



Members Policy

GoRecycle Canada Inc.

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INTRODUCTION

Obligated Companies and Non-Obligated Companies may become Members of GoRecycle to ensure that their obligations under the Regulation are being fulfilled by GoRecycle. This policy outlines the obligations of these companies to comply with the GoRecycle Membership Agreement, which are to:

1. Become a Member of GoRecycle.
2. Report sales of the Obligated Products and pay the applicable Ecofees (as set out in Schedule A attached).
3. Comply with the Regulation and the obligations under GoRecycle’s Programs.

Capitalized terms not specifically defined herein shall have the meaning set forth in the Membership Agreement.

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1. DEFINITIONS

« **Domicile or Establishment in Québec** » generally means a physical location with a civic address under the responsibility of the brand owner, whether this place is used for an activity directly related to the marketing of a targeted product or not.

« **Ecofees** » means the environmental management fee charged by GoRecycle to fund the Programs, as set forth in Schedule A of the Policy.

« **Banner** » means the trade name under which multiple establishments or businesses dependent on the same company are operated.

« **Obligated Companies** » means the companies subject to the Regulation in respect of Obligated Product(s).

« **Non-Obligated Companies** » means the companies not subject by the Regulation in respect of Obligated Product(s).

« **Member** » means an Obligated Company or a Non-Obligated Company that has become a Remitter pursuant to an arrangement and has duly completed a GoRecycle membership application that has been approved by GoRecycle.

« **Remitter** » means the Member responsible for reporting and paying the applicable Ecofees in respect of an Obligated Product pursuant to the Membership Agreement and the Policy.

« **First supplier** » refers to any business with a residence or establishment in Quebec that acquires a targeted product from outside Quebec, for which the owner or user of the brand does not have a Domicile or an Establishment in Quebec, to market it in the province.

« **New product** » means any Obligated product that is marketed for the first time.

« **Obligated products** » means the new products subject to the Regulation and approved by GoRecycle pursuant to a Program, that are introduced to the market by a Member.

« **Programs** » means the recovery and reclamation programs for Obligated Products that are implemented and operated by GoRecycle from time to time in accordance with this Membership Agreement and the Policy.

« **Regulation** » means the Regulation respecting the recovery and reclamation of products by enterprises, CQLR c Q-2, r.40.1 or any other regulation or law pertaining to the recycling of Obligated Products in force in a province of Canada from time to time, under which GoRecycle has developed a Program to support the Member's obligations pursuant to such Regulation.

« **Brand User** » means any business that brings to market a product bearing a trademark, name, or distinctive sign for which it is not the owner, but for which it has rights of use or distribution, under license or any other form.

2. BECOMING A MEMBER

2.1 Obligated Companies

The Obligated Companies subject to the Regulation regarding an Obligated Product may become a Member of GoRecycle, if they comply with the conditions set out in this Policy and the Membership Agreement and comply with the obligations of the Program. For further details, please refer to the Members Guide.

Each company that sells, import or distributes Obligated Products or owns a trademark used in connection with an Obligated Product sold in the province must consult the applicable Regulation to determine if it is subject to the Regulation. This Policy is not a substitute for the Regulation or any applicable law, and it is the sole responsibility of the Obligated Company to determine whether it is subject to the Regulation.

2.2 Non-Obligated Companies

Companies that are not subject by the Regulation may become Members of GoRecycle if they wish to voluntarily assume the obligations of an Obligated Company.

2.3 How to register with GoRecycle?

In order for GoRecycle to accept a Member into one of its Programs, it is necessary for the applicant's authorized representative to agree to the terms and conditions of the GoRecycle Membership Agreement and Members Policy. This process is simple and is done completely online via the GoRecycle Portal. Here are the steps:

1. Visit www.gorecycle.com/declaration and complete the registration steps.
2. Accept the Membership Agreement and the Members Policy.
3. GoRecycle will then review each application and approve the membership.
4. The new Member will receive a confirmation of its membership and will then be obliged to comply with its obligations under the Membership Agreement and the Policy.

Once the membership is confirmed by GoRecycle, the Member becomes responsible for making periodic reports of its sales of Obligated Products for which it is accountable under the Regulation. The following sections explain the rules governing these obligations.

2.4 Who is the Remitter for the obligations?

The Remitter is responsible for reporting and paying the applicable Ecofees for an Obligated Product under the Membership Agreement and the Policy.

The Obligated Company that has become a Member is by default the Remitter for the Obligated Product for which it is targeted.

