



BCUOMA

British Columbia Used Oil
Management Association

Membership Agreement

July 15, 2013

1. Definitions

1.1 In this Membership Agreement, unless the context otherwise requires:

- (a) **Act** means the Environmental Management Act.
- (b) **Association** means the British Columbia Used Oil Management Association (BCUOMA).
- (c) **Brand-owner** means
 - (i) a person in British Columbia who is the owner or licensee of a trademark under which oil, automotive antifreeze, oil and automotive antifreeze containers or oil filters are sold, otherwise distributed or use in a commercial enterprise in British Columbia, whether the trademark is registered or not, or
 - (ii) a person who brings into British Columbia oil, automotive antifreeze, oil and automotive antifreeze containers or oil filters for sale, other distribution or use in a commercial enterprise in British Columbia.

For illustrative purposes, Brand-owners are further described in Appendix 4 to this Agreement.

- (d) **Director** means the director as set out in the Regulation.
- (e) **EHC** means the Environmental Handling Charge assessed by the Association.
- (f) **EHC Payment Schedule** means the Environmental Handling Charge (EHC) Payment Schedule as periodically issued by the Association and is attached to this Agreement as Appendix 2.
- (g) **Executive Director** means the person who is employed by the Association from time to time to oversee and carry out, under the supervision of the Directors, the operations and activities of the Association
- (h) **Member** means a Brand-owner who is a member of the Association.
- (i) **Membership Agreement or Agreement** means this agreement between a Member and the Association.
- (j) **Product** means those products to which EHC applies, as set out in Appendix 1 to this Agreement.
- (k) **Regulation** means the Recycling Regulation, B.C. Reg. 449/2004.
- (l) **OEM** means a common acronym for Original Equipment Manufacturer and includes initial fill of oil/hydraulic/antifreeze fluids and oil filters into new vehicles and equipment.

- (m) **Product Stewardship Plan** means any one or more stewardship plans adopted by the Association, which have been approved as a plan under Part 2, section 5 of the Regulation.

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

2. Terms of Membership

- 2.1 The Member acknowledges to the Association that it is a Brand-owner and it wishes to take advantage of Membership in the Association in order to meet the requirements of the Regulation.
- 2.2 The Association may require a Member to provide security from time to time to the Association, or provide the Association with evidence of security, in a form that is acceptable to the Association for the purpose of ensuring that the Member exercises the powers and carries out the duties of a Member in accordance with the Act, Regulation and this Agreement.
- 2.3 The Member in consideration of being permitted to become a Member of the Association and be in compliance with a Stewardship Program, hereby agrees with the Association as follows:
- (a) To pay an initial membership fee of \$200 payable at the time of signing of the Membership Agreement,
 - (b) To pay the annual membership fee as from time to time set by the Association,
 - (c) To pay to the Association the EHC on all Products as set out by the Association in the EHC Payment Schedule and as amended from time to time by a special resolution of the Members.
 - (d) The Member agrees to remit to the Association the EHC for each Product used, sold or supplied by the Member in the Province of British Columbia. If the Member is located outside of the province but sells to a wholesaler, jobber, retailer or end user located in British Columbia, the EHC is to be remitted to the Association. If the Member is located in the Province of British Columbia but sells to a wholesaler, jobber, retailer or end user that is located in another province with a similar used oil program, the EHC is to be remitted to the provincial authority responsible for the used oil program. The Member further agrees that the List of EHC Applicable Products and Containers (Refer to Appendix 1 attached) shall be established, and from time to time amended, by the Association.

- (e) To pay the Association the EHC on all Products sold or supplied by the Member between the date the Association assessed EHC on the Products and the date the Applicant becomes a Member of the Association.
- 2.4 The Member agrees that upon the signing of this Membership Agreement and the payment of the initial membership fee that it will maintain membership in the Association, subject to the by-laws, for a period not less than three (3) years from the date hereof. Subsequent to the initial three (3) year term, Membership in the Association, and the obligations flowing from Membership, shall be considered renewed annually on the anniversary date of signing this Agreement, unless the Member gives written notice to the Association by registered mail of its intention to withdraw from the Association.
- 2.5 Where the Member has given written notice of its intention to withdraw, the Member shall be considered to have withdrawn from the Association 180 days from the date of receipt of notice. Upon receipt of notice the Association may require a closing audit of the Member, and the Association will forthwith advise the Director. Subject to the initial three-year membership obligation, a Member may give notice of its intention to withdraw from the Association at any time.

