

Cleanfarms Code of Conduct

Members
Employees

Cleanfarms Inc. Code of Conduct
ADOPTED BY BOARD
AMENDED - APPROVED BY
MEMBERS
AMENDED – APPROVED BY BOARD

COC
January 8, 2010
May 6, 2014
February 28, 2018



Contents

PURPOSE	3
INTERPRETATION	3
APPLICATION	3
CODE OF CONDUCT	4
1. MISSION AND VISION	4
2. BACKGROUND	4
3. GUIDING PRINCIPLES	5
4. STANDARDS FOR MEMBERS	5
5. STANDARDS FOR EMPLOYEES.....	8
6. GUIDELINES FOR MEETINGS OF COMPETITORS AND CLEANFARMS.....	8
7. DISPUTE RESOLUTION.....	12

PURPOSE

Cleanfarms is a not-for-profit industry stewardship organization committed to environmental responsibility through the proper management of agricultural waste. The purpose of this Code of Conduct is to define the principles, standards and guidelines which Cleanfarms' Members and Employees agree to follow in order to support this commitment.

INTERPRETATION

This Code of Conduct has been approved in accordance with By-Law No 1 of Cleanfarms (the "General By-Laws"). This Code of Conduct supersedes and replaces any previous Code of Conduct as of the effective date set out below.

Except as otherwise defined herein, all capitalized terms used in this Code of Conduct have the meanings given to them in the General By-Laws.

In the event of any inconsistency between this Code of Conduct and the General By-Laws, the General By-Laws will prevail to the extent required to resolve the inconsistency.

This Code of Conduct has been voluntarily adopted by, and is binding on, Members. Members are reminded that additional rights and obligations relevant to their operations may apply under statutory and common law in the jurisdictions in which they carry on business. Cleanfarms does not provide Members with legal advice and recommends that Members get independent legal advice with respect to applicable laws and regulations.

APPLICATION

As provided in Section 4(e) of the General By-Laws, all Members must comply with this Code of Conduct. In the event of a breach of this Code of Conduct by a Member, the Member may be subject to the sanctions and disciplinary measures set out in the General By-Laws, in particular in Section 4(h) of the General By-Laws.

All Cleanfarms Employees are also bound by this Code of Conduct.

Questions and clarifications

Questions and clarifications should be directed to the General Manager.

Amendments

Cleanfarms reserves the right to modify or amend this Code of Conduct, which shall become binding when approved in accordance with the General By-Laws.

Effective date

This amended version adopted by the Board of Directors February 28, 2018 was approved in accordance with the General By-Laws as of May 6, 2014 and is effective as of that date.

CODE OF CONDUCT

1. MISSION AND VISION

Cleanfarms' mission is to enable environmental sustainability through effective stewardship of waste agricultural plastics and packaging.

Cleanfarms' vision is to be the leading Canadian stewardship organization for recycling agricultural products and packaging.

2. BACKGROUND

Cleanfarms is a not-for-profit industry stewardship organization committed to environmental responsibility through the proper management of agricultural waste. This is a long standing industry commitment that has guided the industry for many years and is one of the reasons Canadian agricultural has gained a reputation of excellence world-wide.

CropLife Canada, the trade association representing the pesticide industry, managed Cleanfarms' core programs, the empty pesticide container and obsolete pesticide programs, since their inceptions in 1989 and 1998 respectively.

Beginning February 1, 2010, Cleanfarms took over the management of these programs with the intention of expanding its programs beyond pesticide containers and obsolete pesticides to include other on-farm inorganic waste. One of the first steps to achieving this goal began in 2013 when Cleanfarms expanded its empty pesticide container program to include fertilizer containers.

As farming continues to grow in Canada, the agricultural sector is seeking more options for recycling agricultural plastic waste. With a solid reputation for cost-effective stewardship programming, a commitment to constant improvement, and a dedicated and engaged membership, Cleanfarms is well suited to meet the needs of the Canadian agricultural sector. Cleanfarms members represent a broad cross section of product manufacturers, distributors, retailers and suppliers to Canada's agricultural industry. The conduct of this diverse group of companies is critical to the success of the organization's operations, its ability to deliver valuable programs that meet the needs of Canadian farmers, and the industry's reputation as a whole.

