

RULES OF THE CAMEO BURDEN SHARING SCHEME

1. Name

The name of the association is The CAMEO Burden Sharing Scheme (in these Rules called "**CAMEO**").

2. Alteration of the Rules

These Rules must not be altered except by agreement of the directors of CAMEO Ltd

3. Definitions and Interpretation

3.1 In these Rules, unless the contrary intention appears:-

Administrative charge	means a charge determined by the Directors and applied by the Manager and levied on each tmac sold to Participants in order to meet the costs incurred providing and operating the CAMEO Burden Sharing Scheme.
Burden Sharing Scheme	means a scheme whereby Operators who have not implemented and installed mercury abatement equipment and processes contribute to and therefore share the financial burden of Operators who have incurred such a financial burden as a result of implementing and installing mercury abatement equipment and processes.
Cameo Ltd	means CAMEO Ltd, a not for profit private company limited by guarantee registered in England and Wales with number 08263274 and whose registered office is situate at: HSKS Greenhalgh Chartered Accountants and Business Advisors 3 rd Floor Butt Dyke House 33 Park Row Nottingham United Kingdom NG1 6EE
Certified Declaration	means a declaration signed by a duly authorised individual on behalf of the Operator detailing the number of abated and unabated cremations, as described by PG5/2(12) carried out during the period detailed on the declaration.
Manager	means the manager of the CAMEO Burden Sharing Scheme as appointed by the directors of CAMEO Ltd, or any person acting on his behalf;
Participant	means an Operator participating in the CAMEO Burden Sharing Scheme;

Operator	means a UK Cremation Authority, either from the private or public sector;
tmac	means a “tradable mercury abated cremation”, a cremation which has been abated for mercury in accordance with the relevant Process Guidance notes (as annexed to these Rules and as amended and updated from time to time).
tmac value	means the value of a tmac for the purpose of trading within the Burden Sharing Scheme and set annually by the Manager and approved by the Directors.
Regulator	means a local authority or in Scotland, SEPA, who regulate processes, including crematoria, in order to minimise emissions.

3.2 Unless otherwise specified, a reference to a particular law, rule or regulation is a reference to it as it is in force for the time being, taking into account of any amendment, extension, application or re-enactment and includes any subordinate laws, rules or regulations for the time being in force made under it and all orders, notices, codes of practice and guidance made under it.

3.3 A reference to laws in general is to all local, national and directly applicable laws in force for the time being, taking into account of any minimum extension, application or re-enactment and includes any subordinate laws for the time being in force made under them and all orders, notices, codes of practice and guidance made under them.

3.4 Words denoting the singular number only include the plural and vice versa.

3.5 Words denoting the male gender also include the female gender and vice versa

4. Background

4.1 A requirement to remove mercury from all cremations highlighted the difficulties some Operators would have installing the abatement equipment and processes. Sector wide surveys confirmed that some Operators could not install abatement equipment. In order to enable these important community facilities to continue operating, whilst contributing to the abatement of mercury, a solution involving the entire sector was necessary.

4.2 In 2005 Defra introduced a requirement for the cremation industry to remove mercury from 50% of cremations. The national target, based on the available science, achieves a proportionate response for removing mercury from cremations, whilst not burdening the bereaved with excessive cost and the possibility of closing of local crematoria.

4.3 Along with the 50% target the principle of “burden sharing” was introduced, a process whereby Operators who could install abatement plant do so, and the cost is shared with those could not install such abatement equipment. Defra recognised this as the most equitable way of achieving the target, whilst the cost, or “burden” was shared by

the entire sector. All Operators are therefore required to abate and/or burden share a minimum of 50% of the qualifying cremations they carry out.

- 4.4 Industry representatives recognised the need for a national scheme to enable the sharing of the financial cost or “burden” between Operators abating and those not doing so. As a result CAMEO has been created as the lead organisation to introduce a framework for providing and managing a national burden sharing scheme. In order for an Operator to obtain the necessary operating permit from the relevant Regulator, it must obtain a compliance certificate from CAMEO or by other appropriate evidence from a comparable audited burden sharing arrangement or scheme.
- 4.5 The CAMEO Burden Sharing Scheme is based upon identifying the additional cost incurred by Operators which have abated. Having identified the cost on a per cremation basis, Operators which have not abated are charged for the number of mercury abated cremations necessary to meet the requirements of their operating permit. The resulting income, less an administrative fee to fund the scheme, is shared amongst the Operators that have abated and are participating in the CAMEO Burden Sharing Scheme
- 4.6 The CAMEO Burden Sharing Scheme is open to all Operators to participate.

