

SASKATCHEWAN ASSOCIATION FOR RESOURCE RECOVERY CORP.

(A Non-Profit Corporation)

MEMBERSHIP AGREEMENT

Article 1 - Definitions

- 1.01 In this Agreement, unless the context otherwise requires:
- (a) "Act" shall mean *The Environmental Management and Protection Act*;
 - (b) "Regulations" shall mean the Regulations pursuant to *The Environmental Management and Protection Act*;
 - (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 Act and Regulations;
 - (e) "Product Management Program" shall have the same meaning as in the Act and Regulations;
 - (f) "Board" means the Board of Directors of the Corporation;
 - (g) "Corporation" means the Saskatchewan Association for Resource Recovery Corp.;
 - (h) "Member" shall mean a member of the Corporation;
 - (i) "Membership Agreement" shall mean the membership agreement in place between a Member and the Corporation;
 - (j) "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, save that no EHC shall become effective unless and until it is approved by the Members at a duly convened meeting of the Membership;

- (k) "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.

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, as defined in the Act and Regulations and it wishes to take advantage of membership in the Corporation in order to meet the requirements of a Product Management Program, as defined in the Act or is a person or organization who purchases Prescribed Products from a First Seller and resells them in Saskatchewan and is interested in the objects 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, comply with the Product Management Program, as contemplated by the Act 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 to the Corporation the EHC on all Prescribed Products sold or supplied by the applying Member after the date the Corporation assessed EHC on Prescribed Products to the date the applicant becomes a Member of the Corporation;
- (iii) to pay such annual membership fee as is from time to time set by the Membership;
- (iv) to pay to the Corporation the EHC on all Prescribed Products as set out by the Corporation in the EHC Payment Schedule, and as amended from time to time by resolution of the Membership.

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 the By-laws,

for a period of not less than three years from the date hereof or until November 23, 1999, whichever is later. Subsequent to the initial three year term, membership in the Corporation, and the obligations flowing from membership, shall be considered renewed annually on November 23, 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.

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 EHC's with respect to the sale or supply of the Prescribed Products are to be remitted quarterly, as scheduled by the Board, to the Corporation, through its Chartered Accountants, 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 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, determined by the Board, from time to time.

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

5.04 Notwithstanding 5.02 and 5.03, 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.

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 - Audit by Corporation

7.01 The Member agrees that the Corporation may, from time to time and as approved by the Board, audit the records of the Member, through the use of a firm of chartered accountants, with respect to the sale or supply of Prescribed Products and remittance to the Corporation of EHC.

7.02 In the event of an audit, the Member shall make available to the Corporation's auditors any and all records relating to the sale or supply of the Prescribed Products and remittances to the Corporation of EHC and shall provide to the auditor any information respecting transactions relating to Prescribed Products, provided that such records and information are reasonably required in order to perform an accurate audit.

7.03 In the event a Member is shown, after an audit, to have under-remitted EHC to the Corporation, in an amount in excess of \$500.00 for the period being audited, then the Member shall, in addition to any other liability at law, be liable to pay to the Corporation immediately the following:

- (a) the EHC due;
- (b) the costs of the audit;
- (c) 20% of the EHC due by way of administrative fee to the Corporation.

7.04 In the event that a Member is audited and it is shown that the Member has over-remitted EHC to the Corporation, then the Member shall, as soon as practicable, be reimbursed for the amount over-paid.

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.

Article 9 - Obligations of the Corporation

9.01 The Corporation shall provide to the Member a Product Management Program with respect to the sale or supply of Prescribed Products which is approved and in accordance with the Act and approved by the provincial Department of Environment.

9.02 The Corporation covenants with the Member to keep confidential any and all information transmitted to it by the Member for any purpose, including audit, except as required by law, saving that it is permitted for the Corporation to identify a Member who is in arrears of EHC remittance.

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 shall retain a firm of Chartered Accountants to provide the following services for the Corporation;

- (a) Receive, deposit and account for all EHC remittances by the Members on a confidential basis;
- (b) Advise the management of the Corporation from time to time of the aggregate EHC remittances from more than one Member;
- (c) Prepare and present annual financial statements as required under *The Environmental Management and Protection Act*, *The Non-Profit Corporations Act* and as required by the Corporation;
- (d) Conduct regular audits as approved by the Board under 7.01;
- (e) Review EHC remittances and recommend non-compliance audits for Board approval without disclosure of confidential information;
- (f) Maintain strictest confidentiality of Member information, except as required by law.

9.05 The Corporation will provide non-proprietary information to Members, as required for Member's annual report to the Minister of Saskatchewan Environment & Resource Management.

9.06 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 of 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.

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 Signator

(Print name)

PER: _____
Authorized Signator

(Print name)