

# SORAC Membership Agreement

As a member of SORAC, you agree to be bound by the terms and conditions listed herein (the "**Agreement**"). Before accepting it, please carefully read the Member Policy (the "**Policy**"), which is referenced in this membership agreement, and applies to you as a member of SORAC. The Membership Agreement and Policy collectively constitute an agreement between you and SORAC regarding your obligations as a member, and SORAC'S services. By checking the "Accept this Membership Agreement and Policy" box, you acknowledge the terms and conditions set forth in this Membership Agreement and Policy. If you do not agree to this Membership Agreement and/or the Policy, you will not qualify for SORAC membership and your application for membership will not be granted.

In this agreement, both parties recognize their mutual rights and obligations to ensure that members and SORAC have optimal work conditions to carry out their missions.

## 1. DEFINITIONS

The following words and phrases mean:

- 1.1 "**Ecofee**" refers to the environmental handling fee invoiced by SORAC to fund the program as set forth in Appendix A of the policy.
- 1.2 "**SORAC By-laws**" means the SORAC by-laws relating to SORAC's overall activity conduct, and adopted by the Board of Directors on July 21, 2022.
- 1.3 "**Member**" means a subject corporation or non-obligated business that has become a member by agreeing to the Membership Agreement and Policy and whose application has been approved by SORAC.
- 1.4 "**Non-subject corporations**" means corporations that are not subject to the by-law with respect to the product(s) coverage.
- 1.5 "**Subject corporation**" means corporations that are subject to the by-law with respect to the product(s) coverage.
- 1.6 "**Covered products**" means new products subject to by-law and approved by SORAC under the program, and that are introduced to the market by a member.
- 1.7 "**Program**" means the designated product collection program that is implemented and operated by SORAC, in accordance with this membership agreement and policy.
- 1.8 "**By-law**" means the existing provincial extended producer liability by-law in Québec, in the context of the program's implementation envisioned in this membership agreement.

## **2. BECOMING A MEMBER**

- 2.1 To become a SORAC member, you must complete and submit the online membership form by checking the box "Accept this Membership Agreement and Policy" and pay the annual membership fee. Please note that your application is subject to approval by SORAC and that you will receive written confirmation of approval.
- 2.2 You agree to provide SORAC with the required true and accurate information when filling the online application form.
- 2.3 By becoming a member of SORAC, you designate SORAC as your representative in fulfilling your obligations in accordance with the by-laws, and SORAC agrees to act as your representative for these purposes, subject to the terms and conditions of this Membership Agreement and Policy.

## **3. MEMBERS' OBLIGATIONS**

- 3.1 By becoming a member of SORAC, you agree to:
  - 3.1.1 Comply at all times with the Policy, including but not limited to the regional obligations set forth herein and with the by-laws;
  - 3.1.2 Submit via the SORAC portal, in the electronic format requested and in accordance with the terms and conditions set out in the Policy, a report indicating the quantities of designated products, for each type or category of designated products being introduced into the Québec market;
  - 3.1.3 Pay applicable ecofees within the time frame specified in the Policy;
- 3.2 In the event that the Member fails to pay the ecofees due in accordance with the program, the Member will be required to pay the fees and interest on the arrears as determined by SORAC and outlined in the Policy.

## **4. SORAC OBLIGATIONS**

- 4.1 SORAC is committed to :
  - 4.1.1 Develop, implement, operate and manage members' programs in order to assist them in meeting their obligations under the applicable by-laws;
  - 4.1.2 Ensure accountability to governmental authorities detaining competence over each program, including but not limited to any required annual or periodic reports, audits or verifications;
  - 4.1.3 Manage information, awareness and education campaigns on designated products submitted to the program;
  - 4.1.4 Establish a member support service to ensure that the Member complies with their legal obligations under applicable law;
  - 4.1.5 Participate in efforts to ensure compliance with obligations under the by-laws by all subject corporations, and motivate subject corporations that are not members of SORAC to become members;

4.1.6 Enforce members' compliance to Policy and take appropriate action in the event of a member's failure to comply with this Membership Agreement and/or Policy.

4.2 For greater clarity, it is understood that SORAC has no obligation with respect to any product manufactured, sold, distributed or otherwise managed by a member that is not included as a covered product under the program in which the Member participates.

## **5. COST FINANCING**

Members acknowledge and agree that monies collected from members by SORAC will be used, among others, to fund all costs, programs, and to build a reserve fund and/or fund, if any, for the payment of penalties established by applicable by-law, in the event that the collection rates as set forth in the by-law are not met, as well as activities implemented by SORAC, including:

5.1.1 Information, awareness and education campaigns;

5.1.2 Payments to be made at drop-off points or to collectors, recyclers or appraisers;

5.1.3 Payments for collection, halocarbon processing, designated product upgrading, and also for research and development;

5.1.4 Management fees and all other SORAC administrative fees provided for in this Membership Agreement, together with any financial contribution, tax or duty imposed on such fees by any competent governmental authority;

5.1.5 SORAC's annual financial contribution, if any, to any agency, public corporation, department, or governmental authority possessing judicial competence;

5.1.6 Any other plan or program provided for or required by any applicable law or implemented by SORAC.

## **6. AUDIT**

6.1 Members agree to maintain complete, accurate and up-to-date books and records of all transactions and information required under the applicable by-law and the Policy with respect to subjected products and, where applicable, ecofee payments, for a period equal to six (6) years or the period specified in the applicable by-law.