3. GUIDING PRINCIPLES

The products manufactured and distributed by Cleanfarms members are, for the most part, strictly regulated. In addition to regulations set by federal, provincial and municipal governments, the industry has adopted industry-led initiatives to protect people and the environment through their products entire lifecycle, including end of life management. This Code of Conduct, and the stewardship programs operated by Cleanfarms, are such initiatives.

Cleanfarms takes its responsibility to the environment and public safety very seriously. Cleanfarms' stewardship programs and other initiatives focus on achieving maximum environmental benefit in program delivery while minimizing any risk.

Recovering valuable resources is the primary goal of Cleanfarms' stewardship programs. However, that goal must be pursued in a manner that reduces the risk of fires, spills, industrial accidents, misuse and environmental contamination. To help achieve its primary goal and these related objectives, Cleanfarms has developed, and all Members, Directors and Employees hereby agree to adopt, the following set of guiding principles:

- 3.1 Programs must be operated so that there is no unacceptable health and safety risk.
- 3.2 Programs must be managed by the manufacturers/brand owners of the products.
- 3.3 Programs should strive to achieve the highest and most practical end use of products while following the 3Rs (reduce, reuse, recycle) hierarchy.
- 3.4 Programs must achieve reasonable, high participation rates. While they may never actually achieve this goal for practical reasons, programs should still strive towards 100% recovery.
- 3.5 Programs must provide reasonable accessibility for all users of the products to participate.
- 3.6 Programs must be open to participation by all manufacturers/brand owners.

Cleanfarms recognizes the importance of continuously improving health and safety standards and protecting the environment. The programs that Cleanfarms manages are more than a continuously improving set of practices – they represent a guiding philosophy based on proactivity, evolving to meet user needs, and an industry-led commitment to the safe management of the industry's waste.

4. STANDARDS FOR MEMBERS

Cleanfarms Members are committed to supporting stewardship initiatives as appropriate for each technology sector they are involved in and as a means to pursue and promote health and safety for people and the environment. In carrying out this commitment, the Members of Cleanfarms acknowledge and agree that they have the duties and responsibilities set out below.

4.1 Program participation

Every Member will participate in all stewardship programs that are developed and approved by Cleanfarms to the extent that such stewardship programs apply to the business of the Member. Members will comply with all requirements of the stewardship programs in which they are required to participate.

4.2 Stewardship

Members will manage all packaging in a safe and environmentally sound manner consistent with the guiding principles for stewardship programs developed by Cleanfarms, including by promoting the use of packaging that enhances safety in use, transport, and handling and where applicable, ease of cleaning, rinsing or other preparation steps for recycling or disposal.

4.3 General engagement

Members will remain engaged with Cleanfarms in their capacity as members, including by doing the following:

4.3.1 Remaining familiar with the Cleanfarms corporate mandate, its mission, vision, objectives, and operations;

4.3.2 Remaining familiar with, and complying with, the rights and requirements of Members under the Canada Not-for-profit Corporations Act and regulations made thereunder;

4.3.3 Remaining familiar with, and complying with, Cleanfarms articles, by-laws, approved corporate policies and stewardship programs, and this Code of Conduct, as such documents apply to Members;

4.3.4 Preparing for all Member meetings by reviewing all agenda materials including reports and other background material;

4.3.5 Attending and participating in Members meetings.

4.4 Fees

As required under the General By-Laws, Members will pay all fees assessed to them by Cleanfarms. All such fees shall be paid in a timely manner in accordance with any applicable approved corporate policy regarding the setting and payment of fees. Members agree and acknowledge that Cleanfarms may charge, and Members who fail to pay fees in a timely manner agree to pay, late fees and other penalties as set out in approved corporate policies.

4.5 Reporting

Members will provide Cleanfarms with all data and information requested and reasonably required by Cleanfarms to carry out its mandate, provided that Cleanfarms will store, use and disclose such information in accordance with approved corporate policies. Without limiting the foregoing, Members agree to complete the Cleanfarms annual sales survey on or before the submission deadline stipulated in the notice of such sales survey. Each Member hereby irrevocably consents and agrees that Cleanfarms may provide notice to all Members and to

government authorities to whom Cleanfarms must report data gathered through the sales survey of the names of those Members who fail to complete the sales survey by the prescribed submission deadline.