5. Participation, fees and subscriptions

5.1 CAMEO has three classes of Participants:

- a) Burden Sharing Participants;
- b) Contributor Participants; and
- c) Independent Scheme Participants.

5.2 Burden Sharing Participants

- (a) A Burden Sharing Participant is an Operator who is unable to abate mercury from 50% of their cremations and is therefore required to share the financial burden incurred by those Operators who have invested in abatement equipment.
- (b) The application to participate in the CAMEO Burden Sharing Scheme must be made on the prescribed form, providing evidence of the number of cremations completed by the Operator during the previous calendar year and the number of mercury abated cremations it will be seeking to purchase, based upon the number of cremations carried out during the previous full calendar year.
- (c) The Operator is required to enter into an agreement with CAMEO to purchase tmacs, equivalent to 50% of the cremations completed, in accordance with the requirement set out in the Operator’s operating permit.
- (d) The value of a single tmac is determined by the Directors annually, and the Burden Sharing Participant will be charged for the number of tmacs purchased on an annual basis when trading takes place.

5.3 Contributor Participants

- (a) A Contributor Participant is an Operator who has installed abatement equipment and is able to abate in excess of 50% of their cremations and wishes to sell the excess tmacs.
- (b) The application to participate must be made on the prescribed form, providing evidence of the Operator's ability to abate cremations in accordance with the requirements set by Defra/SEPA, and the number it will be seeking to trade, based upon the number of cremations carried out during the previous full calendar year.
- (c) The Operator is required to enter into a contractual agreement with CAMEO to provide the tmacs, in excess of the baseline number required by its Regulator, exclusively to the CAMEO Burden Sharing Scheme. The number of tmacs placed with the CAMEO Burden Sharing Scheme will be recorded and this number used to calculate the income paid when annual trading is complete.

5.4 Independent Scheme Participants

- (a) An Independent Scheme Participant is involved in a Burden Sharing Scheme outside of that provided by CAMEO.
- (b) Process Guidance Note 5/2 (12) Appendix 2, Supplementary Guidance on burden sharing, issued by Defra outlines the role of CAMEO as the authority to register independent burden sharing arrangements made by Members of CAMEO.
- (c) It is essential to provide all those involved, including Operators, regulators, Defra, SEPA and the Welsh Assembly Government, with confidence that independent arrangements are appropriate, transparent and managed through robust processes. Therefore, independent schemes registered with CAMEO will be subject to independent auditing.
- (d) The application to be registered as an Independent Scheme Participant must be made on the prescribed form, provide evidence of its involvement in a comparable audited Burden Sharing Scheme which provides tmacs to participants who are required to burden share, and in the case of Operators providing abating cremations, must provide evidence of such in accordance with the requirements set out by Defra/SEPA. In the event that the independent Burden Sharing Scheme has an excess, or insufficient tmacs, the Independent Scheme Participant may trade with CAMEO.

5.5 An Operator who applies and is approved for participation as provided in these Rules is eligible to be a Participant in the CAMEO Burden Sharing Scheme.

5.6 An Operator will not be admitted to participate unless:

- (a) he applies to participate in accordance with Rule 5.7;
- (b) the admission as a Participant is approved by the Manager;
- (c) he pays any fee due to CAMEO; and

(d) he agrees to be bound by these Rules as in force from time to time.

5.7 An application of an Operator to participate in CAMEO must:

- (a) be made in writing in the form set out ; and
- (b) be lodged with the Manager, and approved by the Directors.

5.8 As soon as practicable after the receipt of an application, the Directors will determine whether to approve or reject the application.

5.9 The Manager will, as soon as practicable notify the applicant in writing of the approval or rejection of its application.

5.10 The Manager will, within 28 days after receipt of the amounts referred to in Rule 5.6(c), if applicable, enter the applicant's name in the register of participants.

5.11 A right, privilege, or obligation of a person by reason of participating in CAMEO:

- (a) is not capable of being transferred or transmitted to another person; and
- (b) terminates upon the receipt by CAMEO of a letter from the Participant stating that following the burden sharing cycle it is involved in it no longer wishes to participate in the CAMEO Burden Sharing Scheme.