3. The Fund

- 3.1 The Member acknowledges and agrees to the creation of one or more Association-managed funds, which shall be used to provide or pay for any or all of the following:
- (a) establishing and administering the Stewardship Program;
 - (b) education programs for the purpose of promoting the Stewardship Program;
 - (c) expenditures incurred in promoting the collection, transportation, storage, processing and disposal of used oil, oil filters, oil containers, automotive antifreeze and automotive antifreeze containers;
 - (d) salaries, fees, costs, expenses and liabilities incurred in the administration of the funds;
- 3.2 The following shall be deposited into the fund:
- (a) EHCs,
 - (b) Gifts, donations, and bequests to the fund,
 - (c) Investment income earned on deposits to the fund,
 - (d) Membership fees,
 - (e) Other revenue the Association might generate through its operations.

- 3.3 The total of the EHCs with respect to the sale or supply of the Product is to be remitted by the Member quarterly, as scheduled by the Association, to the Association within 30 days of the end of each quarter. The remittance to the Association shall be in the form and fashion of the Association's "Environmental Handling Charge Payment Schedule Remittance Form" as amended from time to time by the Association. (Refer to Appendix 3 attached)
- 3.3 (1) 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 Association in a manner and time satisfactory to the Association, then the Member shall have the option of providing the Association 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 Association within 30 days of the end of the calendar year. The remittance to the association shall be in the form and fashion of the Association's "Environmental Handling Charge Payment Schedule Remittance Form" as amended from time to time by the Association.
- 3.4 The EHC to be remitted by the Member with respect to the use, sale or supply of Product shall be in accordance with the Environmental Handling Charge (EHC) Payment Schedule, as established, and from time to time amended, by special resolution of the Members (Refer to Appendix 2 attached).
- 3.5 Notwithstanding 3.3, and 3.4 the Association and the Member acknowledge and agree that if the Member is selling a Product to another Member in good standing, or is selling Product for use outside Canada or to a province with no used oil or automotive antifreeze program, then no assessment or remittance of EHC is required in respect of that sale or supply. If the Member is selling Product for use in a province with a similar used oil or automotive antifreeze program, the EHC is to be remitted to that provincial authority responsible for the used oil or automotive antifreeze program, as the case may be. When Product moves between two or more Members, and there is a question about which one Member is responsible for remitting EHCs, the Members must between themselves agree in writing who shall be responsible for remittance of EHCs. Without evidence of such agreement, the Association shall be entitled to collect EHCs from any Member who has made a supply of a Product in British Columbia or from any Member from another jurisdiction supplying a Product to someone in British Columbia
- 3.6 It is the intent of the Association that the EHC in respect of a specific Product supplied be paid only once.
- 3.7 EHCs owing by the Member to the Association is a debt owing to the Association, and the Association shall be entitled to take any step it may be entitled to in contract or law to collect overdue EHCs.
- 3.8 The Association manages the fund in such a manner that a separate accounting is maintained for revenue and expenses for each of oil, filters, oil containers, antifreeze and antifreeze containers. It is the goal to use the membership fees,

EHCs and associated revenue generated on a particular Product category to fund the recovery, collection, recycling and administration of that Product category.

4. Record Keeping

- 4.1 The Member agrees to keep an accurate record of all transactions respecting the Products, in the form and fashion that can be reasonably audited. If requested by the Association, the Member is to provide a record of all EHC sales and/or supplies of Product based on point of destination.

