are expected to exceed \$6,000 per year, the CLIENT shall report monthly to CALL2RECYCLE; and
 - (b) If CLIENT expects to market products generating annual EHF under the Agreement that are expected to be less than \$6,000 annually, CLIENT is to report to CALL2RECYCLE quarterly, or annually, as to be agreed upon between the parties, both acting reasonably, and to be re-negotiated on an annual basis.
2. **Late Payment and Late Reporting Procedure:** CLIENT shall remit to CALL2RECYCLE all EHF's on the sale or distribution of Products by the CLIENT pursuant to the e-Mobility Recycling Program. In the event that any invoice outstanding and/or any other payment due and owing under the Agreement remains overdue for a period of more than thirty (30) days, CALL2RECYCLE may have the option to apply a late payment fee at the rate of 1% per month (12% per annum) (the “Late Fee”). The Late Fee may be amended by CALL2RECYCLE from time to time, in its sole and absolute discretion.
3. **Non-Cooperation Penalty.** In the event that CLIENT has been informed by CALL2RECYCLE of its regulatory obligations, and CLIENT does not respond, communicate, collaborate or refuses to comply, CALL2RECYCLE may apply additional fees to CLIENT to compensate for any incurred costs as a result of CLIENT’s non-cooperation (the “Non-Cooperation Penalty”). Any Non-Cooperation Penalty shall be final and shall become due and owing by CLIENT immediately.
4. **Audit.** Pursuant to Section 7.4 of the Agreement, if any audit discloses that the CLIENT has under-paid EHF's to CALL2RECYCLE, CALL2RECYCLE shall provide the CLIENT with notice within 10 days (the “Underpayment Notice”), and an administrative charge equal to 20% of the aggregated total of such under-payment will be charged to the CLIENT immediately after the Underpayment Notice is provided, and shall become due and owing by the CLIENT immediately. Pursuant to Section 7.5 of the Agreement, in any audit discloses that the CLIENT has over-paid any EHF's to CALL2RECYCLE, CALL2RECYCLE shall provide the CLIENT with notice within 10 days (the “Overpayment Notice”), and credit the CLIENT for the over-paid amount on the invoice immediately following such Overpayment Notice.

