



# Collectors Agreement

Making every drop count

Amended and restated as of January 2007

**COLLECTORS AGREEMENT:**

**BETWEEN:** **SOCIÉTÉ DE GESTION DES HUILES USAGÉES**, a company constituted under Part III of the *Companies Act*, having its principal place of business at 1101, boul. Brassard, Suite 214, Chambly (Québec) J3L 5R4, represented by Mr. Gilles Goddard, its General Manager, duly authorized to act herein;

(hereinafter called "SOGHU")

**AND:** \_\_\_\_\_,  
(print complete legal entity name)

having its principal place of business at:

\_\_\_\_\_  
(print full address)

herein represented by:

\_\_\_\_\_  
(print name)

\_\_\_\_\_  
(print title)

duly authorized to act herein;  
(hereinafter called "Collector")

**PREAMBLE**

**WHEREAS** SOGHU was constituted for the purposes of implementing a recovery and reclamation system for used oils, oil or fluid containers and used oil filters within the territory of the province of Québec;

**WHEREAS** for this purpose, SOGHU has established a process for selection and registration of the Collectors for the system it operates;

**WHEREAS** the Collector wishes to be registered with SOGHU so that it can participate in the recovery and reclamation system for used oils, oil or fluid containers and used oil filters within the territory of the province of Québec.

*Initials* : \_\_\_\_\_

*page 2*

THE PARTIES AGREE TO THE FOLLOWING:

## 1. Definitions

The following words and terms shall be interpreted, unless there is an implicit or explicit exception in the text, according to the definitions ascribed to them hereinafter:

- (i) **Act** means the *Environment Quality Act* (R.S.Q., c. Q-2) and the Regulations adopted therein;
- (ii) **Applicant** means any Collector wishing to register with SOGHU and which takes the necessary steps and forwards the necessary documents and information;
- (iii) **Brand Owner** means any business which markets lubricating oils and/or filters under a trademark it owns or uses;
- (iv) **Certification Agreement** means the agreement entered into between RECYC-QUÉBEC and SOGHU, recognizing SOGHU as an organization authorized to implement a recovery and reclamation system, as described in Section 14 of the Regulation;
- (v) **Collection Facility** means an establishment or a facility registered with SOGHU to receive from the public, at no cost to them, used oil products governed by the Regulation;
- (vi) **Collector** means a business registered with SOGHU to pick up the products governed by the Regulation from Generators or Collection Facilities and deliver them to a Processor registered with SOGHU;
- (vii) **Collectors Agreement** means this Agreement entered into between the Collector and SOGHU;
- (viii) **Collectors and Processors Manual** means the manual supplied by SOGHU to the Collectors and Processors, which describes the product management system established by SOGHU and the details of the systems and procedures relating to their business, occasionally modified by SOGHU;
- (ix) **Eligible product** means the products described in Sections 2, 3 and 4 of the Regulation;
- (x) **Filter** means oil filters, antifreeze filters and diesel filters, and filters for heating systems using light heating oil and for oil storage tanks, as described in Section 4 of the Regulation;
- (xi) **Generator** means the user of the lubricating oils, containers and filters in the normal course of its business or as a private consumer;
- (xii) **Lubricating oil** means a mineral, synthetic or vegetable based oil, as described in Section 2 of the Regulation;

Initials: \_\_\_\_\_

page 3

- (xiii) **Material associated with used oils** means lubricating oils, oil filters and oil containers after their primary use;
- (xiv) **Minister** means - the ministre du Développement durable, de l'Environnement et des Parcs du Québec;
- (xv) **Oil container** means a container that holds 50 litres or less, made of plastic or another material, including aerosol containers, as described in Section 3 of the Regulation;
- (xvi) **Processor** means a business registered with SOGHU to reclaim products governed by the Regulation;
- (xvii) **Regulation** means the *Regulation respecting recovery and reclamation of used oils, oil or fluid containers and used filters*, Order-in-Council 166-2004, March 10, 2004, published in the "Gazette officielle du Québec" on March 24, 2004 and amended on August 11, 2004, as amended from time to time;
- (xviii) **Residue** means a portion of a product which remains after the primary use and becomes a material associated with used oils;
- (xix) **Return Incentive (herein called RI)** means the financial contribution disbursed by SOGHU to certain registered Collectors for collecting the products governed by the Regulation;
- (xx) **SOGHU** means Société de gestion des huiles usagées, a company approved by RECYC-QUÉBEC to create and implement the recovery and reclamation system, as described in Section 14 of the Regulation.

