

# SASKATCHEWAN ASSOCIATION FOR RESOURCE RECOVERY CORP.

(A Non-Profit Corporation)

## MEMBERSHIP AGREEMENT

### Article 1 – Definitions and Interpretation

1.01 In this Agreement, unless the context otherwise requires:

- (a) “Act” shall mean *The Environmental Management and Protection Act, 2002* (Saskatchewan), as the same may be amended from time to time, and including any act of the legislature enacted in replacement thereof;
- (b) “Regulations” shall mean the *Used Oil Collection Regulations* pursuant to the Act, as the same may be amended from time to time, and including any successor or supplemental regulations enacted under the Act in replacement thereof;
- (c) “Prescribed Product” shall have the same meaning as in the Act and Regulations;
- (d) “First Seller” shall have the same meaning as in the Regulations;
- (e) “Product Management Program” shall have the same meaning as in the Regulations;
- (f) “Board” means the Board of Directors of the Corporation;
- (g) “Chartered Accountants” means a firm of chartered accountants as selected by the Board from time to time;
- (h) “Corporation” means the Saskatchewan Association for Resource Recovery Corp.;
- (i) “Member” shall mean a member of the Corporation;
- (j) “Membership Agreement” shall mean the membership agreement in place between a Member and the Corporation;
- (k) “EHC” shall mean the amounts constituted in an Environmental Handling Charge assessed by the Corporation for the Prescribed Products sold or supplied in Saskatchewan by a Member, as from time to time amended;

- (l) “EHC Payment Schedule” shall mean the schedule periodically issued by the Corporation detailing the EHC payable on Prescribed Products and the method of calculating EHC remittances to the Corporation;
- (m) “EHC Compliance Review” shall mean a review of the records of the Member, through the use of the firm of Chartered Accountants, with respect to the sale or supply of Prescribed Products and remittance to the Corporation of EHC, as more particularly described in Article 7.01 hereof; and
- (n) “EHC Compliance Review letter” shall mean the written summary of the EHC Compliance Review sent to the Member by the Corporation that specifies the date(s) of the review, the findings of the review, the actions required by the Member to comply with the review and the date by which the actions must be completed.

1.02 Words importing the singular gender include the plural and vice versa; words importing gender include the masculine, feminine, and neuter gender; and words importing persons include individuals, bodies corporate, partnerships, and unincorporated organizations.

## **Article 2 - Statement of Intention**

2.01 The Member acknowledges to the Corporation that it is requesting membership in the Corporation because it is a First Seller of Prescribed Products and wishes to take advantage of membership in the Corporation in order to have access to the Corporation’s Product Management Program and thereby meet the requirements of having such a program, as required of First Sellers by the Regulations, or is a person or organization who purchases Prescribed Products from a First Seller and resells them in Saskatchewan and is interested in supporting the objectives of the Corporation.

## **Article 3 - Membership**

3.01 The Member, in consideration of being permitted to become a Member of the Corporation and, in that way, have access to the Corporation’s Product Management Program, hereby agrees with the Corporation as follows:

- (i) to pay an initial membership fee of \$200.00 to be paid at the time of the signing of this Agreement;
- (ii) to pay such annual membership fee as is from time to time set by the Membership;
- (iii) to pay to the Corporation the EHC on all Prescribed Products sold or supplied by the Member, effective from the date such Member first began selling or supplying Prescribed Products in Saskatchewan, and whether before or after such Member became a member of the Corporation, such payments to be in the amount set out by the Corporation in the EHC Payment Schedule, as amended from time to time; and
- (iv) to pay to the Corporation the late payment and interest charges for failure to remit EHC to the Corporation as and when the same was due, as more particularly set out in

Schedule "A" attached hereto, as the same may be amended, restated or revised by the Corporation from time to time.

