

Scheme Payments and Contribution Methodology

1. Introduction

1.1 Meanings

In this Scheme Payments and Contribution Methodology unless the context indicates to the contrary:

- (a) all capitalised terms that are defined in clause 1.3 have the meaning given to them in that clause;
- (b) capitalised terms used in this Scheme Payments and Contribution Methodology and not defined in it have the meaning given to those terms in the Act; and
- (c) references to clauses are references to clauses in this Scheme Payments and Contribution Methodology.

1.2 Interpretation

In this Scheme Payments and Contribution Methodology headings are for convenience only and do not affect interpretation, and unless the context indicates a contrary intention:

- (a) an obligation or a liability assumed by, or a right conferred on, 2 or more persons binds or benefits them jointly and severally;
- (b) "person" includes an individual, the estate of an individual, a corporation, an authority, an association or a joint venture (whether incorporated or unincorporated), a partnership and a trust;
- (c) a reference to a party includes that party's executors, administrators, successors, permitted assigns, including persons taking by way of novation and, in the case of a trustee, includes a substituted or an additional trustee;
- (d) a reference to a document (including this Scheme Payments and Contribution Methodology) is to that document as varied, novated, ratified or replaced from time to time;
- (e) a reference to a statute includes its delegated legislation and a reference to a statute or delegated legislation or a provision of either includes consolidations, amendments, re-enactments and replacements;
- (f) a word importing the singular includes the plural (and vice versa) and a word indicating a gender includes every other gender;
- (g) a reference to a party, clause, section, schedule, exhibit, attachment or annexure is a reference to a party, clause, section, schedule, exhibit, attachment or annexure to or of this Scheme Payments and Contribution Methodology, and a reference to this Scheme Payments and Contribution Methodology includes all schedules, exhibits, attachments and annexures to it;
- (h) if a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (i) no rule of construction applies to the disadvantage of a party on the basis that the party put forward this Scheme Payments and Contribution Methodology or any part thereof;
- (j) if the day on or by which anything is to be done in accordance with this Scheme Payments and Contribution Methodology is not a Business Day, that thing must be done no later than the next Business Day;

- (k) other than as set out in clause 1.2(k) a reference to "day" is a reference to a calendar day, a reference to "week" is a reference to a calendar week, a reference to "month" is a reference to a calendar month and a reference to "quarterly" is a reference to 3 monthly;
- (l) the words "including" and "includes", and any variants of those words, will be read as if followed by the words "without limitation";
- (m) the meaning of "or" will be that of the inclusive, being one, some or all of a number of possibilities;
- (n) the word "subcontractor" will include all suppliers, contractors and consultants;
- (o) a reference to "\$" or "dollar" is to Australian currency;
- (p) a reference to time is a reference to the then current time in Sydney, Australia;
- (q) a reference to a right includes any benefit, remedy, discretion, authority or power;
- (r) a reference to an obligation or a liability assumed by, or a right conferred on, 2 or more persons binds or benefits them jointly and severally;
- (s) the term "may", when used in the context of a power, right or remedy exercisable by a party, means that the party can exercise that power, right or remedy in its absolute and unfettered discretion, and the party has no obligation to the other party to do so; and
- (t) where there is a reference to an authority, institute or association or other body referred to in this Scheme Payments and Contribution Methodology which:
 - (i) is reconstituted, renamed or replaced or if its powers or functions are transferred to, or assumed by, another entity, this Scheme Payments and Contribution Methodology is deemed to refer to that other entity; or
 - (ii) ceases to exist, this Scheme Payments and Contribution Methodology is deemed to refer to that new entity which serves substantially the same purpose or object as the former entity.

1.3 Definitions

Term	Meaning
Act	The <i>Waste Avoidance and Resource Recovery Act 2001</i> (NSW)
Actual Container Volumes	means, as the context requires, either the volume of Containers: <ul style="list-style-type: none"> a) determined by the Network Operator and reported to the Scheme Coordinator under clause 6.7(d)(iv); b) actually supplied by the Supplier in the relevant period as reported by the Supplier, in the Supplier Statements provided under clause 9.4 of the Supply Arrangement; c) actually agreed to have been recovered through the MRFOs in a quarter in accordance with the Processing Refund Protocol.
Annual Administration Fee	means the amount payable to the Scheme Coordinator as set out in Schedule 7 to the Scheme Coordinator Agreement and