## 2. Conditions of Registration and Maintenance of Registration

- 2.1 The Applicant shall transmit the Collector Registration Application Form (available on SOGHU's website at [www.soghu.com](http://www.soghu.com) in the Collectors section), to SOGHU, accompanied by all of the necessary documents outlined therein and, within reason, all other documents or information requested by SOGHU.
- 2.2 All registrations end on March 31<sup>st</sup> of each year. They must be renewed on or before April 1<sup>st</sup>, as per the conditions specified on the Collector Registration Renewal Form (available on SOGHU's website at [www.soghu.com](http://www.soghu.com) in the Collectors section), along with the necessary documents as outlined therein and, within reason, all other documents or information requested by SOGHU. The registration renewal will automatically reinstate the previously signed Collectors Agreement.
- 2.3 The Collector and its respective activities and facilities shall be in compliance at all times with the applicable laws and regulations.
- 2.4 The Collector shall promptly supply SOGHU with written notice of any infraction, or investigation notice, ordinance, complaint or other request from a government or other authority regarding any order, penalty or notice of non-compliance with

Initials: \_\_\_\_\_

page 4

any environmental regulation or legislation as it relates to SOGHU, along with a copy of the notice pertaining thereto.

- 2.5 The Collector agrees never to use the SOGHU logo or any other such moniker belonging to SOGHU in any form of communication. The Collector has the right at all times to advertise his registration with SOGHU. It is imperative that the Collector mention SOGHU as a partner and not as an associate.

### **3. Collector's Obligations**

#### **3.1 a) Used Oils**

- i) The Collector agrees to supply SOGHU with all invoices for payment of used oil RIs, accompanied by the form named "Oil Collector Return Incentives Claim Form" (available on SOGHU's website at [www.soghu.com](http://www.soghu.com) in the Collectors section) and all other information or documents indicated therein.
- ii) The Collector undertakes, upon pickup from a used oil Generator entitling him to RIs, to use the form named "Recycle Docket" (available on SOGHU's website at [www.soghu.com](http://www.soghu.com) in the Collectors section) and forward it to SOGHU, along with all of the information or documents indicated therein.
- iii) The Collector agrees that it is his responsibility to insert the dipstick in the tanker truck before and after each pickup to establish the volume of used oils recovered from every Generator location and that the Generator will have to check the recovered volume of used oils and sign the Recycle Docket.
- iv) The Collector must provide SOGHU with an Annual Statement indicating the total collected volumes of including all volumes reported to SOGHU as well as the total inventory at the beginning and end of the year, etc. (form available on SOGHU's website at [www.soghu.com](http://www.soghu.com) in the Collectors section).

#### **b) Used Filters**

- i) The Collector agrees that all used oil filter weights shall be confirmed by scale ticket. It is understood that the Collector shall use the corrected weight to justify the RI invoice sent to SOGHU.
- ii) The Collector agrees to forward all invoices for payment of the used filter RIs to SOGHU with the form named "Filter Collector Return Incentives Claim Form" (available on SOGHU's website at [www.soghu.com](http://www.soghu.com) in the Collectors section) and all of the information and documents indicated therein.
- iii) The Collector undertakes, upon pickup from a used filter Generator entitling it to RI's, to use the form named "Recycle Docket" (available on SOGHU's website at [www.soghu.com](http://www.soghu.com) in the

Initials: \_\_\_\_\_

page 5

Collectors section) along with all of the information or documents indicated therein.