5. Audit by Association

- 5.1 The Member agrees that the Association may from time to time, and as approved by the Association, audit the records of the Member, through the use of a firm of chartered accountants, with respect to the sale and/or supply of Product and remittance to the Association of the EHC.
- 5.2 In the event of an audit the Member shall make available to the Association's auditors any and all records relating to the sale and/or supply of those Products for the Member's own use, sold or supplied in, or from a Member outside the province of British Columbia to someone in the province of British Columbia and remittances to the Association of the EHC and shall provide to the auditor any information respecting transactions relating to Product, provided that such records are reasonably required to perform an accurate audit. In cases where the Association reasonably believes that a Member, through action or omission, has delayed the provision to the Association of such reasonably required records such that the audit extends beyond the calendar year in which the audit had commenced, the Association may, in its sole discretion, assess additional administration fees and interest against that Member.
- 5.3 Where the Association has reason to believe the Member has under-remitted EHC to the Association, in an amount in excess of \$500.00 for any period or if previous audits have shown a Member has poor performance in accurately remitting their EHCs and has repeatedly failed to comply with the terms of an EHC Compliance Review Letter, then the Member shall, in addition to any other liability at law, be liable to pay the Association immediately the following:
- (a) the EHC due;
 - (b) the costs of the audit; and
 - (c) 20% of the EHC due by way of an administrative fee to the Association.
- 5.4 Where the Association has reason to believe the Member has over-remitted EHC to the Association, then the Member shall be reimbursed by the Association as soon as practicable.

6. Association by-laws govern

6.1 The Member agrees that this Agreement and the by-laws of the Association shall govern its membership in the Association.

7. Obligations of the Association

7.1 The Association agrees to accept and carry out the duties of the Member under s.2(1) of the Regulation and, if requested, shall confirm in writing to the Director the duties it will perform on behalf of the Member under the Regulation.

7.2 The Association shall provide the Member with a Stewardship Program in respect of the sale and/or supply of Product, which is approved, and in accordance with the Regulation.

7.3 The Association covenants with the Member to keep confidential any and all information transmitted by the Member for any purpose, including audit, except as required by law, [saving that it is permitted for the Association to identify a Member who is in arrears of EHC remittance], and except for the purposes of 7.6 of this Agreement.

7.4 The Association shall provide to all Members a written, ninety (90) day advance notice of any change to the EHC Payment Schedule.

7.5 The Association shall provide the following services:

- (a) retain chartered accountants to prepare and present annual financial statements as required under the Societies Act and the Regulation;
- (b) conduct regular Member audits as described under 6.1;
- (c) review EHC remittances and recommend non-compliance audits;

7.6 The Association shall assign a registration number and issue a certificate of registration to the Member and shall notify the Member in writing of the number and effective date of registration. The Association will provide Members with a current website list of all Members in good standing of the Association and generally cooperate with Members so as to facilitate easy identification of Members of the Association.

8. Limited Liability

8.1 No Member shall be liable for a debt or obligation of the Association merely by reason of being a Member in the Association.

8.2 In consideration of the mutual promises set out above the Member and the Association have caused this Membership Agreement to be executed under the hands of their respective officers.

British Columbia Used Oil Management Association:

By _____
Title _____
Date _____

Member:

By _____
Title _____
Date _____

Appendix 1

Used Oil Management Associations

AB Used Oil Management Assoc (**AUOMA**)
 BC Used Oil Management Assoc (**BCUOMA**)
 La Société de gestion des huiles usagées (**SOGHU**)

MB Association for Resource Recovery Corp (**MARRC**)
 SK Association for Resource Recovery Corp (**SARRC**)

Environmental Handling Charges (EHC) Applicable Products List and Rates Schedule

EHC Applicable Products List

All Oil Fluid and Oil Container (for container sizes of 50 litres or less)

circulating oil	petroleum crankcase oil
compressor oil	polyolester fluids
crankcase oil (petroleum or synthetic)	power steering fluid
electrical insulating oil	refrigeration system oil
engine oil	re-refined oil
gear oil	synthetic crankcase oil
hydraulic fluid	transmission fluid
marine engine oil for vessels operating domestically	turbine oil
mineral heat transfer fluid	vegetable oil for lubrication
paper machine oil	

Oil Container only (for sizes of 50 litres or less)