2.5 Shared responsibilities between Members

The Remitter may transfer or accept to perform the obligations of another Member to facilitate their operations or the administration of their obligations. Both Members shall enter in an arrangement via the GoRecycle Portal.

- Only arrangements agreed to by both Members and entered into on the GoRecycle Portal will be valid.
- Both companies entering into an arrangement must be Members, therefore it is not possible to become the Remitter for a non-member company.
- The transfer of reporting responsibilities is indivisible from the obligation to pay Ecofees. Thus, a Member cannot assume the responsibility for another Member to report Obligated Products without also assuming the obligation to pay Ecofees applicable thereto.

- In the event of the termination of an arrangement, the Obligated Company subject to the Regulation will be accountable for its obligations regarding the sale of Obligated Products.
- Notwithstanding any arrangement between the Members, in the event of a default under the Regulation, the Obligated Company shall remain liable for its obligations under the Regulation with respect to the Obligated Products subject to the arrangement.

For example, an Obligated Company may be the Remitter for its Obligated Products and the Obligated Products of another Member. It is also possible that an Obligated Company has entered into an arrangement for a Non-Obligated Company to become the Remitter for its obligations. For example:

- A retailer is the Remitter for the majority of the Obligated Products it sells, except for some brands for which the manufacturer is the Remitter, this has the effect of making its business process complex. To simplify its obligations, the retailer wishes to report the sales of all Obligated Products sold through its business, including the sales of Obligated Products for which the manufacturer is the Remitter. The two Members can therefore enter into an arrangement via the GoRecycle Portal whereby they document the transfer of the manufacturer's obligations to the retailer Member. The retailer Member then becomes the Remitter for all Obligated Products sold through its business and the manufacturer Member no longer has to report sales of Obligated Products sold to the retailer Member but remains the Remitter for Obligated Products sold to its other customers.
- To simplify the obligations of its customers, an out-of-province manufacturer could become the Remitter and assume the responsibilities with respect to its Obligated Products for its customer, which is the Obligated Company. The customer must complete an arrangement via the GoRecycle Portal with the manufacturer in order for the latter to become the Remitter in its place. The retailer is no longer responsible for reporting sales of the Obligated Products purchased from this manufacturer but remains the Remitter for the Obligated Products imported from other manufacturers.
- A major distributor is the Obligated Company with respect to Obligated Products purchased from numerous out-of-province manufacturers and the Non-Obligated Company with respect to Obligated Products purchased from one manufacturer in the province. It may decide to take on the reporting responsibilities for all its customers. It is already the Remitter for out-of-province manufacturers but will need to complete an arrangement via the GoRecycle Portal with the in-province manufacturers to become the Remitter for Obligated Products purchased from them.

3. REPORTING SALES AND REMITTING ECOFEES

Each Remitter must report the sales of Obligated Products applicable to each Reporting Period on the GoRecycle Portal by completing the form applicable to each Reporting Period. Each Remitter is also responsible for paying the Ecofees charged through the system.

3.1 When is the sale deemed to take place?

- A sale is deemed to have occurred on the earliest of the following events:
 - The day the Member first issues an invoice for the sale of an Obligated Product.
 - The day on which the purchaser is required to pay the consideration pursuant to a written agreement.
- If in doubt about the applicable date:
 - If the date of issuance of a purchase order is not considered, only the date of issuance of the invoice will be considered.
 - If the date on the invoice is different from the date the Member issues the invoice, only the issue date will be considered.

Returns and exchanges

- An Obligated Product sold and then exchanged for the same type of Obligated Product should only be reported once.
- The sale of an Obligated Product should be credited when it is returned.
- An Obligated Product returned and then resold is reportable as new, even if it is the result of a returned product. For example, a damaged product returned, but resold "as is" or at a discount.

Others

- A sale of a set consisting of multiple Obligated Products must be reported with the number of individual units of Obligated Products included in that set. For example, a product code sold once but including 3 Obligated Products in the set should be reported as 3 units and under the applicable categories.
- An Obligated Product sold as a lease with a purchase option ("lease to own") is to be reported as an ordinary sale applicable on the date the lease agreement is signed with the customer.
- An Obligated Product sold in for repurposing (used) is not reportable.
- If the Member has not made any sale of Obligated Products in the applicable period, the Member must still report zero sales in the GoRecycle Portal.

3.2 Reporting periods and payment deadlines

By default, reporting periods are monthly and reportable sales begin on the first calendar day and end on the last calendar day of each month (the "**Reporting Period**").

- Reports must be made through the GoRecycle Portal within 30 days of the end of each Reporting Period.
- An invoice for the Ecofees applicable to a Member's report as set forth in Schedule A will then be sent to the Member. The invoice shall be payable within 30 days of the end of each Reporting Period.