- iv) The Collector agrees that it is its responsibility to indicate the number of barrels or bins containing used filters recovered at each Generator location and that the Generator will have to check the number of full or partly filled barrels or bins recovered and sign the Recycle Docket.
- v) The Collector also agrees to add the information allowing identification of the barrel or bin by Generator. The barrel or bin identification number shall allow for tracking of the barrel or bin to the Generator.
- vi) The Collector must provide SOGHU with an Annual Statement indicating the total collected volumes, including all volumes reported to SOGHU, as well as the total inventory at the beginning and end of the year, etc. (form available on SOGHU's website at [www.soghu.com](http://www.soghu.com) in the Collectors section)

c) Used Oil Containers

- i) The Collector agrees to forward all invoices for payment of used oil container RIs to SOGHU accompanied by the form named "Container Collector Return Incentives Claim Form" (available on SOGHU's website at [www.soghu.com](http://www.soghu.com) in the Collectors section), (a different form shall be used for aerosol), along with all of the information and documents indicated therein.
- ii) The Collector undertakes, upon pickup from a used oil container Generator entitling him to RI's, to use the form named "Recycle Docket" (available on SOGHU's website at [www.soghu.com](http://www.soghu.com) in the Collectors section) and to forward it along with all of the information or documents indicated therein.
- iii) The Collector agrees that it is its responsibility to justify the weight of the used oil containers recovered at each Generator location and that the Generator will have to check the weight of the containers recovered and sign the Recycle Docket.
- iv) The Collector must use the corrected weight for its RI invoices to SOGHU.
- v) The Collector must provide SOGHU with an Annual Statement indicating the total volume collected, including all amounts reported to SOGHU, as well as their inventory at the beginning of the year and at the end of the year, etc. (form available on SOGHU's website at [www.soghu.com](http://www.soghu.com) in the Collectors section)

Initials: \_\_\_\_\_

page 6

#### **4. General Information on Payments**

- 4.1 The Collector agrees that it may only claim RIs for material associated with used oils collected within one hundred days (100) preceding the date when SOGHU receives the Form named "Oil (or Used Filter or Used Container or Used Aerosol Container) Collector Return Incentives Claim Form" (available on the website at [www.soghu.com](http://www.soghu.com) in the Collectors section). SOGHU undertakes to pay the Collector Return Incentives within thirty (30) days of receipt of form named "OIL (or Used FILTER) or (Used CONTAINER) or (Used AEROSOL CONTAINER) Collector Return Incentives Claim Form" , or whatever the case may be (available on the website at [www.soghu.com](http://www.soghu.com) in the Collectors section).
- 4.2 Exception to the one hundred (100) day rule: for special circumstances that prevent the submission of RI claims within the one hundred (100) day period, a Collector (within the one hundred (100) days) must submit a formal request to SOGHU for an extension and provide a written explanation as to why the claim cannot be made within the specified timeframe. The extension request must be examined by SOGHU. If SOGHU agrees to grant the extension, the Collector must first provide an interim report of its Collections within the one hundred (100) days without the proof of delivery from the Processor (no RIs will be paid), and second, provide the final report within the subsequent one hundred (100) days, along with proof of delivery supporting the interim report and final report information in order to receive payment. At that time, the full RI amount will be paid.

#### **5. SOGHU's Obligations**

- 5.1 SOGHU undertakes to pay the Collector the RI amounts outlined in the ten (10) zones established by SOGHU in Schedule I hereof, based on the quantity of material returned in acceptable condition for reuse or processing and as described in Schedule II hereof. Each zone includes four (4) incentive levels; one (1) for each product stream (oils, containers and filters and aerosol containers). SOGHU, at its sole discretion, reserves the right to modify, add or discontinue the incentives as well as modify the zones mentioned herein.
- 5.2 Except as stipulated herein, SOGHU undertakes not to disclose any confidential document or information received from the Collector, in accordance with the *Act respecting access to documents held by public bodies and the protection of personal information* (R.S.Q., c. A-2.1). However, SOGHU may transmit any document or information to RECYC-QUÉBEC, in particular the information included in its annual report and its business plan, or to the minister or to any persons authorized at the ministère du Développement durable, de l'Environnement et des Parcs, or when such information is required by law or by any judicial or quasi-judicial authority. RECYC-QUÉBEC, under the terms of the Certification Agreement, has committed itself to SOGHU for the same obligations.
- 5.3 SOGHU shall forward to the Collector written notice within ninety (90) days of any relative amendment(s) to Schedule I or Schedule II hereof regarding

Initials: \_\_\_\_\_

page 7

Collector RIs or established zones, unless the changes clearly benefit the Collector.