	includes any reference to “Administration Fee” or “Administrative Fee” in the Scheme Coordinator Agreement.
Arrears Period	has the meaning given in clause 4.6(a).
Audit Adjustment	means the adjustment to the Supplier Contribution, Network Fee or Refund Amounts calculated by the Scheme Coordinator in accordance with clauses 6.5(d).
BBSW	means the 3-month bank bill swap reference rate (Mid) as published by the Australian Stock Exchange (ASX) on the first Business Day of the month in which an amount payable is due. For example, if an amount is due in November 2017, the BBSW is as published on the first Business Day of November 2017.
Business Day	means a day that is not a Saturday, Sunday or public holiday and on which banks are open for business generally in Sydney.
Collection Point	has the meaning given in the Act.
Collection Point Operator	has the meaning given in the Act.
Container	has the meaning given in section 22 of the Act.
Container Export Protocol	means the protocol of that or a similar name which is made available by the Scheme Coordinator.
Estimated Container Volumes	means the amount calculated in accordance with clause 6.2(a).
Export Payments	means amounts payable from the Scheme Coordinator to Exporters.
Export Supply Deed Poll	means the deed poll of that or similar name made available by the Scheme Coordinator.
Exporters	means the parties that have executed an Export Supply Deed Poll.
Export Supply Statement	has the meaning given in the Container Export Protocol.
Forecast Network Fee	means for the relevant weekly period, the amount calculated in accordance with clause 6.2.
Forecast Refund Amount	means the amount determined in accordance with clause 6.3.
Interim Supplier Contribution	means amounts payable by Suppliers calculated in accordance with clause 4.3.

Interim Supplier Contribution Invoice	means an invoice for an Interim Supplier Contribution issued under clause 4.3.
Liquidity Buffer	has the meaning given in the Scheme Coordinator Services Specification.
Material Type	<p>means a material type of a Container, limited to the following types, as enumerated in Schedule 10 of the Network Operator Agreement:</p> <ul style="list-style-type: none"> • Glass; • PET; • HDPE; • Aluminium; • Liquid Paper Board; • Steel; • Other Plastics (incorporating plastics not PET or HDPE); or • Other Materials (incorporating non-plastics not glass, aluminium, liquid paper board or steel), <p>where this Scheme Payments and Contribution Methodology requires calculations for or by each Material Type, the calculation should be made for each of the material type categories included in this definition.</p>
Material Recovery Facility Operators (MRFO)	Has the meaning given in the Act and Regulation.
Network Fee	has the meaning given in the Network Operator Agreement.
Network Operator	has the meaning given in the Act, and at the date of this document means Tomra Cleanaway Pty Limited (ACN 620 427 116).
Network Operator Agreement	means the Agreement between the State and the Network Operator.
Network Operator Financial Penalty	Any financial penalty incurred by the Network Operator in accordance with clause 20.1 of the Network Operator Agreement.
Network Payments	Payments made by the Scheme Coordinator to the Network Operator under clause 6.

Network Payments Account	has the meaning given in the Network Operator Agreement.
Payment Certificate	is the certificate issued in accordance with clause 6.8.
Payment Claim	A claim submitted under clause 6.7.
Penalty Interest Rate	BBSW + 200 basis points.
Processing Refunds	The amount payable per Container to eligible Material Recovery Facility Operators pursuant to the Act and any Processing Refund Protocol.
Processing Refund Protocol	means any protocol currently in effect that is issued under section 28 of the Act, which at the date of this document includes (but is not limited to) the Container Deposit Scheme Material Recovery Facility Processing Refund Protocol and the Bottle Crushing Service Operator Processing Refund Protocol.
Recovery Amount	the reasonable third-party costs paid by the Scheme Coordinator to recover amounts payable to the Scheme by a Supplier under its Supply Arrangement.
Refund Amount	has the meaning given in the Act and section 6 of the Regulation.
Regulation	means the <i>Waste Avoidance and Resource Recovery (Container Deposit Scheme) Regulation 2017</i> (NSW) and any other Regulation made under Part 5 of the Act.
Related Bodies Corporate	has the meaning given to that term in the <i>Corporations Act 2001</i> (Cth).
Scheme	has the meaning given in the Act.
Scheme Commencement Date	means 1 December 2017 or such other date as is determined by the State.
Scheme Compliance Fee	The amount payable to the State as set out in Part 2 of Schedule 7 to the Scheme Coordinator Agreement.
Scheme Coordinator	Has the meaning given in the Act, and at the date of this document means Exchange for Change (NSW) Pty Ltd (ACN 620 512 469).
Scheme Coordinator Agreement	The agreement of that name between the State and the Scheme Coordinator.
Scheme Coordinator Financial Penalty	Any financial penalty incurred by the Scheme Coordinator in accordance with clause 20.1 of the Scheme Coordinator Agreement.