Reporting Period	Reference period	Reporting deadline	Payment deadline
January	January 1 to January 31	February 28 or 29	February 28 or 29
February	February 1 to February 28 or 29	March 31st	March 31st
March	March 1 to March 31	April 30	April 30
April	April 1 to April 30	May 31	May 31
May	May 1 to May 31	June 30	June 30
June	June 1 to June 30	July 31	July 31
July	July 1 to July 31	August 31	August 31
August	August 1 to August 31	September 30	September 30
September	September 1 to September 30	October 31	October 31
October	October 1 to October 31	November 30	November 30
November	November 1 to November 30	December 31	December 31
Décember	December 1 to December 31	January 31	January 31

3.3 Reporting errors

The Member may adjust his declarations and payments within 12 months of the Reporting Period. If the Member discovers that it has over-reported and requests a downward adjustment:

- The Member must notify members@gorecycle.com that it is requesting an adjustment.
- GoRecycle reserves the right to require an audit to confirm the accuracy of the adjustment in accordance with the audit mechanism set forth in the Membership Agreement.
- GoRecycle will then refund the overpayment.

If a Member discovers that it has underreported and requests an upward adjustment, the Member must notify members@gorecycle.com that it is requesting an adjustment and immediately pay GoRecycle the applicable Ecofees for such adjustment.

3.4 Small Remitters

GoRecycle may grant a waiver to Members paying less than \$ 50,000 in Ecofees per year ("**Small Remitters**"), to reduce the frequency of reporting and payment on a quarterly or annual basis. To qualify for the waiver, the Small Remitter must

- Complete one year of regular reporting and payments.
- Have no delinquent payments or late reports or payments.
- Comply with its obligations under the Membership Agreement, the Policy and the Regulation.

If this is the case, the Small Remitter can apply for a waiver to members@gorecycle.com. GoRecycle may withdraw this privilege if the Small Remitter no longer meets the requirements set forth above.

Ecofees payable per year	Frequency	Reference periods	Reporting deadline
\$ 50,000 +	Monthly	See table above	See table above
Between \$ 10,000 and \$ 50,000	Quarterly	Q1: January 1 to March 31	April 30
		Q2: April 1 to June 30	July 31
		Q3: July 1 to September 30	October 31
		Q4: October 1 to December 31	January 30
Less than \$ 10,000	Annual	January 1 to December 31	January 30

3.5 Interests and penalties

- GoRecycle reserves the right to charge interest of 1% per month following the due date (12% per annum) for late payments of Ecofees.
- In the event of late reporting or payment of Ecofees, GoRecycle will issue an initial reminder to the Member within 30 days of the date the report was due or the Ecofees were owed, as applicable. Following this first reminder, GoRecycle reserves the right to charge the following penalties:
 - A penalty of \$250 for the second reminder 10 days following the first reminder.
 - A \$500 penalty for the third reminder 10 days following the second reminder.
- If an audit shows a deficiency in the payment of Ecofees, GoRecycle may charge interest on the amount of the deficiency at the rate of 1% per month following the date such Ecofees should have been paid (12% per annum) and the Member may be charged a penalty of 20% on the amount of the deficiency.
- Any fines incurred by a Member for non-compliance with the Regulation or Program requirements, including applicable regional obligations, shall be billed to the Member.
- Overdue payments will be considered a debt owed to GoRecycle.

3.6 GoRecycle delayed membership

Obligated Companies that did not join GoRecycle as a Member at the start of the applicable GoRecycle Program may join GoRecycle at any time. However, in order for their late membership to be accepted by GoRecycle, they will be required to report sales of their Obligated Products from the start date of the Program to the date of joining as a Member and pay the applicable Ecofees for such period. GoRecycle may also charge interest and penalties.

Notwithstanding the foregoing, an Obligated Company submitting a late membership will not be required to report its sales of Obligated Products or pay the applicable Ecofees in respect of any period during which it can demonstrate that it has implemented a recovery and reclamation program for the Obligated Products in compliance with the Regulation.

4. COMPLIANCE WITH REGIONAL PROGRAM OBLIGATIONS

Members must also comply with the regional obligations described in Schedule B with respect to the Program in which they participate. Any breach of these obligations shall be considered a default of the Membership Agreement and may result in the penalties described above and/or expulsion of the Member.