## **6. Terms of the Agreement**

- 6.1 The Collector agrees that this Agreement shall remain in effect for a maximum of one (1) year or once already signed, until the Collector registration renewal date on or before March 31<sup>st</sup>.
- 6.2 In the event that the Collector gives SOGHU written notice of its intention to terminate this Agreement, it shall be deemed cancelled within sixty (60) days of the date of receipt of the notice. Upon receipt of the notice, SOGHU shall request an audit of the Collector's books and records.
- 6.3 The Collector hereby acknowledges and accepts that SOGHU may suspend or revoke the registration of the Collector if the Collector contravenes the law or the applicable regulations or any items outlined below in paragraph 7.3 or anywhere herein or upon any misrepresentation, or false or misleading statement made, in particular in the application for registration or in a claim form for the purposes of RI payments by SOGHU. The Collector also acknowledges and accepts that SOGHU may suspend or revoke the registration of the Collector if (a) the Collector withdraws from business, (b) the Collector rescinds its registration with SOGHU, (c) in the event of bankruptcy or insolvency of a Collector, or (d) in the event of significant or repeated violations of the Collector's obligations under the terms hereof or those outlined in the Manual for Collectors and Processors.
- 6.4 The Collector agrees to promptly surrender its registration certificate to SOGHU if the registration of the Collector is cancelled or suspended. The Collector accepts not to participate in SOGHU's programs or carry on a business under the banner of these programs if it is not approved or if its registration is suspended or revoked.

## **7. General Conditions**

- 7.1 The Collector hereby confirms that all information forwarded to SOGHU is true and accurate and undertakes to promptly supply SOGHU with any change thereto. The Collector also accepts that any document or information to be forwarded to SOGHU in the future shall be true and accurate.
- 7.2 The Collector agrees to indemnify and hold harmless, SOGHU, its officers, employees and its agents or representatives in respect to all liabilities regarding costs, expenses, claims and suits, including both judicial and extra-judicial fees, as well as reasonable attorney fees, that may result from any false, inaccurate or untrue statement or misinformation supplied by the Collector.
- 7.3 The Collector acknowledges SOGHU's authority to adopt, modify and/or do away with regulations, programs, policies and procedures, and accepts to be bound by SOGHU's Manual for Collectors and Processors, regulations, programs, policies and procedures and to honour their obligations.

Initials: \_\_\_\_\_

page 8

- 7.4 Without restricting the obligations prescribed in Section 8 herein, the Collector accepts to supply SOGHU with any document, receipt, notes or any other information within reason, at SOGHU's request, for the purposes of its registration or invoices for RIs.
- 7.5 The Collector agrees that SOGHU will establish and maintain a database of Collectors registered with SOGHU, which may be consulted by RECYC-QUÉBEC, and the information therein may be forwarded to the Minister and published in the "Gazette officielle du Québec", in accordance with the Act.
- 7.6 In the event that a registration is granted and/or a payment made by SOGHU and the registration certificate of the Collector turns out to be false and/or the information supplied therein is false or inaccurate, then it shall be understood that the registration was granted in error and/or that the payment was made in error. In such a case, the registration is null and void and any payment shall be promptly reimbursed to SOGHU upon discovery of the false statement or error by either SOGHU or by the Collector.
- 7.7 SOGHU retains the right, at its sole discretion, to withhold any payment or registration application until it obtains verification or information it deems sufficient from the Collector.