Scheme Payments Account	The account referred to in clause 13.2 of the Scheme Coordinator Agreement.
Scheme Prices	Prices to be determined by the Scheme Coordinator, in accordance with clause 10.
Small Supplier	has the meaning given in the Supply Arrangement.
State	The Crown in right of the State of New South Wales
Supplier	has the meaning given in the Act.
Supplier Contribution	The amounts calculated in accordance with clause 4.2.
Supplier Invoice	has the meaning given in the Supply Arrangement.
Supplier Invoice Date	has the meaning given in the Supply Arrangement.
Supplier Invoice Period	has the meaning given in the Supply Arrangement.
Supplier Penalty Interest Rate	BBSW + 500 basis points.
Supplier Statements	Statement of the actual Containers provided by a Supplier in accordance with the reporting requirement under clause 9.4 of the Supply Arrangement.
Tax Invoice	has the meaning given in a <i>New Tax System (Goods and Services Tax) Act 1999</i> (Cth).
Trust Assets	has the meaning given in clause 13.2 of the Scheme Coordinator Agreement
Supply Arrangement	has the meaning given in the Act.
Zone	means each of Zone 1, Zone 2, Zone 3, Zone 4, Zone 5, Zone 6 and Zone 7 and "Zones" means all of them as defined in the Scheme Coordinator Agreement.

2 Scheme Payments Account

- 2.1 The Scheme Coordinator must establish and maintain a Scheme Payments Account in accordance with the requirements of clause 5.3(a) of the Scheme Coordinator Services Specification.
- 2.2 The Scheme Coordinator must use the Scheme Payments Account solely for the purpose of:
 - a) receiving payments made by Suppliers under clause 4 and clause 11;
 - b) receiving funds from the Liquidity Buffer under clause 4.4(a);
 - c) receiving interest on the Scheme Payments Account;
 - d) making payments, to the extent any such payments are due:

- i. Network Payments;
- ii. Amounts to Suppliers under clause 11;
- iii. Amounts payable to the State under clause 8.2(e)(i);
- iv. Amounts payable to the Scheme Coordinator itself under clause 8.2(e)(ii);
- v. Processing Refund amounts;
- vi. The third-party costs of undertaking the sampling plan prepared under the Processing Refund Protocol conducted by the Scheme Coordinator on a MRFO referred to in clause 7.1(c);
- vii. Annual Administration Fee;
- viii. Export Payments;
- ix. Amounts payable to the State under clause 8.2(b)(i);
- x. Amounts payable to the Network Operator under clause 8.2(b)(ii);
- xi. Scheme Compliance Fees;
- xii. Replenishment of the Scheme Liquidity Buffer under clause 4.4;
- xiii. any amount for which the Scheme Coordinator is entitled to be indemnified from the Trust Assets in its capacity as trustee of the trust referred to in clause 13.2(b) of the Scheme Coordinator Agreement,

and must not use the Scheme Payments account to pay the operating expenses of the Scheme Coordinator or for any other purposes (unless otherwise agreed by the State).

3 Monthly Scheme Coordinator Payment

3.1 Annual Administration Fee

- a) The Scheme Coordinator must issue on the first Business Day of each calendar month, a statement for the relative amount of the Annual Administration Fee.
- b) The Administration Fee for a month is calculated as follows:
 - i. The Scheme Coordinator Fee for that month; plus
 - ii. the Recovery Amounts paid in the previous month; plus
 - iii. the non-administration fee for external audit.
- c) A copy of the statement must be sent by email to the State.

3.2 First Statement

- a) The statement for the first Annual Administration Fee will be issued on the Scheme Commencement Date.

3.3 Payment

Subject to clause 8.2, the Scheme Coordinator must pay to itself the amount set out in each statement it issues under clause 3.1(b)(i) from the Scheme Payments Account on the first Business Day of each month.

4 Contributions from Suppliers

4.1 A Supplier must pay the Scheme Coordinator all amounts that it is required by this clause 4 to pay, which the Scheme Coordinator must ensure are deposited into the Scheme Payments Account.

4.2 Supplier Invoices

- a) Each Supplier's Contribution for each Supplier Invoice Period will be calculated as the sum of the invoice amounts payable for each month in the Supplier Invoice Period.
- b) The invoice amount payable for each month will include an amount for the sum of the Supplier's number of eligible containers supplied for each Material Type multiplied by the applicable scheme price for the corresponding Material Type. The invoice amount payable for each Material Type in each month will be calculated using the following formula:

$$A_{m,i} = S_{m,i} \times P_{m,i}$$

Where:

$A_{m,i}$ is the invoice amount payable by the Supplier for month i for Material Type m

$S_{m,i}$ is the number of eligible Containers Supplied by the Supplier of Material Type m during month i

$P_{m,i}$ is the scheme price for Containers Supplied of Material Type m during month i .