5.12 A Participant may be expelled or suspended from participation in the CAMEO Burden Sharing Scheme if it does not adhere to and act in accordance with these Rules. CAMEO has the right, in its absolute discretion, to suspend or expel any Participant. Following such expulsion or suspension, all outstanding sums owed by the relevant Participant to CAMEO shall remain due and payable.

5.13 If CAMEO decides to expel or suspend any Participant, it shall notify that Participant in writing, setting out the reasons for the expulsion or suspension and, if applicable, explaining how the Participant may rectify the situation and be readmitted into the CAMEO Burden Sharing Scheme.

6. Operation of the Burden Sharing Scheme

6.1 The trading cycle of the CAMEO Burden Sharing Scheme takes place over two periods:

- (a) a 12 month period, being a calendar year, constitutes the qualifying period during which the cremations that take place will be eligible for trading (“the Qualifying Period”); and
- (b) the 3 months immediately following the end of the Qualifying Period in which the trading process takes place (the Trading Period”).

6.2 The trading process takes place in the following manner;

- (a) Participants are required to return the Certified Declaration in relation to the cremations which were carried out in the preceding Qualifying Period to the Manager no later than 31st January in each year. Contributor Participants must provide a declaration detailing the total number of abated cremations

carried out and Burden Sharing Participants must provide a declaration of unabated cremations carried out.

- (b) The number of tmacs required by Burden Sharing Participants is calculated based on the information provided in the Certified Declarations.
- (c) Burden Sharing Participants are invoiced based on the tmac value, as determined by the Manager, and the number of tmacs required.
- (d) Burden Sharing Participants are required to meet the cost of tmacs in full within 28 days of the date of the invoice.
- (e) Upon receipt of all payments from Burden Sharing Participants, the income, less the Administration Charge, is paid to Contributor Participants pro rata in accordance with the number of tmacs traded.
- (f) Upon completion of the trading process all Participants receive compliance certificates in accordance with the Ministerial Direction 2010.
- (g) In May of each year an annual account of the CAMEO Burden Sharing Scheme process is published, detailing all of the trading which has taken place.

6.3 The trading process for Independent Scheme Participants takes place as follows:

- (a) The Independent Burden Sharing Scheme administrator provides the Certified Declaration in relation to the cremations which were carried out in the preceding Qualifying Period to the CAMEO Manager no later than 31st January in each year detailing the information required to be lodged with CAMEO, including the following;
 - (i) details of the scheme administrator;
 - (ii) copy of the formal agreement between participating Operators;
 - (iii) evidence of abatement equipment installed, description of equipment from manufacturer and details of service/maintenance agreements. To ensure the facility is maintained in accordance with AQ12(05) and PG5/2 (12);
 - (iv) number of unabated cremations carried out by each Operator during the qualifying calendar year;
 - (v) number of abated cremations carried out by each Operator during the qualifying calendar year;
 - (vi) copies of operating permit from the regulators of all the Operators involved with the independent Burden Sharing Scheme, confirming the arrangement to abate or burden share;
 - (vii) evidence of payments, if any, made between Operators in the independent Burden Sharing Scheme from suitably qualified finance officer/company accountant;

- (viii) permission for the Manager to carry out an external audit, to confirm the details set out in the agreement between the participating Operators, and to confirm information above if required;
- (ix) the information required must be set out in the appropriate format as required by the Manager; and
- (x) in addition, any other information deemed necessary by the Manager must be supplied.

- (b) If the independent Scheme Participant requires additional tmacs, provided the information set out on the Certified Declaration is correct, the administrator of the independent Burden Sharing Scheme is invoiced the relevant fee for the number of tmacs purchased. Payment is required in full within 28 days of the date of the invoice.
- (c) If the independent Scheme Participant has excess tmacs to trade, upon receipt of all payments from Burden Sharing Participants, the income, less the Administration Charge, is paid to Independent Scheme Participants pro rata in accordance with the number of tmacs traded.
- (d) Upon receipt of all payments due, compliance certificates, in accordance with the Ministerial Direction 2010, for the Operators included in the independent Burden Sharing Scheme will be supplied to the scheme administrator.

6.4 The trading period is limited from the close of the Qualifying period, to the date for supplying the compliance certificate, in accordance with the Ministerial Direction 2010, 1st April. In order for CAMEO to carry out the trading administration in the timescale set out it is necessary that Participants meet the deadlines as set out in 6.2 a) – f) above. If deadlines for the submission of Certified Declarations and payment of invoices are not met, compliance certificates may be withheld, financial penalties may be applied or Participants may be suspended or expelled from participating in the CAMEO Burden Sharing Scheme.