## **8. Audit**

- 8.1 The Collector agrees to retain complete, accurate and up-to-date books and records of all transactions and information required under the terms herein and the Regulation regarding the recovered materials and RIs.
- 8.2 The Collector agrees that SOGHU and RECYC-QUÉBEC, their auditors or other duly authorized representatives shall, in order to meet the requirements of the Regulation and those herein, regarding the audit of information required by the Regulation, have full access during normal business hours to the place of business and the books and records of the Collector or to the place where the books and records of the Collector are kept and to any other document or information required in order to complete the audits required by the Regulation and the Certification Agreement and have the right to take a copy of these documents at the expense of the Collector throughout the term of the Agreement, and for a period of two (2) years following the termination or the cancellation of this Agreement or any renewal thereof, as the case may be. Accordingly, the Collector agrees to preserve and retain all books and records and all other documents required thereof in the same province in which he registered with SOGHU.
- 8.3 This audit shall be conducted at SOGHU's expense, unless considerable errors (over 10%) of any amount paid by and/or any data supplied by the Collector are discovered following this audit, in which case the Collector shall immediately disburse the following amounts to SOGHU, along with all applicable taxes:
- a) amount of the incentives overpaid;
  - b) audit expenses; and

Initials: \_\_\_\_\_

page 9

- c) any necessary administrative expenses, over and above the audit expenses, as the case may be, in the amount equalling 20% of the overpaid incentive amounts.

## **9. Final Provisions**

- 9.1 The Parties herein and their respective successors, heirs, assignees having just cause, and other legal representatives and their beneficiaries, accept to be bound by the provisions hereof and those of the Manual for Collectors and Processors and to honour the obligations incumbent upon them.
- 9.2 The Collector may not assign, charge, alienate or subcontract, in whole or in part, the rights and obligations resulting from this Agreement, in any manner, for a purpose not specifically stipulated in this Agreement, without the prior written consent of SOGHU. Notwithstanding any assignment, the Collector shall remain liable for the obligations incumbent upon it under the terms of this Agreement, severely with any assignee, even in the event of bankruptcy or insolvency of the assignee. All the documents transmitted by the Collector to SOGHU shall be submitted for information, review and audit purposes.
- 9.3 All of the rights mentioned herein are cumulative and non-exclusive. The Collector shall not be discharged from its obligations under the terms of this Agreement by the fact that SOGHU remains silent or delays the exercise of a right or remedy granted to it under this Agreement, which shall never be interpreted against SOGHU as an exemption from or a waiver of the full performance of its rights and remedies, as long as the legal exercise of such a right or remedy has not expired.
- 9.4 The preamble, the Manual for Collectors and Processors and all documents appended to this Agreement and all forms to be completed (available on SOGHU's website at [www.soghu.com](http://www.soghu.com) in the Collectors section) are considered an integral component hereof.
- 9.5 Any contested claim arising from the application for this Agreement, any dispute concerning its governance, including its nullification or cancellation, and any dispute arising from a problem of interpretation of this Agreement shall be submitted to arbitration to the exclusion of the courts.
- 9.6 The Parties hereto agree that the provisions of the Code of Civil Procedure (R.S.Q., c. C-25) currently in force shall govern any arbitration held hereunder. The parties agree that said arbitration shall be held in the city of Montréal before one arbitrator who shall be agreed upon by the parties within 10 days of the claim, failing which the choice of the arbitrator shall be determined by a judge, on the motion of one of the parties, pursuant to the provisions of the Code of civil procedure.
- 9.7 Any notice required under this Agreement shall be sufficient if it is recorded in writing and sent by a mode of communication which allows the sending Party to prove that the said notice was actually delivered to the addressed Party at the address indicated at the beginning of the Agreement or at any other address that the latter may make known in accordance with this section.

