



BSWGROUP member of binderholz ■

## The Pallet LOOP Scheme Rules

September 2024

### What is the Scheme? <sup>1</sup>

The Scheme has been established by LOOP as a circular economy-based supply chain solution that enables the RECOVERY, REPAIR and REUSE of pallets in the UK and Ireland construction sector. Its aim is to increase sustainability and reduce the carbon footprint in this industry.

LOOP will hire LOOP Pallets to Manufacturers.

The LOOP Pallet can be passed through the supply chain to a LOOP Partner, until it is free of the original load of goods.

Once the pallet is free of its original goods, the LOOP Pallet must be returned to, or made available for collection by, LOOP.

On return / collection LOOP will determine if the LOOP Pallet is either in a Good Condition or Requires Repair and will pay 100% of the payback amount (for LOOP Pallets which are in a Good Condition, and 50% of the payback for a LOOP Pallet which Requires Repair, the payment is called a 'LOOP Payback'. Up to date payback amounts can be found at [www.thepalletLOOP.com/resources-downloads/](http://www.thepalletLOOP.com/resources-downloads/))

Any LOOP Pallets that LOOP receive that are Beyond Economical Repair will not receive any payment.

The payment of the LOOP Payback requires the returning company to be a recognised by LOOP, in Loop Pallets view, in the construction supply chain. This would include Merchants, construction companies and housebuilders.

For small quantities of pallets from domestic builders or consumers the pallets could be returned via a Merchant who supplied the goods.

LOOP Pallets must be made available for collection or returned to LOOP once they are free of original load. They must not be returned to or collected by manufacturers of construction products as this would be in contradiction of LOOP's terms and conditions of pallet use.

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<sup>1</sup> Definitions are found at the end of this document



## Joining the Scheme

A company who is a recognised business in the construction supply chain will become a LOOP Partner when it obtains lawful possession of a LOOP Pallet.

### Orders and Delivery

The process for a Manufacturer ordering LOOP Pallets and the Delivery of those LOOP Pallets is set out, and will be governed, by the contract between the Manufacturer and LOOP.

### Ownership and Responsibility for the LOOP Pallets

The LOOP Pallets will, at all times, remain the property of LOOP, and the Manufacturer (and any LOOP Partner) will have no right, title or interest in or to the LOOP Pallets (other than the right to possession and use of the LOOP Pallets subject to the relevant contract and these Scheme Rules).

The risk of loss, theft, damage or destruction of the LOOP Pallets will be the responsibility of the party in possession of the LOOP Pallet until the LOOP Pallet is returned to LOOP. The non return of the pallet forfeits your right to any LOOP payback.

The Manufacturer or LOOP Partner (as the case may be) will give immediate written notice to LOOP in the event of any loss, accident or damage to the LOOP Pallets arising out of or in connection with the Manufacturer or LOOP Partner's possession or use of the LOOP Pallets.

### Ownership of the rights to Intellectual Property Rights in the LOOP Pallets and the Scheme

All Intellectual Property Rights in or arising out of or in connection with the LOOP Pallets (including, without limitation, the name "LOOP Pallets" and any other Intellectual Property Rights which come into existence in connection with the Contract) ("LOOP's IPR") will at all times remain the property of LOOP.

### Returns and payment of LOOP Payback

#### **LOOP Pallets may be returned in one of two ways:**

1. By the Returning LOOP Partner delivering the LOOP Pallets to LOOP at one of the LOOP Locations – further details of the returns process can be found at <https://www.thepalletLOOP.com/collections/>
2. By the Returning LOOP Partner arranging for LOOP to collect the LOOP Pallets – further details of the collection services and current charges for such services can be found at <https://www.thepalletLOOP.com/collections/>

If LOOP determines that a LOOP Pallet is Beyond Economical Report, no LOOP Payback will be payable.