- c) The Scheme Coordinator may adjust a Supplier Invoice to account for:
 - i. Any interest payable in accordance with clause 4.5 in respect of overdue payments
 - ii. Results of the Scheme Coordinator's audit and verification procedures, including any discrepancies between the number of eligible containers supplied by Material Type and the amount declared in any previous Supplier Statements
 - iii. Any correction to estimation errors where a previous invoice has been issued in accordance with clause 4.2(f); or
 - iv. Any other circumstances where an auditor engaged by or on behalf of the Scheme Coordinator for the purposes of undertaking an audit or review of the Supplier's compliance with its obligations under this Supply Arrangement determines that the Supplier has paid more or less than it was properly entitled to under this Supply Arrangement, or under the Act.
- d) The Scheme Coordinator must give the Supplier a Supplier Invoice on the Supplier Invoice Date in accordance with clause 9.3 of the Supply Arrangement.
- e) The Supplier Invoice will be calculated with reference to relevant Supplier Statements required to be provided in accordance with clause 9.4 of the Supply Arrangement.
- f) If the Supplier fails to provide a Supplier Statement under clause 9.4 of the Supply Arrangement by the Supplier Statement Date, the Scheme Coordinator may issue the Supplier with a Supplier Invoice based on its reasonable assumptions in respect of the information that would otherwise have been required to be included in the Supplier Statement, including the number of eligible Containers Supplied of each Material Type in the relevant calendar month.

4.3 Interim Supplier Contribution

- a) The Scheme Coordinator may invoice the Supplier for an Interim Supplier Contribution if it determines that additional funds will be needed to cover Scheme costs, or in order to replenish the Liquidity Buffer as contemplated in clause 4.4(b).
- b) Interim Supplier Contributions are to be calculated with reference to:
 - a. the same Supply volumes used to calculate the most recently issued Supplier Invoice; and
 - b. an interim price determined by the Scheme Coordinator for each Material Type for the relevant calendar month.
- c) The Scheme Coordinator must notify each Supplier by email as soon as it becomes aware of the need to issue an Interim Supplier Contribution Invoice. The Scheme Coordinator must provide Suppliers sufficient information to understand the factors that have contributed to the need for an Interim Supplier Contribution and guidance as to the potential amount of the Interim Supplier Contribution Invoice.
- d) A Supplier must pay an Interim Supplier Contribution Invoice within seven (7) calendar days of receipt.
- e) Where the Scheme Coordinator issues the Supplier with an Interim Supplier Contribution Invoice under section 4.3(a), it must issue an Interim Supplier Contribution Invoice to all Suppliers on a consistent basis.

4.4 Replenishment of Scheme Liquidity Buffer

- a) The Scheme Coordinator must use the Scheme Liquidity Buffer to fund the payment of Scheme costs when there are insufficient funds in the Scheme Payments Account to meet Scheme costs.
- b) The Scheme Coordinator may issue (at any time) an Interim Supplier Contribution Invoice under clause 4.3 to recover the value of any funds drawn from the Scheme Liquidity Buffer.
- c) The Scheme Liquidity Buffer must be replenished using funds from the Scheme Payments Account as these invoices are paid.

4.5 Interest on Late Payment of Supplier Contributions

- a) Interest will be charged in accordance with clause 9.6 of the Supply Arrangement as follows:

$$\text{Interest for Late Payment} = \text{overdue amount} \times \text{Supplier Penalty Interest Rate} \times \text{Number of days payment is late} / 365$$

4.6 Supplier Contributions in Arrears

- a) Any Supplier that is identified to have been supplying Containers into or within New South Wales without having a Supply Arrangement in force under Section 38 of the Act (**Identified Supplier**) after 31 October 2017 is to be invoiced by the Scheme Coordinator for Supplier Contributions in respect of the period from the Scheme Commencement Date or the date from which the Supplier first supplied Containers into or within New South Wales (whichever is later) until the first month in respect of which the Identified Supplier commences making Supplier Contributions (**Arrears Period**).
- b) The Scheme Coordinator will be entitled to invoice an Identified Supplier based on Actual Container Volumes (either disclosed by the Supplier or determined by the Scheme Coordinator through an audit process or any other reasonable methodology) and using the historical prices per Container by Material Type that applied for each month in the Arrears Period.

- c) The invoice in respect of the Arrears Period for the Identified Supplier will also include interest calculated in accordance with the formula set out in clause 4.5.

5 Network Payments Account

- 5.1 The Network Operator must establish and maintain a Network Payments Account in accordance with the requirements of clause 13.2 of the Network Operator Agreement.
- 5.2 The Network Operator must use the Network Payments Account solely for the purpose of:
 - a) Receiving Network Payments;
 - b) Receiving interest on the Network Payments Account;
 - c) Making payments of, to the extent any such payments are due, in the following order:
 - i. Refund Amounts paid to a person who presents a Container to a Collection Point;
 - ii. Network Fee,and must not use the Network Payments Account to pay the operating expenses of the Network Operator and not for any other purposes.
- 5.3 The Network Operator must ensure all Network Payments are deposited into the Network Payments Account.
- 5.4 The Network Operator must not withdraw an amount from the Network Payments Account in respect of a Refund Amount paid to a person who presents a Container to a Collection Point or Network Fee unless:
 - a) the Container to which that amount or that Fee relates has been determined, in accordance with the methodology used by the Network Operator, to have been collected and counted at an automated facility; or
 - b) it is an amount that is paid to the operator of a Collection Point:
 - i. that is not the Network Operator, its shareholders or their Related Bodies Corporate; and
 - ii. which does not produce an automated count used for the determination of the actual number of Containers referred to in clause 6.7(d)(iv),as a float subject to written terms set out in the arrangement between the Network Operator and that Collection Point Operator on account of Refund Amounts anticipated to be made provided that the aggregate of such float amounts withdrawn from the Network Payments Account cannot at any time exceed an amount in aggregate calculated as \$5000 multiplied by the number of such Collection Points.