#### **Article 4 - Term of Membership**

4.01 The Member acknowledges that upon the signing of this Agreement and the payment of the initial membership fee that it will maintain membership in the Corporation, subject to cancellation, termination or suspension of the Member's membership by the Board or the Members pursuant to the By-laws, for a period of not less than three years from the date hereof. Subsequent to the initial three year term, membership in the Corporation, and the obligations flowing from membership, shall be considered renewed annually, unless the Member gives a written notice addressed to the Board by registered mail of its intention to withdraw from the Corporation. In that event, the Member shall be considered to have withdrawn from the Corporation 180 days from the date of the notice. Subject to the initial three year membership obligation, a Member may give notice of its intention to withdraw from the Corporation at any time. The Member's membership may also be cancelled, terminated and/or suspended by the Corporation (acting through the Board) or the members of the Corporation in the manner and in the circumstance(s) set out in the By-Laws.

#### **Article 5 - Remittance of Environmental Handling Charge**

5.01 The Member agrees with the Corporation to remit the EHC for each Prescribed Product sold or supplied by the Member. The total of the EHCs with respect to the sale or supply of the Prescribed Products are to be remitted quarterly, as scheduled by the Board, to the Corporation within 30 days of the end of the quarter in which the sale or supply of the Prescribed Products took place. The remittance to the Corporation shall be in a form and fashion as from time to time determined by the Board.

5.02 If the total of a Member's EHCs remitted in the 4 quarters of the previous calendar year is less than \$2,000 and the Member has remitted all EHCs due to the Corporation in a manner and time satisfactory to the Corporation, then the Member shall have the option of providing the Corporation with notice in writing in the first quarter of the current calendar year that it shall make remittance of the EHCs for the current calendar year on an annual basis. In such event the remittance of the EHCs for the calendar year shall be remitted to the Corporation within 30 days of the end of the calendar year. The remittance to the Corporation shall be in the form and fashion as from time to time determined by the Board.

5.03 The EHC to be remitted by the Member with respect to the sale or supply of Prescribed Products shall be in accordance with the EHC Payment Schedule, as the same may be amended, restated, or revised from time to time.

5.04 The Member shall remit the EHC on all Prescribed Products sold or supplied by the Member, even if the Member is not a First Seller of the Prescribed Product.

5.05 Notwithstanding 5.03 and 5.04, the Board and the Member acknowledge and agree that if a Member is selling a Prescribed Product to another Member of the Corporation in good

standing or is selling a Prescribed Product for use outside Saskatchewan, then no assessment or remittance of EHC is required with respect to that sale or supply.

## **Article 6 - Record Keeping**

- 6.01 The Member agrees to keep a record of all transactions respecting Prescribed Products, in the form and fashion approved by the Board, for a period of no less than seven (7) years.
- 6.02 The Member agrees to include in its invoices to customers, respecting Prescribed Products, such information as the Corporation may reasonably require.

## **Article 7 – EHC Compliance Review by Corporation**

- 7.01 The Member agrees that the Corporation may, from time to time and as approved by the Board, review the records of the Member, through the use of the firm of Chartered Accountants, with respect to the sale or supply of Prescribed Products by the Member and remittance to the Corporation of EHC in relation to such sale or supply of such Prescribed Products. The Member further agrees that such review may extend back to the period of time when such Member first began selling or supplying Prescribed Products, whether or not the Member was a member of the Corporation at such time.
- 7.02 In the event of an EHC Compliance Review, the Member shall make available to the Corporation's Chartered Accountants any and all records relating to the sale or supply of the Prescribed Products and remittances to the Corporation of EHC by the Member, and the Member shall further provide to the Corporation's Chartered Accountants any information respecting transactions relating to Prescribed Products, provided that such records and information are reasonably required in order to perform an accurate EHC Compliance Review.
- 7.03 In the event a Member is found, after an EHC Compliance Review, to have under-remitted EHC to the Corporation in an amount in excess of \$500.00 for the period subject to the EHC Compliance Review, then the Member shall, in addition to any other liability to the Corporation hereunder, be liable to pay to the Corporation immediately the following:
- (a) the EHC due plus interest thereon at the rate of 1% per month, compounded monthly (12.68% per year) from the time(s) the EHC was due to the time it is paid;
  - (b) the costs of the EHC Compliance Review; and
  - (c) 20% of the EHC due by way of an administrative fee to the Corporation.
- 7.04 In the event that a Member is reviewed and it is found that the Member has over-remitted EHC to the Corporation, then the Corporation shall, as soon as practicable, reimburse the Member for the amount of EHC over-paid, without any provision for interest thereon.
- 7.05 In the event that an EHC Compliance Review is initiated by the Corporation in respect of a Member as a result of either: (a) the Corporation having good faith reason to believe that the