6.5 If any Participants fail to pay CAMEO any amount in relation to tmacs purchased, CAMEO shall in no way be liable to any Participants for any outstanding sums due or unpaid. If all monies due from Participants are not received by CAMEO by 1st March in each year, the Manager shall recalculate the tmac value by dividing the total sum received in from Participants by the number of tmacs traded, and each Contributor Participant and/or Independent Scheme Participant shall receive the revised tmac value less the Administration Charge pro rata in accordance with the number of tmacs traded. The value of outstanding tmacs will be accrued to the following years trading and/or recovered as a simple debt.

7. Scheme audit

7.1 The CAMEO Burden Sharing Scheme involves financial transfers between Participants. A transparent audit process takes place at all stages of the CAMEO Burden Sharing Scheme in order to provide confidence to all participants.

7.2 The audit process involves the following:

Participant's declarations and automated returns

- 7.3 The primary record for the number of abated and unabated cremations carried out by Participants is the Certified Declaration submitted by Participants to CAMEO. Based on the information required by the Ministerial Direction 2010 the Participant must provide an annual return declaring the number of abated and unabated cremations which have taken place during the previous 12 months.
- 7.4 The details contained in the Certified Declaration will be used to calculate payments payable. Participants should therefore ensure that their responses are authorised at an appropriate level. The Certified Declaration must be signed by a duly authorised director or senior officer of the Participant.
- 7.5 Where available and in accordance with manufacturers instructions the cremator / emission monitoring software will automatically generate an independent electronic report detailing the number of abated / unabated cremations which it has processed during a specified 12 month period. The report is sent automatically to the Manager and will be used to support the Certified Declaration.

Site visits

- 7.6 As part of the Federation of Burial and Cremation Authorities annual visits, cremation records and cremator/abatement plant servicing logs are routinely inspected. These details will be shared with CAMEO in order to confirm details supplied by Participant's Certified Declaration.

Audit Collated Returns

- 7.7 The Participant's Certified Declarations are collated and the numbers of tmacs placed with the CAMEO Burden Sharing Scheme, and purchased, are calculated. As a result, fees are collected from and payments are made to Participants. The process of collating and calculating the trading of tmacs is audited by CAMEO's accountants. The results are published in CAMEO's annual accounts which will be provided to the Participants annually.

8. Disputes and mediation

- 8.1 The grievance procedure set out in this rule applies to disputes under these Rules between:-
- (a) a Participant and another Participant; or
 - (b) a Participant and the Manager.
- 8.2 The parties to the dispute must meet and discuss the matter in dispute, and, if possible, resolve the dispute within 14 days after the dispute comes to the attention of all of the parties.
- 8.3 If the parties are unable to resolve the dispute at the meeting, or if a party fails to attend that meeting, then the parties must, within 10 days, hold a meeting in the presence of a mediator.

- 8.4 The mediator must be a person chosen by agreement between the parties.
- 8.5 The Manager, a director or member of CAMEO Ltd can be a mediator.
- 8.6 The mediator cannot be a Participant who is a party to the dispute.
- 8.7 The parties to the dispute must, in good faith, attempt to settle the dispute by mediation.
- 8.8 The mediator, in conducting the mediation, must:-
- (a) give the parties to the mediation process every opportunity to be heard; and
 - (b) allow due consideration by all parties of any written statement submitted by any party; and
 - (c) ensure that natural justice is accorded to the parties to the dispute throughout the mediation process.
- 8.9 The mediator must not determine the dispute.
- 8.10 If the mediation process does not result in the dispute being resolved, the parties may seek to resolve the dispute in accordance with the laws of England.

9. Information Control

- 9.1 The information and any intelligence held by CAMEO is confidential. No disclosure of information will take place that is not in accordance with the relevant statutory provisions.
- 9.2 The data held may only be accessed and shared by the CAMEO Committee and any other interested parties that shall be present during the meetings such as any special attendees invited by the CAMEO Committee.

10. Media Relations

- 10.1 All media enquiries should be referred to the Manager who will decide upon an appropriate response at all times;
- 10.2 Participants should not seek to represent CAMEO without consultation with the Manager.

11. Custody and inspection of books and records

- 11.1 Except as otherwise provided in these Rules, the Manager must keep in his custody or under his control all books, documents and securities of CAMEO.
- 11.2 All accounts, books, securities and any other relevant documents of CAMEO must be available for inspection free of charge by any participant request.