6 Payments to Network Operators

- 6.1 Payment Claims
 - a) The Network Operator must give the Scheme Coordinator a claim for payment, weekly for the combined value of:
 - i. **Forecast Network Fee** for the period to which the Payment Claim relates as calculated in clause 6.2; and
 - ii. **Forecast Refund Amount** for the period to which the Payment Claim relates as calculated in clause 6.3,less, if applicable, the value of interest earned on the Network Payments Account as described in clause 6.4 as part of the Payment Claim submitted under clause 6.7(d).

6.2 Forecast Network Fee

- a) Forecast Network Fee will be the aggregate of Forecast Network Fee for each Material Type in each Zone. The Forecast Network Fee for a material type in a Zone will be calculated as follows:

Forecast Network Fee = Estimated Container Volumes x Network Fee Amount

where:

Estimated Container Volumes: The volume of Containers of the Material Type estimated by the Network Operator to be collected by the Network Operator in the Zone for the period to which the Payment Claim relates.

Network Fee Amount is the amount payable for each Container of the Material Type in the Zone set out in Schedule 10 to the Network Operator Agreement.

- b) The Total Forecast Network Fees will be equal to the sum of the amounts calculated for each Material Type, by each Zone based on the above methodology.

6.3 Forecast Refund Amount

- a) The Forecast Refund Amount will be calculated as follows:

Forecast Refund Amount = Estimated Container Volumes x Refund Amount

where:

Estimated Container Volumes are the sum of the estimate of the volume of Containers to be collected by the Network Operator in each Zone for the period to which the Payment Claim relates. This is the same sum of the Container values used in clause 6.2(a).

6.4 Interest on the Network Payments Account

- a) Interest credited to the Network Payments Account during any month (as set out by the Network Operator to the Scheme Coordinator in a Payment Claim under clause 6.7) is to be a deduction in the first Payment Certificate issued by the Scheme Coordinator to the Network Operator after the Payment Claim setting out that amount has been submitted to the Scheme Coordinator.

6.5 Network Operator Adjustments

- a) The amounts calculated under clauses 6.2 and 6.3 are based on estimated Container volumes by Material Type and Zone. To the extent there are differences between these estimates and the actual volume of Containers these will be adjusted by the Scheme Coordinator in subsequent Payment Certificates as set out in the following paragraphs of this clause 6.5.

b) **Network Fee Adjustment**

The 'Network Fee Adjustment' means the amount that is equal to the difference between:

- i. The Forecast Network Fee calculated in accordance with clause 6.2 for the relevant period; and
- ii. The actual Network Fee calculated by the Scheme Coordinator using the same methodology as clause 6.2, but substituting the Actual Container Volumes by Material Type that were collected within each Zone and have been determined, in accordance with the actual automated count as recorded by the Network Operator, to have been collected and counted at an automated facility for that period reported to the Scheme Coordinator under clause 6.7(d)(iv).

c) **Refund Amount Adjustment**

The Refund Amount Adjustment will be equal to the difference between:

- i. The Forecast Refund Amount calculated in accordance with clause 6.3 for the relevant period; and
- ii. The actual sum of Refund Amounts calculated by the Scheme Coordinator using the same methodology as clause 6.3, but substituting the Actual Container Volumes that were collected within each Zone and have been determined, in accordance with the actual automated count as recorded by the Network Operator, to have been collected and counted at an automated facility for that period which the Network Operator reported to the Scheme Coordinator under clause 6.7(d)(iv).

d) **Audit Adjustment**

- i. The Scheme Coordinator may make an adjustment to Network Fee or Refund Amounts paid, where the results of an audit finalised in accordance with clause 6.7 of the Network Arrangement (undertaken in accordance with clause 6.6 of the Network Arrangement) has identified a difference between:
 - the Container volumes (by zone and Material Type) reported by the Network Operator (**Reported Volumes**) and used to calculate the actual Network Fee Adjustment (under clause 6.5(b)) or the Refund Amount Adjustment (under clause 6.5(c)) for a relevant period; and
 - the Container volumes (by zone and Material Type) that were collected within each Zone and have been counted at an automated facility identified through the audit for that same period (**Adjusted Container Volumes**).
- ii. The Audit Adjustment must be calculated for the period of each individual Payment Claim (by zone and Material Type) the subject of the audit and the total value of the individual calculations will be aggregated for the purposes of calculating the total Audit Adjustment. The amount of the Audit Adjustment will be limited to the identified difference.
- iii. The first Payment Certificate issued in the month after the identification of a difference referred to in clause 6.5(d)(i) will include adjustments to reflect the results of findings in respect of that audit and any other audits of Network Operators and Collection Points completed in the prior month.