LOOP may require evidence to demonstrate the company in possession of the LOOP Pallets is, in Loop Pallets' view, a valid construction supply chain business. Each Manufacturer and LOOP Partner irrevocably acknowledges and agrees that:

- the Manufacturer and / or relevant LOOP Partner will automatically assign the right to the LOOP Payback to any LOOP Partner to whom it gives possession of the LOOP Pallet in accordance with these Scheme Rules;
- LOOP will only be obliged to pay the LOOP Payback to the Returning LOOP Partner;
- LOOP will have no liability of any kind to the holder of LOOP Pallets in respect of the LOOP Payback unless it is a recognised LOOP Partner;
- If the LOOP Pallet is returned in a condition 'Beyond Economic Repair, the LOOP Payback will be forfeited; and
- The amount of the LOOP Payback which LOOP will be obliged to pay to the Returning LOOP Partner will be an amount equal to the LOOP Payback which LOOP determines to be due based on the number of LOOP Pallets which have been returned to it as at that date, it being acknowledged that this may mean a Returning LOOP Partner does not receive an amount equal to the LOOP Payback which it paid (either to LOOP or another LOOP Partner) for the LOOP Pallets used.

### The Manufacturer and LOOP Partners' Responsibilities

Each Manufacturer and LOOP Partner agrees that, for so long as it is in possession of the LOOP Pallet(s), it will:

- take reasonable care of the LOOP Pallets;
- have sufficient resources and equipment to properly handle the loading and unloading of the LOOP Pallets;
- store the LOOP Pallets in a suitable environment and use them only in a proper manner and for the purposes for which they are designed;
- ensure the safe use of the LOOP Pallets and take all reasonable steps to ensure that the LOOP Pallets do not become, in the reasonable opinion of LOOP, contaminated, a risk to health or safety, rendered unusable or damaged beyond economic repair for any reason (including but not limited to by toxic, radioactive or any other dangerous substances);
- make no alterations (even to facilitate repairs) to the LOOP Pallets and shall not remove any existing component (or components) from the LOOP Pallets;
- in the case of a Manufacturer, only use the LOOP Pallets for a single trip delivery of its own products to a LOOP Partner and not accept a LOOP Pallet from another source other than LOOP;
- other than to pass possession of the LOOP Pallets to a LOOP Partner which is expressly permitted, not without the prior written consent of LOOP, part with control of, sell or offer for sale, underlet or lend the LOOP Pallets or allow the creation of any mortgage, charge, lien or other security interest in respect of it;

- not suffer or permit the LOOP Pallets to be confiscated, seized or taken out of its possession or control under any distress, execution or other legal process, but if LOOP Pallets are so confiscated, seized or taken, the Manufacturer or relevant LOOP Partner shall notify LOOP and the Manufacturer or relevant LOOP Partner shall at its sole expense use its best endeavors to procure an immediate release of the LOOP Pallets and shall indemnify LOOP on demand against all losses, costs, charges, damages and expenses incurred as a result of such confiscation;
- not use the LOOP Pallets for any unlawful purpose; and
- ensure that at all times the LOOP Pallets remain identifiable as being LOOP's property.
- A good condition pallet is defined as a returned pallet that once inspected by LOOP, can be made available for reuse with no repairs or cleaning required.
- A pallet in need of repair is defined as a returned pallet that once inspected requires either a physical repair, a new RFID label or cleaning. A pallet beyond economic repair is defined as a pallet that has a level of damage that matches or exceeds the definition in the LOOP 'Beyond Economic Repair' document.

LOOP Partners are not permitted to collect LOOP Pallets from other sites for re-use without the express permission of LOOP.

LOOP will not be responsible for any loss of or damage to the LOOP Pallets arising out of or in connection with any negligence, misuse, mishandling of the LOOP Pallets or otherwise caused by the Manufacturer, any party acting on its behalf or any LOOP Partner or their respective officers, employees, agents and contractors.

### Limitation of Liability

Save in respect of repaying the LOOP Payback to a Returning LOOP Partner where the relevant conditions are met and any liability which cannot legally be limited, LOOP shall not be liable to a Returning LOOP Partner, whether in contract, tort (including negligence), misrepresentation, restitution or otherwise, for any costs, expenses, loss or damage (whether direct, indirect or consequential, and whether economic or other) arising under or in connection with the Scheme Rules.

### Use of Data

Each Manufacturer and LOOP Partner agrees that LOOP is free to use any comments, information or ideas contained in any communication it may send to us, without compensation, acknowledgement or payment to it, for any purpose whatsoever, including, but not limited to, developing, manufacturing and marketing products and services and creating, modifying or improving the LOOP Scheme.