Member has under-remitted EHC to the Corporation; or (b) the Member having, in the past, demonstrated poor performance in calculating and/or remitting EHCs to the Corporation or having more than once failed to comply with the terms of the EHC Compliance Review Letter, then the cost of such EHC Compliance Review shall be borne by the Member, who shall, in addition to any other liability hereunder to the Corporation, be required to pay the cost of same to the Corporation immediately upon being invoiced by the Corporation, and regardless of the results of such EHC Compliance Review.

## **Article 8 - Corporation By-laws Govern**

8.01 The Member agrees that its membership in the Corporation will be governed by this Agreement and the By-laws of the Corporation, as the same may be amended, supplemented or restated from time to time.

## **Article 9 - Obligations of the Corporation**

9.01 The Corporation shall create and maintain a Product Management Program with respect to the sale or supply of Prescribed Products, which program shall meet the requirements of the Act and Regulations.

9.02 The Corporation covenants with the Member to keep confidential any and all information received by it from the Member for any purpose, including the EHC Compliance Review, except as required by law, saving that it is permitted for the Corporation to identify a Member who is in arrears of EHC remittance in the Corporation's public annual report.

9.03 The Corporation shall provide to all Members a ninety day advance notice, in writing, of any change to the EHC Payment Schedule.

9.04 The Corporation may retain the firm of Chartered Accountants to provide the following services for the Corporation:

- (a) Receive, deposit and account for all EHC remittances from the Members on a confidential basis; and
- (b) Advise the management of the Corporation from time to time of the aggregate EHC remittances from Members.

9.05 The Corporation shall retain the firm of Chartered Accountants to provide the following services for the Corporation:

- (a) Prepare and present annual financial statements as required under the Act or *The Non-Profit Corporations Act* (Saskatchewan) and as required by the Corporation;
- (b) Conduct regular EHC Compliance Reviews as approved by the Board under 7.01;
- (c) Review EHC remittances and recommend EHC Compliance Reviews for Board approval without disclosure of confidential information; and

- (d) Maintain strictest confidentiality of Member information, except as required by law.
- 9.06 The Corporation will provide non-proprietary information of Members, as required for the Corporation's annual report to the Saskatchewan Ministry of the Environment.
- 9.07 The Corporation will provide to each Member documentary proof of Membership and will from time to time provide Members with a current list of all Members in good standing with the Corporation and generally cooperate with the Membership so as to facilitate easy identification of Members of the Corporation.

## **Article 10 - Limited Liability**

- 10.01 No Member shall be liable for a debt or obligation of the Corporation merely by reason of membership in the Corporation.

## **Article 11 - Personal Information**

- 11.01 This Membership Agreement requires the Member to provide certain personal information to the Corporation. Such information is being collected by the Corporation for the purposes of admitting the Member as a Member of the Corporation, for general administrative purposes, for the purpose of enabling the Corporation to comply with legal and regulatory requirements including for the purpose of communicating with Members of the Corporation and completing and delivering to regulatory authorities any reports required to be filed by the Corporation under the Act, *The Non-Profit Corporations Act* (Saskatchewan) or as may be required as a consequence of such Member holding a membership in the Corporation, and for such other purposes as are elsewhere identified in this Agreement. The Member acknowledges and agrees that such personal information may be used and disclosed by the Corporation for the forgoing purposes and to governmental and regulatory agencies, departments or authorities responsible for administration of corporate and environmental legislation in the Province and Canada Revenue Agency and any similar provincial taxation authority. By agreeing to be bound by this Membership Agreement, the Member is deemed to be consenting to the forgoing collection, use and disclosure of the Member's personal information.