6.6 Estimated Container Volumes

- a) For the purposes of calculating the Forecast Container Fees under clause 6.2(a) and 6.3, the Network Operator must base its Estimated Container Volumes (by Zone and by Material Type) on the volume of Containers actually collected in the previous week (by Zone and by Material Type) and may give additional consideration amongst other things to:
 - i. the estimated supply of containers into the market for the forecast period;
 - ii. expected redemption rates; and
 - iii. seasonal trends.
- b) Where the Network Operator determines that the previous week's collection data does not provide an appropriate basis for determining the Estimated Container Volumes, the Network Operator must consult with the Scheme Coordinator and if requested, provide appropriate evidence to support the alternative basis for the Estimated Container Volumes.
- c) The Scheme Coordinator may challenge the Estimated Container Volume set out in a Payment Claim and consult with the Network Operator on a revised Estimated Container Volume. Unless the Network Operator submits a revised Estimated Container Volume in writing within two (2) Business Days of the submission of a Payment Claim, the Scheme

Coordinator must use the Estimated Container Volume set out in the Payment Claim for the purpose of the Payment Certificate it issues in respect of that Payment Claim.

- d) Where the Network Operator, consistently over or under estimates the value of Estimated Container Volumes by a material amount (relative to Actual Container Volumes reported under clause 11.2 of the Network Arrangement), the Network Operator and Scheme Coordinator must review and agree upon an updated estimating methodology to be used for the purposes of clauses 6.2 and 6.3.

6.7 Payment Claims

- a) The Network Operator must submit Payment Claims to the Scheme Coordinator weekly on Mondays no later than 5.00 PM via the Online Portal unless otherwise directed by the Scheme Coordinator. For the purposes of determining the commencement of the period for issue of a Payment Certificate under clause 6.8(a) and the period for payment under clause 6.9:
- i. Payment Claims submitted prior to 5.00 PM on Monday will be taken to have been submitted and received on Monday at 5.00 pm; and
 - ii. Payment Claims submitted after 5.00 PM on Monday, or after 5.00 PM on a subsequent day, will be taken to have been submitted and received at 5.00 PM on the next Business Day.
- b) The period to which a Payment Claim relates is the period in full days commencing four (4) weeks after the day the Payment Claim was required to be submitted and ending seven (7) days after, except that where the Scheme Commencement Date does not fall on a Monday, this period commences on the Scheme Commencement Date.
- c) The period to which a Payment Claim relates cannot be any earlier than the Scheme Commencement Date.
- d) Payment Claims must be in a format which the Scheme Coordinator reasonably requires and contain the following information:
- i. The first Payment Claim for each month must set out the interest credited to the Network Payments Account during the previous month;
 - ii. Breakdown of the Estimated Container Volumes by Material Type and Zone for the period to which the Payment Claim relates;
 - iii. Estimate of the Refund Amount payments and Network Fee payable for the period to which the Payment Claim relates based on the Estimated Container Volumes by Material Type and Zone referred to in (ii);
 - iv. Must set out, for the seven (7) day period ending at 11.59 PM on the second Sunday preceding the required time for submission of the Payment Claim, the actual aggregate number of Containers (and a breakdown of that number of Containers by Material Type) that have been determined, in accordance with the automated count recorded by the Network Operator, to have been collected within each Zone and counted at an automated facility; and
 - v. Set out or attach sufficient details, calculations, supporting documentation and other information in respect of all amounts claimed by the Network Operator:
 - To enable the Scheme Coordinator to fully and accurately determine (without needing to refer to any other documentation or information) the amounts then payable by the Scheme Coordinator to the Network Operator under the Scheme Payments and Contribution Methodology; and
 - Including any such documentation or information which the Scheme Coordinator may by written notice from time to time reasonably require the Network Operator to set out or attach,

whether in relation to a specific Payment Claim or all Payment Claims generally.

6.8 Payment Certificates

- a) The Scheme Coordinator must issue a Payment Certificate no later than five (5) Business Days after a Payment Claim is submitted.
- b) The Payment Certificate must set out the amount to which the Network Operator is entitled to payment in relation to the Payment Claim as a Recipient Created Tax Invoice as reasonably determined by the Scheme Coordinator, subject to clause 6.6(d), using the Estimated Container Volumes by Material Type and Zone set out in the Payment Claim and calculated as the sum of:
 - i. Forecast Network Fee for the period to which the Payment Claim relates (clause 6.2);
 - ii. Forecast Refund Amount for the period to which the Payment Claim relates (clause 6.3); and
 - iii. Any adjustments made by the Scheme Coordinator under clause 6.5 since the last Payment Certificate was issued, except that adjustments made under clause 6.5(d) can only be made in Payment Certificates issued in the first week of December and May (or as otherwise determined by the Scheme Coordinator in consultation with the State),