*Initials:* \_\_\_\_\_

*page 10*

- 9.8 This Agreement may be modified or amended in whole or in part, by mutual agreement between the Parties. As the case may be, any change or modification thus made shall take effect only on the day it is recorded in writing, duly signed and executed by the Parties, and appended to this Agreement, with the exception of Schedules I and II herein, which may be amended unilaterally by SOGHU.
- 9.9 The Agreement and its interpretation, governance, application, validity and affects are subject to the applicable laws in force in the province of Québec and in Canada, which govern all of the provisions it contains in whole or in part.
- 9.10 Any provision of this Agreement not in compliance with the laws shall be deemed to have no affect as long as they are prohibited by law. The same principle applies for all subordinate clauses related to such a provision and to the extent that their applicability depends on the said provision

**THE COLLECTOR :**

**SOCIÉTÉ DE GESTION DES HUILES USAGÉES  
(SOGHU)**

\_\_\_\_\_  
(print company name)

Signature :

Signature :

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
(print representative's name)

\_\_\_\_\_  
(print representative's name)

\_\_\_\_\_  
(print representative's title)

\_\_\_\_\_  
(print representative's title)

Date :

\_\_\_\_\_

Date :

\_\_\_\_\_

*Initials:* \_\_\_\_\_

*page 11*

## APPENDIX I

### Return Incentives

**RATE AS OF AUGUST 1<sup>st</sup>, 2006\***

<b>ZONE</b>	<b>USED OIL (\$/litre)</b>	<b>USED FILTERS (\$/kg)</b>	<b>USED CONTAINERS (\$/kg)</b>	<b>USED AEROSOL CONTAINERS (\$/kg)</b>
1	0.03	0.65	1.50	3.67
2	0.04	0.65	2.00	3.67
3	0.07	0.80	2.30	3.84
4	0.07	0.82	2.30	3.84
5	0.07	0.85	2.65	3.87
6	0.09	0.90	2.75	3.92
7	0.07	0.90	2.75	3.97
8	0.10	0.95	3.00	3.97
9	0.10	0.95	3.00	3.97
10	0.10	1.35	5.25	4.37

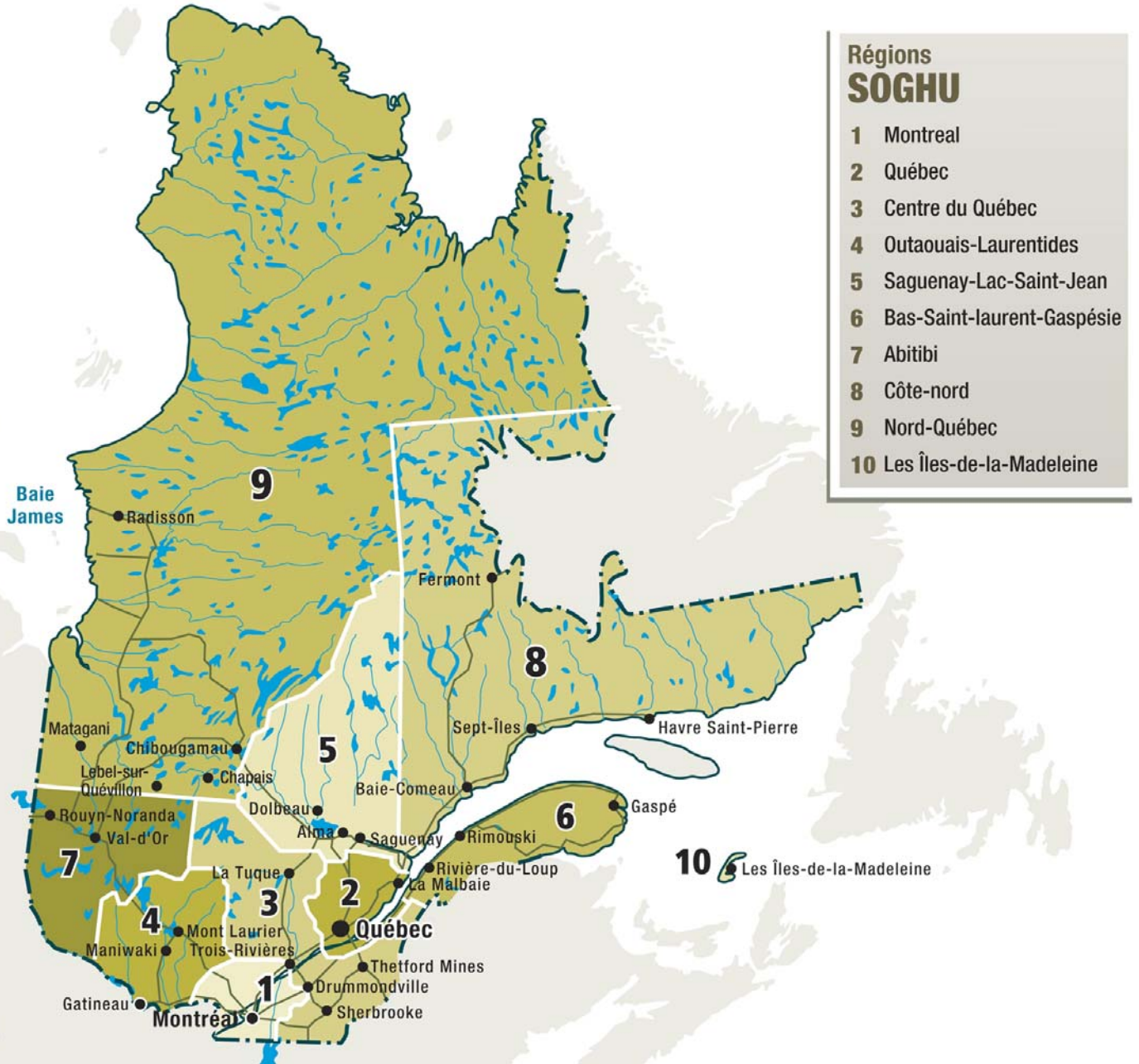
*Note: for zone 10, Les Îles-de-la-Madeleine, a special transportation Return Incentive rate of \$0.18 per litre is allowed for used oils carried to the mainland.*