4.6 Members' Employees

Because Member's employees often serve as resources about Cleanfarms' programs and the role they play in protecting public health and the environment, Members will ensure that such employees will be well-trained, customer-oriented and up-to-date in their knowledge of the appropriate Cleanfarms' stewardship programs that apply to their area of work. To ensure this, Cleanfarms members will:

4.6.1 Establish and maintain high standards of recruiting and selection to ensure the employment of well-qualified individuals;

4.6.2 Ensure that all appropriate personnel, including those newly hired, fully understand:

4.6.2.1 this Code of Conduct;

4.6.2.2 the Member's responsibilities under Cleanfarms' stewardship programs that apply to the Member; and

4.6.2.3 the importance of stewardship programs.

4.6.3 Ensure that the Member has written procedures in place for handling inquiries related to stewardship and Cleanfarms stewardship programs applicable to the Member;

4.6.4 Ensure that its personnel will provide full and factual information on the Cleanfarms' stewardship programs applicable to the Member, without misrepresentation or exaggeration.

4.7 Competition

Members will comply, and cause all of their representatives to comply, with the guidelines for meetings of competitors set out in Section 7 of this Code of Conduct.

4.8 Divergent Positions

If a Member intends to advocate publicly, including to government, a position on an issue that it believes is not consistent with this Code of Conduct or Cleanfarms mandate, mission and values (a "Divergent Position"), the Member should first inform Cleanfarms, by letter to the General Manager, stating its intention to take the Divergent Position, and give Cleanfarms reasonable time to consider and respond to the Member regarding the Divergent Position before presenting it's the Divergent Position to others outside Cleanfarms. Similarly, if Cleanfarms believes a Member has or intends to advocate publicly a Divergent Position, Cleanfarms shall notify in writing the Member of its disagreement with the Divergent Position. In either case, the Member and Cleanfarms will discuss the Divergent Position in good faith with a view to resolving the issues on which they disagree prior to the Member publicizing the Divergent Position. If the identified differences are not resolved, Cleanfarms recognizes the right of the Member to publicly pursue its own position. When presenting the Divergent

Position to others, the dissenting Member agrees to expressly indicate that it speaks for itself and not for Cleanfarms or for other Members or the industry.

5. STANDARDS FOR EMPLOYEES

Cleanfarms Employees have a central role in developing, promoting, running and improving Cleanfarms' stewardship programs in accordance with the guiding principles set out in this Code of Conduct. All Employees will carry out their roles and responsibilities as employees in a manner that is at all times consistent with this Code of Conduct. Without limiting the foregoing, Employees acknowledge and agree that they have the duties and responsibilities set out below.

5.1 Remaining familiar with the Cleanfarms corporate mandate, its mission, vision, objectives, and operations;

5.2 Remaining familiar with, and complying with Cleanfarms' approved corporate policies, stewardship programs, and this Code of Conduct, as such documents apply to Employees;

5.3 In the case of Officers, also remaining familiar with, and complying with Cleanfarms' articles and by-laws, as such documents apply to Officers;

5.4 Taking opportunities provided by Cleanfarms to enhance skills applicable to the operations of Cleanfarms and to improve knowledge of stewardship best practices;

5.5 At all times providing full and factual information regarding Cleanfarms mandate and stewardship programs, without misrepresentation or exaggeration.

6. GUIDELINES FOR MEETINGS OF COMPETITORS AND CLEANFARMS

6.1 Purpose

These guidelines for meetings of competitors and Cleanfarms (the "Guidelines") are intended to reduce the risk of not complying with Canadian competition law when Cleanfarms staff and Cleanfarms Member company representatives come together in meetings ("Meetings") under the auspices of Cleanfarms. It is understood that the Meetings may involve discussions of intellectual property ("IP") rights among other matters.

These Guidelines are not a substitute for legal advice. However, they are intended to provide Members, Directors and Employees with sufficient information to recognize potential problems under Canadian competition laws and to seek legal advice concerning the potential problems before such Members, Directors or Employees act in a manner that could be contrary to applicable law. Cleanfarms recommends that all Members and Directors seek independent legal advice regarding their respective obligations with respect to applicable competition law.

The background to these Guidelines is described in Appendix A to this Code of Conduct.

6.2 Complying with Competition Law at Meetings

6.2.1 General

Failure to comply with the Guidelines can result in severe criminal and civil penalties for trade associations, companies and individuals.