less the interest earned on the Network Payments Account set out in a Payment Claim submitted under clause 6.7(d)(i) if the Payment Certificate is the first Payment Certificate issued by the Scheme Coordinator after that Payment Claim was submitted.
- c) If the Scheme Coordinator does not, in relation to a Payment Claim, issue a Payment Certificate within the time set out in clause 6.8(a), the Payment Claim is deemed to be a Payment Certificate issued clause 6.8(a) with the estimate of the Refund Amount payment and Network Fee payable for the period to which the Payment Claim relates referred to in clause 6.7(d)(iii) being deemed to be the amount to which the Network Operator is entitled to payment in relation to that Payment Claim.

6.9 Payment Timing

Subject to clause 8.2, the Scheme Coordinator must pay the Network Operator from the Scheme Payment Account the amount set out in a Payment Certificate issued, or deemed to be issued, under clause 6.8(a) within 10 Business Days of receipt of the Payment Claim to which it relates.

6.10 Late Payments

- a) If the Scheme Coordinator is late in paying a Payment Claim, the Scheme Coordinator must pay the Network Operator in accordance with the Network Arrangement including, for the avoidance of doubt, interest on any unpaid amounts at the Penalty Interest Rate as prescribed under the Network Arrangement.
- b) The interest paid by the Scheme Coordinator cannot be passed onto Suppliers as a Scheme cost and must be paid by the Scheme Coordinator.

7 Payments to Material Recovery Facility Operators

7.1 Processing Refunds

- a) The terms and provisions of the Processing Refund Protocol must be followed by eligible MRFOs and the Scheme Coordinator. In the event of any inconsistency or ambiguity between the Processing Refund Protocol and this document, the terms and provisions of the Processing Refund Protocol shall prevail.

- b) The Scheme Coordinator must assess, calculate and pay eligible MRFOs the Processing Refund from the Scheme Payment Account, in accordance with the Processing Refund Protocol and this clause 7.
- c) The monetary cost in undertaking the procedures set out in the sampling plan prepared under the Processing Refund Protocol in a relevant quarter will be deducted from the total Processing Refund Payable to the MRFO in accordance with the Processing Refund Protocol.

8 Payment of the Scheme Compliance Fee and Financial Penalties

8.1 Scheme Compliance Fee

- a) On the first Business Day of each month, the State will issue the Scheme Co-ordinator with a Tax Invoice for the amount of the Scheme Compliance Fee for that month.
- b) The Scheme Coordinator must pay from the Scheme Payments Account the amount set out in the State's Tax Invoice as a debt due and payable within five (5) Business Days of the receipt of the Tax Invoice.

8.2 Financial Penalties

- a) The State may issue the Scheme Coordinator with a Tax Invoice for the amount of any Scheme Coordinator Financial Penalty which the Scheme Coordinator must pay in accordance with the Scheme Coordinator Agreement.
- b) The Scheme Coordinator must deduct from any amount to be paid to itself under clause 3.3 the amount of any Scheme Coordinator Financial Penalty that has not previously been paid and must pay the amount so deducted from the Scheme Payments Account as follows:
 - i. to the State, less any amount referred to in clause 8.2(b)(ii) at the same time it pays itself, or, but for the clause 8.2(b) would have been required to pay itself, under clause 3.3; and
 - ii. to the Network Operator, any amount of the Scheme Coordinator Financial Penalty that is required to be paid to the Network Operator under clause 16.4 of the Network Arrangement or any amount of the Scheme Coordinator Financial Penalty that the State agrees to pay to the Network Operator under clause 14.2 of the Network Operator Agreement to the Network Operator at the same time as the Scheme Coordinator pays, or but for this clause 8.2(b)(ii) would have been required to pay, the State under 8.2(b)(i),
 - iii. in full or partial satisfaction of its obligation to pay the Scheme Coordinator Financial Penalty to the State.
- c) Any Scheme Coordinator Financial Penalty that has not been paid as at the time of termination or expiry of the Scheme Coordinator Agreement becomes a debt immediately due and payable by the Scheme Coordinator to the State at that time. The Scheme Coordinator must pay the amount of any Tax invoice issued by the State under clause 8.2(a) after termination or expiry of the Scheme Coordinator Agreement as a debt due and payable within 20 Business Days of the receipt of the Tax Invoice.
- d) The State may issue the Network Operator with a Tax Invoice for the amount of any Network Operator Financial Penalty (which the Network Operator must pay to the State in accordance with the Network Operator Agreement). The State will provide the Scheme Coordinator with a copy of all Tax Invoices for the Network Operator Financial Penalties.
- e) The Scheme Coordinator must deduct from any amount to be paid to the Network Operator under clause 6.9 the amount of any Network Operator Financial Penalty that has not previously been paid and must pay the amount so deducted from the Scheme Payments Account as follows:

- i. to the State at the same time it pays the Network Operator under clause 6.9 less any amount referred to in clause 8.2(e)(ii); and
 - ii. to itself any amount of the Network Operator Financial Penalty that is required to be paid to the Scheme Coordinator under clause 16.4 of the Network Arrangement, or any amount of the Network Operator Financial Penalty that the State agrees to pay to the Scheme Coordinator in accordance with clause 14.2 of the Scheme Coordinator Agreement at the same time as it pays, or but for clause 8.2(e)(ii) would have been required to pay, the State under 8.2(e)(i).
 - iii. in full or partial satisfaction of the Network Operator's obligation to pay the Network Operator Financial Penalty to the State.
- f) Any Network Operator Financial Penalty that has not been paid as at the time of termination or expiry of the Network Operator Agreement becomes a debt immediately due and payable by the Network Operator to the State at that time. The Network Operator must pay the amount of any Tax invoice issued by the State under clause 8.2(d) after termination or expiry of the Network Operator Agreement as a debt due and payable within 20 Business Days of the receipt of the Tax Invoice.

9 Payment to Exporters

9.1 Payment Claims and Payment Timing

- a) Exporters may make a payment claim by submitting an Export Supply Statement, in accordance with the Container Export Protocol.
- b) The Scheme Coordinator must prepare an invoice on behalf of the Exporter in respect of that Export Supply Statement and must pay the Exporter the amount set out as then payable in the invoice, in accordance with the Container Export Protocol. In determining the invoice amount, the Scheme Coordinator will apply the Scheme Prices for each Material Type that apply to the month in which the exports were made.

9.2 Adjustments and Right of Set Off

- a) The Scheme Coordinator may, at any time, adjust the amount payable under an invoice in accordance with the Container Export Protocol.
- b) The Scheme Coordinator may deduct from any amounts which may or are to be paid to the Exporter by the Scheme Coordinator any debt or moneys due or owing from the Exporter to the Scheme Coordinator, in accordance with the Container Export Protocol.

10 Scheme Prices

The parties acknowledge and agree that:

- a) The Scheme Coordinator is responsible for determining the amounts per eligible Container that will be charged to Suppliers and paid to Exporters for each Material Type (**Scheme Prices**).
- b) Each Supplier and Exporter will be subject to the same Scheme Prices.
- c) The Scheme Coordinator intends to set Scheme Prices for 12-month periods. The Scheme Coordinator will undertake Quarterly reviews of Scheme Prices. Without limiting clause 4, the Scheme Coordinator reserves the right to amend the Scheme Prices applying to a particular month prior to issuing Supplier Invoices in respect of that month.
- d) The Scheme Coordinator will set Scheme Prices so that, over time:
 - i. aggregate contributions are approximately equal to the aggregate costs of the Scheme;

- ii. the Scheme Payments Account is projected to remain liquid at all times; and
 - iii. if the Scheme Payments Account accumulates excess cash reserves, the excess reserves contribute to fund future Scheme costs.
- e) At the Scheme Coordinator's request and prior to the Scheme Coordinator's determination of Scheme Prices, the Network Operator must provide the Scheme Coordinator with reasonable forecasts of Container volumes to be redeemed through the Network Operator and make itself available to discuss and explain the basis for those forecasts with the Scheme Coordinator.
- f) The Scheme Price for each Material Type will be determined by the Scheme Coordinator with reference to:
- i. Forecast average costs to be incurred in respect of the Scheme per eligible Container Supplied of each Material Type by having regard to contributing factors including but not limited to:
 - a. Supply volumes;
 - b. Payments to Network Operators;
 - c. Payments to MRFOs and Exporters;
 - d. Annual Administration Fees;
 - e. Scheme Compliance Fees; and
 - ii. Current and forecast balance of the Scheme Payments Account,

at the discretion of the Scheme Coordinator and in accordance with legislation and regulation, and consistent with any published policy of the Scheme Coordinator related to determining Scheme Prices.

11 Special Purpose Supplier True Ups

- a) Additional invoices (Adjustment Invoices) will be issued to Suppliers in April 2020 and May 2020 to adjust the amounts previously invoiced to Suppliers in respect of the operating period January to April 2020 inclusive.
- b) The Adjustment Invoice issued in April 2020 will adjust for previous invoices issued in respect to the operating months of:
 - i. February 2020, for differences in the forecast and actual Supplier market share and Scheme costs; and
 - ii. March 2020, for differences in the forecast and actual containers supplied by the Supplier.
- c) The Adjustment Invoice issued in May 2020 will adjust for previous invoices issued in respect to the operating periods of:
 - i. April 2020, for differences in the forecast and actual containers supplied by the Supplier; and
 - ii. January to March 2020 inclusive, for differences in the forecast and actual Supplier market share of actual Processing Refunds.