LOOP values and respects the importance of a person's personal data and how this is used, stored and shared. LOOP does not collect and use any personal data that it does not need and only uses this information for the reasons listed below, and that are consistent with a person's rights under the law. LOOP may collect the following information:



- a person's name and job title;
- business contact information (including email address); and
- telephone number
- Company bank account numbers and sort codes LOOP will use this information for the following purposes:

LOOP requires this information to offer the Manufacturer and LOOP Partners' business its services;

- For the repayment of the LOOP Payback and collection billing;
- Use for internal record keeping and invoicing purposes; and
- LOOP may use the information to improve its products and services.

LOOP has appropriate measures in place to prevent unauthorised access or disclosure, and has physical, electronic and managerial procedures in place to safeguard and secure any information it collects. LOOP will only hold personal data for so long as is necessary for the purpose it is processed.

In joining the Scheme, each Manufacturer and LOOP Partner confirms that it is happy for LOOP to use any data collected by it for the purposes stated above.

### **Variation of Rules**

LOOP may change these Scheme Rules (including, but not limited to, any charges payable by the LOOP Partner and the amount of the LOOP Payback) at any time and will give the LOOP Back Partner at least 30 Business Days' notice and such amendment shall be binding on the LOOP Partner in respect of all orders pursuant to their contract with LOOP subsequently received after such date.

### **Governing Law and Jurisdiction**

These Scheme Rules and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by, and construed in accordance with, the law of England and Wales. Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with these Scheme Rules or its subject matter or formation.

The Scheme Rules will apply to all parties who wish to participate in the Scheme and will form part of any contract between LOOP and a LOOP Partner.

### **Interpretation**

In these Scheme Rules, the following definitions will apply:



<b>"Working Day"</b>	a day, other than a Saturday, Sunday or public holiday in England, when banks in London are open for business.
<b>"Beyond Economic Repair"</b>	a pallet that is damaged or contaminated and deemed by LOOP as too badly damaged and unsuitable for repair, is defined by the 'Beyond Economic Repair Standard' (published on <a href="http://www.thepalletloop.com/resources-downloads/">www.thepalletloop.com/resources-downloads/</a> )
<b>"Delivery"</b>	the transfer of physical possession of the LOOP Pallets to the Manufacturer at the Delivery Locations.
<b>"Delivery Locations"</b>	the addresses for delivery of the LOOP Pallets
<b>"Good Condition"</b>	A LOOP Pallet suitable for reuse by LOOP without pallet repairs being required and without contamination.
<b>"Group"</b>	in relation to a company, that company, any subsidiary or holding company from time to time of that company and any subsidiary from time to time of a holding company of that company.
<b>"Intellectual Property Rights"</b>	patents, utility models, rights to inventions, copyright and neighboring and related rights, moral rights, trademarks and service marks, business names and domain names, rights in get-up and trade dress, goodwill and the right to sue for passing off or unfair competition, rights in designs, rights in computer software, database rights, rights to use, and protect the confidentiality of, confidential information (including know-how and trade secrets), and all other intellectual property rights, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world.
<b>"LOOP"</b>	Pallet Loop Limited (Company Number 11849072)
<b>"LOOP Locations"</b>	one of the addresses set out at <a href="https://www.thepalletloop.com/">https://www.thepalletloop.com/</a>
<b>"LOOP Pallets"</b>	wooden pallets (or any of them) owned and hired out by LOOP from time to time pursuant to a contract with a Manufacturer.
<b>"LOOP Partner"</b>	the Manufacturer's customers and / or any other third party who lawfully obtains possession of a LOOP Pallet in accordance with these Scheme Rules and who has agreed to be subject to these Scheme Rules. These are Merchants, housebuilders, principle contractors and retailers.
<b>"Loop Payback"</b>	the payment that LOOP will pay for each LOOP Pallet legitimately returned to LOOP by a LOOP Partner in accordance with these Scheme Rules.
<b>"Manufacturer"</b>	the person (being a manufacturer of building materials) who enters into a contract with LOOP for the hire and use of LOOP Pallets.
<b>"Merchant"</b>	retail outlets for construction products.
<b>"Returning LOOP Partner"</b>	the Manufacturer or LOOP Partner returning or making available for collection a LOOP Pallet to LOOP.
<b>"Requires Repair"</b>	a LOOP Pallet that requires corrections to be ready for reuse.
<b>"Scheme Rules"</b>	these rules (as amended from time to time by LOOP).