Fluid is not EHC applicable since it is consumed in use

2-cycle engine oil	marine cylinder oil
agricultural spray oil	metal working oil
anti-seize lubricant	natural gas compressor oil
chain oil	pneumatic system oil
conveyor lube	process oil
dedusting oil	quenching oil
drawing, stamping and shaping oil	rock drill oil
dripless lube	rustproof oil
food grade white mineral oil	saw guide oil
form release oil	silicone lubricant
gasoline / 2-cycle engine oil mixes	textile oil
machine tool and slideway lubricant	wiring pulling lubricant (petroleum or vegetable based)

Oil Filters

spin-on or element style filter that is used in hydraulic, transmission or internal combustion engine applications including diesel fuel filter	
coolant filter	plastic / paper element style filter
diesel fuel filter used at retail & commercial pump islands	storage tank diesel fuel filter
household furnace fuel filter	sump type automatic transmission filter
oil / air separator filter	water filter

Automotive Antifreeze Fluid and Container (for container sizes of 50 litres or less)

for **BC (BCUOMA), MB (MARRC) and QC (SOGHU)** only

ethylene glycol vehicle engine coolant	propylene glycol vehicle engine coolant
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Aerosol Container

for **QC (SOGHU)** only

aerosol propelled lubricant	yes	aerosol grease	no
aerosol brake cleaner	yes	aerosol paint	no
		aerosol solvent/cleaner	no

EHC is NOT Applicable on the following Products

Neither Oil Product nor Container

3-in-1 household oil	marine engine oil for vessels operating internationally
aerosol propelled lubricant (Except Quebec)	oil additive
base oil, including re-refined base oil	oil treatment
brake fluid	penetrating oil
cleaning/flushing fluids for motors/equipment	phosphate ester hydraulic fluid
cooking oil	polyglycol synthetic compressor oil
diesel fuel treatment	propylene glycol heat transfer fluid
emulsified oil	sewing machine oil
ethylene glycol heat transfer fluid	silicone heat transfer fluid
export oil sales	synthetic aromatic hydrocarbon heat transfer fluid
glycol-based heat transfer fluid	undercoating
grease	urethane coating
gun oil	water glycol hydraulic fluid
heating furnace oil	wax
hydraulic jack oil	windshield washer fluid
hydraulic oil dye	winter start fluid
kerosene	

nor Filters

air filter	household furnace air filter
crankcase ventilation filter	sock-type filter
gasoline fuel filter	

EHC Rates Schedule

	AUOMA Alberta	BCUOMA British Columbia	MARRC Manitoba	SARRC Saskatchewan	SOGHU Quebec
Lubricating Oil	\$0.05 per litre	\$0.05 per litre	\$0.05 per litre	\$0.05 per litre	\$0.04 per litre effective Jan 1, 2013
Containers HDPE or Metal equal to 50 litres or less	\$0.05 per litre / container size	\$0.10 per litre / container size	\$0.10 per litre / container size	\$0.10 per litre / container size	\$0.10 per litre / container size
Containers Non-HDPE equal to 50 litres or less	-	\$0.17 per litre / container size effective Oct 1, 2013	-	-	\$0.17 per litre / container size effective Oct 1, 2013
Filters less than 8" or All Sump type filters	\$0.50 per filter	\$0.55 per filter	\$0.50 per filter	\$0.50 per filter	\$0.35 per filter
Filters equal to or greater than 8"	\$1.00 per filter	\$1.25 per filter	\$1.00 per filter	\$1.00 per filter	\$0.85 per filter
Antifreeze Concentrate	-	\$0.20 per litre	\$0.08 per litre	-	\$0.16 per litre
Antifreeze Premix	-	\$0.20 per litre	\$0.08 per litre	-	\$0.10 per litre
Antifreeze Container	-	\$0.10 per litre / container size	\$0.10 per litre / container size	-	\$0.10 per litre / container size
Brake Cleaner Aerosol Container	-	-	-	-	\$0.25 per unit
Aerosol Container	-	-	-	-	\$0.25 per spray lubricant container