Meetings must never be seen to affect the competitive aspects of the participating companies' operations.

Prohibited discussion topics at Meetings apply equally to social gatherings and other communications outside of or incidental to Meetings – even to comments made in jest.

In general, joint lobbying, good faith complaints to regulatory authorities and litigation relating to regulatory performance are not anti-competitive.

Agreements or combinations between or among competitors need not be formal to raise questions under competition law, but may include any kind of understanding, formal or informal, secretive or public, under which each of the parties can reasonably expect that another will follow a particular course of action.

Collaboration at Meetings should not occur to advance any company's specific commercial interests.

It is the responsibility of each Meeting participant to avoid raising improper subjects for discussion. Each participant in the Meetings should be thoroughly familiar with their responsibilities under Canada's competition law and should consult their company's legal counsel in all cases involving specific situations, interpretations or advice.

The following list of Do's and Don'ts for Meeting participants is not exhaustive.

6.3 Do's

6.3.1 Reminder: Do begin each meeting with a reminder to all participants of the importance of complying with competition law and of the existence and application of these Guidelines to all Cleanfarms meetings.

6.3.2 Record Keeping, Agendas and Minutes: Do insist on appropriate record keeping for Meetings. Prepare and distribute before the Meeting a written agenda that is clear and specific and adhere to it during the Meeting. Ensure that all discussions with competitors are confined to the immediate subject for which the Meeting was convened. Ensure that comprehensive minutes are taken and object if they do not accurately reflect the discussion and actions taken. Ensure that minutes are reviewed and mistakes corrected.

6.3.3 Document Retention: Do have a document retention program which clearly sets out which records are kept and for what period to protect participants by keeping a history of previous Meetings that have been held.

6.3.4 Voluntary Participation: Do ensure that participation in Meetings and membership in any related committees is voluntary and based on clear and transparent criteria.

6.3.5 Appropriate Oversight: Do ensure that all Meetings have appropriate oversight and supervision. Consult with legal counsel on all competition law compliance questions that may arise at Meetings.

6.3.6 Competitive Regulatory Framework: Do ensure that the primary objective of any regulatory framework the Meeting develops is to promote open and effective competitive markets. The regulatory framework should neither favour nor constrain the ability of particular market participants to compete in the market but may require compliance with stewardship programs and standards for safety and environmental protection (whether voluntary or imposed by law).

6.3.7 Inappropriate Subjects of Discussion: Do be vigilant. Any Meeting participant who becomes concerned that a discussion is straying into competitively sensitive areas should ask the chair of the Meeting to halt the discussion pending clarification. Protest against any discussions or Meeting activities, which appear to violate competition law and record the objection. Disassociate from any such discussions or activities and leave any Meeting should they continue.

6.3.8 Competitively Sensitive Information: To minimize the exchange of competitively sensitive information, do (a) use publicly available information and aggregated (as opposed to company-specific) information to the greatest extent possible, (b) focus on historical rather than future information, (c) only disseminate information in an aggregate form, (d) use an independent data collection agency, and (e) ensure participants provide data voluntarily (i.e., without being coerced).

6.3.9 Legal Counsel: Do have legal counsel present at any Meetings where competitive sensitivities are at issue (because of the subject to be discussed or the personnel (e.g., marketing or senior management) to be present. When in doubt, seek legal advice.

6.4 Don'ts

6.4.1 Competitively Sensitive Information: Don't, in fact or appearance, discuss or exchange any competitively sensitive information such as:

6.4.1.1 price-related information (whether past, present or future), including individual company prices, price changes, price differentials, mark-ups, discounts, allowances, credit terms and freight terms;

6.4.1.2 data bearing on price, including that related to individual company cost structure, profit margin, allowances, production levels, capacity, inventories and sales;

6.4.1.3 information relating to individual company statistical reporting, standardization, certification, research and lobbying;

6.4.1.4 industry pricing policies, including price levels, price changes and differentials;

6.4.1.5 allocation of geographic or functional markets, suppliers or customers;

6.4.1.6 non-public revenue, market plans, or market share data;

6.4.1.7 future strategies and plans of individual companies;

6.4.1.8 the exercise (individually or in concert) of intellectual property rights that create, enhance or maintain market power and thereby harm competition;

6.4.1.9 changes in industry production, capacity or inventories;

6.4.1.10 bids on contracts for products and procedures for responding to bid invitations;

6.4.1.11 plans of individual companies concerning the design, production, distribution or marketing of products, including proposed territories or customers;

6.4.1.12 matters relating to actual or potential individual customers or suppliers that might have the effect of excluding them from any market or of influencing the business conduct of companies toward such suppliers or customers; and

6.4.1.13 any other confidential or sensitive information (even if it does not fit in any other category above) which would be likely to affect competitive behaviour or rivalry.