## **Article 12 - Facsimile and Electronic Communication**

- 12.01 The Corporation shall be entitled to rely on delivery by electronic mail or by facsimile of an executed copy of this Membership Agreement and acceptance by the Corporation of such electronic or facsimile copy shall be legally effective to create a valid and binding agreement between the Member and the Corporation in accordance with the terms hereof. The Membership Agreement may be executed in any number of counterparts, each of which when delivered, either in original, electronic or facsimile form, shall be deemed to be an original and all of which shall constitute one in the same document. More generally, for the purpose of facilitating communication between the Corporation and its Members, the Member hereby consents to the Corporation delivering to the Member, by facsimile or electronic mail, at the

fax number or email address provided by the Member to the Corporation, any notices, documents or other written communication that the Corporation may now or hereafter be required pursuant to applicable legislation, or that the Corporation may otherwise elect to send, to its Members, and this shall constitute a continuing consent of the Member for that purpose. The Member agrees to advise the Corporation of any change to its mailing address, email address or phone or facsimile numbers.

### **Article 13 - Meetings of Members**

- 13.01 The Member consents to the Corporation holding such annual general or special meetings of Members as the Board of the Corporation may determine from time to time, as such times and such place, whether within or outside of Saskatchewan, as the Board, in its discretion, may decide.

### **Article 14 – CHANGE IN TERMS OF THIS AGREEMENT**

- 14.01 The Member acknowledges that the Board can change the terms of this Membership Agreement at any time, and in the Board's sole discretion, regardless of whether the Member is using the Product Management Program at such time, by adding, deleting, or modifying any provision hereof. The Board's right to add, delete, or modify provisions hereof includes financial terms, such as the amount of EHC to remit (provided that no increase in the amount of EHC to be remitted shall be effective unless and until such increase has been approved by Ordinary Resolution of the Members at a duly convened meeting of the Membership), schedule of remittance dates, late remittance fees and interest requirements, and other terms such as the nature, extent, and enforcement of the rights and obligations that the Member or the Corporation may have relating to this Agreement. Modifications, additions, or deletions are referred to herein as "Changes" or a "Change". The Corporation will notify each existing Member of any material Change(s) to the Membership Agreement and the effective date of any such Change(s). Such Change(s) may be given retroactive or retrospective effect. However, unless otherwise stated in such notice, any Change relating to terms of payment will apply only to any unremitted EHC or other amounts owing to the Corporation and to any new amounts owing to the Corporation thereafter. The notice will describe any rights the Member may have with respect to any Change, and the consequences if the Member does not exercise those rights. For example, the notice may state that the Member may notify the Corporation in writing by a specified date if the Member does not want to accept certain Changes the Corporation is making. If the Member notifies the Corporation in writing that the Member does not accept the Changes, the Member's membership may be terminated by the Corporation, in its sole discretion. If the Member does not notify the Corporation in writing by the date stated in the notice, or if the Member notifies the Corporation but then uses the Product Management Program after the date stated in the notice, the Member will be deemed to accept all Changes in the notice and to accept and confirm all terms of the Membership Agreement, as amended by any and all Changes to such Agreement.

IN CONSIDERATION OF THE MUTUAL PROMISES set out above, the Member and the Corporation have caused this Agreement to be executed under the hands of their respective proper officers.

SASKATCHEWAN ASSOCIATION FOR RESOURCE RECOVERY CORP.

PER: \_\_\_\_\_  
Authorized Officer

PER: \_\_\_\_\_  
Authorized Officer

MEMBER

\_\_\_\_\_  
(Print name of Corporation)

\_\_\_\_\_  
(Date)

PER: \_\_\_\_\_  
Authorized Signatory

\_\_\_\_\_  
(Print name)

PER: \_\_\_\_\_  
Authorized Signatory

\_\_\_\_\_  
(Print name)

## **Schedule “A”**

Late payment administration fees and interest will be applied to late remittance of EHC as follows:

- Level I - \$100: To be applied on all Reminder Letters sent to late remitters following the 30<sup>th</sup> day of the month in which the EHC was due;
- Level II - \$200: To be applied on all Warning Letters sent out to late remitters ten (10) business days following failure of a Member to comply with the direction in a Reminder Letter; and
- Level III - \$625.00: To be applied on all Membership Continuation Assessment Letters sent out to late remitters ten (10) business days following failure of a Member to comply with a Warning Letter.
- Interest shall be charged at the rate of 1% per month, compounded monthly (12.68% per year), on any amounts owed by a Member to the Corporation from the date that such amount was due and owing to the Corporation.

This schedule in effect from and after: May 3, 2011