Initial Fill (OEM) Category Summary

Initial Fill (OEM) Category Summary					
Rates		Hydraulic & Lube Oil (litres)	Coolant Premix (litres)	Filters small < 8"	Filters large => 8"
AB	Used Oil Management Association	0.05	0.00	0.50	1.00
BC	Used Oil Management Association	0.05	0.20	0.55	1.25
MB	Association for Resource Recovery Corp	0.05	0.08	0.50	1.00
QC	La Societe de gestion des huiles usagees	0.04	0.10	0.35	0.85
SK	Association for Resource Recovery Corp	0.05	0.00	0.50	1.00
Group Category					
Description		Hydraulic & Lube Oil	Coolant Premix	Filters small	Filters large
Automotive					
Passenger Vehicles		15	8	2	0
Trucks - Heavy Duty		144	55	0	3
Trucks - Light Duty		21	13	2	0
Electrical Equipment					
Transformers and Capacitors			n.a	n.a	n.a
<i>report actual volumes of oil used in the initial fill of all transformers and capacitors</i>					
Riding Mowers & Utility Vehicles					
Commercial use only		13	4	1	0
<i>Riding is defined as the operator either stands on a platform or sits on a seat</i>					
<i>Residential riding mowers are exempt</i>					
Agriculture Equipment - following AEM category					
Combine		178	69	1	4
Forage Harvesters		259	74	0	6
Sprayers		224	32	3	1
Tractor		33	5	3	1
Tractor		69	16	3	1
Tractor		132	31	3	2
Tractor		436	52	0	6
Tractor		379	48	1	4
Wind Rowers		113	29	3	1

Group Category					
	Description	Hydraulic & Lube Oil	Coolant Premix	Filters small	Filters large
Construction Equipment - following ISO 6165					
	Dozer	59	8	1	3
	Dozer	190	30	1	3
	Dumper	130	92	1	2
	Dumper	420	369	2	2
	Excavator	61	6	3	2
	Excavator	384	36	2	2
	Grader	95	14	1	3
	Grader	308	56	1	3
	Horizontal Direction Drills	123	63	2	2
	Loader	57	9	1	2
	Loader	184	36	3	2
	Pipe Layers	366	65	0	5
	Rollers	120	21	4	0
	Rollers	74	19	4	0
	Scrapers	871	528	0	6
	Trenchers	128	16	2	1
	Trenchers	73	0	2	1
	Trenchers	33	10	1	0
Forestry Equipment					
	Attachments - Planting, Site Preparation	65	15	1	1
	Feller, Feller Bunchers	368	35	2	1
	Harvesters	43	267	3	0
	Log Loaders, Processors, Slashers	398	26	3	1
	Skidders	162	29	4	3

Note: If you have further questions on applicable Products, please contact the Association at **(780) 414-1510**.

Appendix 2

Environmental Handling Charge (EHC) Payment Schedule

Amount of EHC

A Member who, being a Brand Owner, uses, sells or supplies Product in BC, or from outside BC to someone in BC, shall remit to the Association an EHC in the amount for that class of Product as follows;

- (a) lubricating oil, \$0.05 per litre or per kilogram
- (b) containers, \$0.10 per litre of container size except for non-HDPE plastic containers - \$0.17/litre/container (**effective October 1, 2013**)
- (c) oil filters, \$0.55 for a filter less than 203 mm in length, and \$1.25 for a filter of 203 mm or greater in length
- (d) antifreeze, \$0.20 per litre
- (e) antifreeze containers, \$0.10 per litre of container size.

EHC Remittance

- 1) Member shall remit EHCs to the Association quarterly, using the Environmental Handling Charge Payment Schedule Remittance Form (see Appendix 3) by the following dates:
 - (a) January to March EHCs due April 30;
 - (b) April to June EHCs due July 30;
 - (c) July to September EHCs due October 30;
 - (d) October to December EHCs due January 30.
- 2) EHCs shall be remitted to the Association at Suite 1050, 10060 Jasper Avenue, Edmonton, Alberta T5J 3R8:
 - (a) by cheque payable to the Association; or
 - (b) by electronic fund transfer from Member account to Association
- 3) Remittance forms and amounts remitted will be kept strictly confidential.