6.4.2 Discrimination: Don't discriminate against competitors when developing product or intellectual property standards, specifications or programs.

6.4.3 Collective Action: Don't engage in any collective action by way of refusal to deal, boycott or embargo which would affect competition – whether among competitors, suppliers or customers.

6.4.4 Pricing or IP Licensing: Don't enter into an agreement or make any threat or promise involving the pricing or IP licensing activities of other companies.

6.4.5 Sanctions: Don't have sanctions aimed at forcing members to obey various association recommendations which may have an anti-competitive effect. However, sanctions implemented for legitimate purposes, such as for failure to comply with stewardship programs or with standards for safety and environmental protection (whether voluntary or imposed by law), don't raise concerns under the Competition Act.

6.4.6 Informal Meetings: Don't hold unscheduled or informal Meetings (between competitors), whether held in conjunction with regular Meetings or not.

7. DISPUTE RESOLUTION

7.1 Complaints from the public regarding Members

7.1.1 Complaints made to Cleanfarms by a member of the public concerning the conduct of a Member must be addressed in writing to the official representative of the company and the General Manager of Cleanfarms. On receipt of such a complaint, the General Manager will refer the matter to the Member involved for resolution of the issue.

7.1.2 Members hereby agree to indemnify and hold Cleanfarms harmless from any from and against all costs, charges and expenses, including all amounts paid to settle any action or satisfy any judgment reasonably incurred by or on behalf of Cleanfarms in respect of any civil, criminal or administrative action, private arbitration, or other proceeding, to which Cleanfarms is or may become a party (or any such proceeding which might be threatened and in respect of which Cleanfarms is threatened to be made a party) by reason of any negligence or wilful misconduct of the Member or by reason of a failure by the Member or any of its representatives to conduct itself in accordance with this Code of Conduct or with any requirements prescribed by Cleanfarms with respect to its stewardship programs.

7.2 Complaints or disputes among Member

7.2.1 Members consent and agree that disputes or controversies among Members, Directors, Officers, committee members, or volunteers of Cleanfarms concerning matters relating to Cleanfarms' articles, by-laws, Code of Conduct, approved corporate policies or operations ("Eligible Disputes") are to be resolved in accordance with mediation and/or arbitration as provided in Section 7.2.2.

7.2.2 Dispute Resolution Mechanism

In the event that an Eligible Dispute is not resolved in private meetings between the affected parties within 30 days of the written notice of an Eligible Dispute delivered by one of the parties to Cleanfarms and the other affected parties, then such Eligible Dispute shall be settled by a process of dispute resolution as follows:

7.2.2.1 The dispute or controversy shall first be submitted to a panel of mediators whereby the one party appoints one mediator, the other party (or if applicable the board of the organization) appoints one mediator, and the two mediators so appointed jointly appoint a third mediator. The three mediators will then meet with the parties in question in an attempt to mediate a resolution between the parties.

7.2.2.2 The number of mediators may be reduced from three to one or two upon agreement of the parties.

7.2.2.3 If the parties are not successful in resolving the dispute through mediation, then the parties agree that the dispute shall be settled by arbitration before a single arbitrator, who shall not be any one of the mediators referred to above, in accordance with the provincial or territorial legislation governing domestic arbitrations in force in the province or territory where the registered office of Cleanfarms is situated or as otherwise agreed upon by the parties to the dispute. The parties agree that all

proceedings relating to arbitration shall be kept confidential and there shall be no disclosure of any kind. The decision of the arbitrator shall be final and binding and shall not be subject to appeal on a question of fact, law or mixed fact and law.

7.2.2.4 All costs of the mediators appointed in accordance with this section shall be borne equally by the parties to the dispute or the controversy. All costs of the arbitrators appointed in accordance with this section shall be borne by such parties as may be determined by the arbitrators.