CONTACTS

Members services: Members@gorecycle.com

Recovery and recycling services: Operations@gorecycle.com

SCHEDULE A – ECOFEES

QUEBEC– Program related to the Regulation respecting the recovery and reclamation of products by enterprises, CQLR c Q-2, r.40.1

IMPORTANT NOTICE: INVISIBILITY OF ECOFEES

Both the Ministry of the Environment, RECYC-QUÉBEC and GoRecycle will independently audit companies to ensure compliance to Schedule B. Any non-compliance by a member may result in penalties or even expulsion from GoRecycle.

Categories	Sub-categories	ECOFEEES IN CAD	
		Before January 1st, 2024	From January 1st, 2024
CAT 1. Large cold appliances	• Full size refrigerators	\$ 30	\$ 30
	• Compact refrigerators	\$ 30	\$ 30
	• Freezers	\$ 30	\$ 30
	• Cellars and wine coolers	\$ 30	\$ 30
	• Water dispensers	\$ 22	\$ 22
CAT 3. Small cold appliances	• Mobile and window air conditioners	\$ 22	\$ 22
	• Dehumidifiers	\$ 22	\$ 22
CAT 4. Non-refrigerated appliances	• Ranges	\$ 5	\$ 0
	• Built-in ovens	\$ 5	\$ 0
	• Built-in cooking surfaces	\$ 5	\$ 0
	• Dishwashers	\$ 5	\$ 0
	• Washing machines	\$ 5	\$ 0
	• Clothes Dryers	\$ 5	\$ 0
	• Laundry centers	-	\$ 0

SCHEDULE B – REGIONAL OBLIGATIONS OF THE PROGRAMS

QUEBEC– Program related to the Regulation respecting the recovery and reclamation of products by enterprises, CQLR c Q-2, r.40.1

<p>Invisibility of Ecofees</p>	<ul style="list-style-type: none"> • Ecofees in Quebec must be internalized as per the <i>Consumer Protection Act</i> and the <i>Regulation respecting the recovery and reclamation of products by enterprises</i>: • As per RECYC-QUEBEC requirements: <ul style="list-style-type: none"> ○ It is accepted to : <ul style="list-style-type: none"> ▪ Change the selling price to include the cost of the ecofee. ▪ Indicate the retail price includes an ecofee without detailing the amount. Accepted mentions: <ul style="list-style-type: none"> - Ecofee included to finance recycling activities in Quebec. - Ecofee included. ▪ Communicate on « Q&A » or « ecofee » type web page that the retail price of the products may vary from a province to the other because of ecofees to finance recycling activities. Members can't detail the ecofee amounts. ▪ Answer a customer's questioning the variation in retail prices between provinces by indicating that the variation is caused by the inclusion of ecofees in the Quebec retail price to finance the recycling activities in Quebec. ▪ Refer clients and the public to gorecycle.com for more details. (GoRecycle obtained the sole authorization to detail the ecofees per category of appliance on its website). ▪ Detail ecofees included in the price on business to business (b2b) transactions only (including « builders » sales), as long that they remain invisible to public consumers. ○ It is forbidden to : <ul style="list-style-type: none"> ▪ Make the amount of ecofee visible to the consumers. ▪ Add the ecofee on top of the presented retail price. ▪ Detail ecofee's amounts on any public consumer marketing material, including, without limitation, advertising, price tags, flyers, signage, pop, catalogues, web sites, price lists or invoices. ○ Any violation of these rules may result in fines from government authorities, which will be charged to the offending member, and the expulsion of the member from GoRecycle. • For more details see the member's guide
<p>Recovery of Obligated Products</p>	<ul style="list-style-type: none"> • The implementation of a recovery service for targeted products is voluntary. When the service is offered: <ul style="list-style-type: none"> ○ A free recovery and recycling service must be provided by the Member. ○ The free service begins at the consumer's door. ○ A Member may offer and charge an optional additional handling service. ○ Billing for the additional service must be limited to activities related to moving the appliance from indoors to outdoors. • Obligated products recovered containing refrigerant gases must be processed by an authorized GoRecycle provider: <ul style="list-style-type: none"> ○ GoRecycle offers a free collection service to its Members to ensure that such refrigerant gases are processed in a compliant manner. Contact operations@gorecycle.com for more information. ○ If you want to promote the reuse sector or non-profit organizations, you must do so with an official reuse partner of GoRecycle. For more information, contact reuse@gorecycle.com. ○ It is strictly forbidden to send or sell these Obligated Products to suppliers not authorized by GoRecycle including metal recyclers. This activity is a major source of greenhouse gases and a major non-compliance with the Regulation that will not be tolerated. It will be considered a default under the Membership Agreement and may result in the Member's expulsion from GoRecycle.