\* : Subject to the terms and conditions outlined in Section 5.1 of the Agreement

Initials : \_\_\_\_\_

page 12

## APPENDIX II



Initials: \_\_\_\_\_

page 13

## **ANNEXE II (suite)**

Here is a brief geographical description of the ten incentive zones established on the basis of Québec's administrative regions:

### **Zone #1 (Montreal)**

- the island of Montreal and Laval
- Montérégie region
- Southern part of Laurentides region
- Southern part of Lanaudière region

### **Zone #2 (Quebec)**

- Capitale-Nationale region
- Northern part of Chaudière-Appalaches region

### **Zone #3 (Central Quebec)**

- Estrie region
- Mauricie region
- Centre-du-Québec region
- Northern part of Lanaudière region
- Southern part of Chaudière-Appalaches region

### **Zone #4 (Outaouais-Laurentides)**

- Outaouais region
- Northern part of Laurentides region

### **Zone #5 (Saguenay-Lac-Saint-Jean)**

- Saguenay-Lac-Saint-Jean region
- the following cities in the Capitale-Nationale region: Baie-Sainte-Catherine, Sagard and Saint-Siméon.

### **Zone #6 (Bas-Saint-Laurent-Gaspésie)**

- Bas-Saint-Laurent region.
- Gaspésie region.

### **Zone #7 (Abitibi)**

- Abitibi-Témiscamingue region.

### **Zone #8 (Côte Nord)**

- Côte-Nord region.

### **Zone #9 (Nord-du-Québec)**

- James Bay portion of Nord-du-Québec region
- the following cities in the Nord-du-Québec region: Beaucanton, Chapais, Chibougamau, Desmaraisville, Joutel, Lebel-sur-Quevillon, Mattagami, Miquelon, Normétal, Rapide-des-Cèdres, Val-Paradis, Val-St-Gilles, Villebois et Waswanipi.

### **Zone # 10 (Les Îles-de-la-Madeleine)**

- Les Îles-de-la-Madeleine region.

Initials: \_\_\_\_\_

page 14