Administration fees and interest will be applied to late EHC remittances as follows:

- (a) Level I Administration Fee - \$100.00, shall be applied to all Reminder Letters sent to late remitters following the 30th day of the month the EHC Remittances are due.
- (b) Level II Administration Fee - \$200.00, shall be added to Level I fee and included on all Warning Letters sent out to late remitters 10 business days following the direction of the Reminder Letters.
- (c) Level III Administration Fee - \$625.00, shall be added to the Level I and Level II fees and included on Procedures to Initiate Assessment Proceedings Letters sent out to late remitters 10 business days following direction of the Warning Letters.
- (d) Late remittance interest charge equal to 1% per month on the late remittance, compounded at a rate of 12.68% per year.

Electronic form and fund transfer process;

- (a) Remittance forms may be transmitted electronically provided they contain all the information requested in the EHC Payment Schedule Remittance Form, attached as Appendix 3.
- (b) Members may provide the Association with pre-authorization to effect an electronic transfer of funds from the Member's account into the Association's account. The pre-authorization will be for the amounts provided for in the quarterly EHC Payment Schedule Remittance Form.

Monies Owed to the Association - If the amount of outstanding interest, fees, penalties and EHCs owed by a Member to the Association exceeds \$800.00 but is less than \$25,000.00, then the Executive Director shall commence an action against said Member in the Provincial Court of British Columbia (Small Claims Court) to recover the outstanding amount owed by the Member to the Association. If the outstanding amount owed to the Association is less than \$800.00, then the Executive Director, in his or her sole discretion, may choose how to proceed.

Appendix 4

To provide additional guidance, “Brand-owner” for the purpose of this Membership Agreement includes but is not limited to,

- (a) a manufacturer of Product who supplies the manufacturer’s own brand of Product to a jobber, retailer or end user;
- (b) a marketer who supplies Product to a jobber, retailer or end user, where the Product was manufactured for the marketer by another person and the marketer owns the brand;
- (c) a marketer who supplies Product to a jobber, retailer or end user, where Product was manufactured for the marketer by another person and the marketer is the licensee of the brand;
- (d) a wholesaler, including a retail distributor, who supplies Product to a jobber, retailer or end user;
- (e) a jobber who supplies Product that the jobber has imported into British Columbia to a retailer, or end user;
- (f) a retailer who supplies Product to the end user that the retailer has imported into British Columbia;
- (g) a wholesale equipment supplier who supplies equipment to its dealers, or the end user of the equipment, where, as part of the transaction Product is also supplied;
- (h) an end user who imports lubricating oil material into British Columbia for the end user’s own business use.

Example scenarios using Product category companies A, B & C

1. **A**, located outside BC, ships Product direct to **C** but invoices **B**, a co-op buying group. Both **B** and **C** are located in BC. **B** subsequently invoices **C** for the Product therefore **B** is the Brand-owner.
2. **A** ships Product to a BC wholesaler **B**, pre-pays the freight but adds it to **B**’s invoice. **A** is the Brand-owner.
3. **A** sells Product FOB its warehouse which is located outside BC. **B** buys the Product, ships it by common carrier to, and subsequently invoices **C**, a BC based jobber. **B** is the Brand-owner because it invoices **C**.
4. **A** ships Product to **B**’s BC based stores and franchisees on consignment but invoices **B** whose office is outside BC. **A** is the Brand-owner when **B** is not a Member of the Association and **B** is the Brand-owner when **B** is a Member of the Association.

5. **A** packages private brand Product for, or provides branded Product to **B**, direct ships the Product to **C** located in BC but invoices **B** located outside BC. **B** is the Brand-owner because it subsequently re-invoices **C**.
6. **A** delivers bulk Product to **B**'s BC based stores and franchisees, i.e. a fast lube, but invoices **B**'s head office located outside BC. **B** is the Brand-owner because it subsequently re-invoices **C**, it's BC based stores and franchisees.

B is the designated Brand-owner in scenarios 1, 3, 5 & 6 and **A** is the designated Brand-owner in scenarios 2 & 4. As Brand-owners in British Columbia they must,

- Join the Association, or
- Establish their own stewardship program, or
- Stop selling Products.

In the scenarios where **A** is already a Member of the Association it is **A**'s responsibility under its Membership Agreement to either ensure **B** is a Member of the Association, or remit the EHC for the Product which will be sold, supplied or used in BC.

If after reviewing the above examples there is still doubt as to who is the EHC Responsible Party, contact the Association for clarification.