6.2 SORAC or its duly authorized representatives may, from time to time, at SORAC's discretion and expense, inspect members' records to verify their sales, supply, distribution and importation of covered products in the province in which the program has been implemented and the corresponding amount of ecofees payable hereunder.

6.3 SORAC will provide member with a ten (10) day written notice before conducting an audit. The Member and the SORAC representative agree on a date for the audit and the information necessary to conduct the audit in accordance with the requirement(s) of the applicable by-law and/or Policy.

6.4 Any audit or verification performed by SORAC or its representative does not relieve the Member of its obligations under the Membership Agreement and/or the Policy and does not constitute a guarantee that the Member has complied therewith, compliance being the sole responsibility of the Member.

6.5 In the event that SORAC or its representative identifies, during an audit or verification, that there is an error or omission in a member's report, SORAC must provide that member with a written notice. In the event that the Member has over-reported sales of covered products and has overpaid the ecofees, SORAC will reimburse the Member for the overpayment. In the event that the Member has underreported sales of covered products and therefore underpaid the ecofees, the Member must pay the ecofee deficiency within 30 days of receiving written notice from SORAC, plus applicable interest and penalties as set out in the Policy.

## **7. MANDATE, RESIGNATION AND EXCLUSION OF MEMBERS**

7.1 This Membership Agreement shall apply from the time a membership is confirmed by SORAC and shall continue until the Member resigns or is expelled.

7.2 A member may resign as a member of SORAC by providing SORAC with 90 days written notice. Any amounts due or which may become payable by said member hereunder will be due and payable as of the effective date of such resignation.

7.3 A member will be immediately expelled from SORAC in the event of any of the following:

7.3.1 If a member (or a subcontractor or representative of the Member) fails to comply with one or more of their obligations under this Membership Agreement, the Policy and/or applicable regulation, other than a failure to pay ecofees, and fails to correct their failure within ten (10) days of the receipt of a written notice from SORAC detailing such failure;

7.3.2 If a member fails to pay the due and payable ecofees for 2 consecutive quarters;

7.3.3 If a member makes an assignment for the benefit of creditors, files a proposal, becomes insolvent or bankrupt;

7.3.4 If a member submits an intentionally false or misleading report;

7.3.5 If a member is no longer considered a subject corporation;

7.3.6 If a member is associated with fraud, bribery, or any other criminal offense, violation of by-laws, or other allegations, investigations, or charges, or any action or omission that could reasonably be expected to damage the reputation of SORAC.

7.4 In the event of a member's resignation or expulsion, the Member shall remain responsible for ensuring the remittance of their report regarding the sale of the covered products until the day before the date of their resignation or expulsion, as well as the payment of the applicable ecofees.

7.5 SORAC will notify the appropriate governmental authorities of the membership termination and of any non-compliance by the Member with its obligations under the applicable by-law.

## **8. CONFIDENTIALITY**

Except as otherwise provided herein, SORAC and each member engage in non-disclosure of any confidential documents or information received from each other hereunder. SORAC may, however, transmit any document or information to any governmental authority, when such transmission is required or demanded, for the purposes of the Program or by the By-law, the Membership Agreement, the Policy, the by-laws, any law or by any judicial or quasi-judicial authority.

## 9. AMENDMENTS

SORAC reserves the right, in its sole discretion, to make changes to the Membership Agreement and Policy, including the ecofees, at any time after providing 90 days written notice. While members may discuss changes with SORAC, SORAC retains final discretion regarding any changes to the Membership Agreement and Policy. By remaining a member of SORAC after such change, you agree to comply with and be bound by the Membership Agreement and Policy as identified.

## 10. FINAL PROVISIONS

- 10.1 The preamble forms and is an integral part of this Membership Agreement.
- 10.2 Any notice required under this Membership Agreement shall be sufficient if it is in writing and transmitted by an electronic means of communication that permits the sending party to prove that such notice was actually received by the receiving party. For future purposes, the Member's email address is the one provided with the online membership form and the general SORAC email address is [info@sorac.ca](mailto:info@sorac.ca).
- 10.3 By accepting this Membership Agreement and by completing the online registration process, you agree to the terms and conditions herein, in accordance with the provincial laws.
- 10.4 This Membership Agreement shall be binding upon all parties hereto and their respective successors and assigns.
- 10.5 This Membership Agreement shall be binding upon and ensure benefit to the parties and their respective heirs, administrators, executors, assigns and/or legal representatives. A Member may not assign or otherwise transfer its membership or rights under this Membership Agreement without the prior written consent of SORAC.
- 10.6 Any disputed claim arising out of this Membership Agreement, any dispute concerning the performance of this Membership Agreement, including its cancellation or termination, and any dispute arising out of a question of interpretation of this Membership Agreement shall be submitted to arbitration in accordance with the *Code of Civil Procedure* (CQLR c C-25.01), to the exclusion of any court.
- 10.7 This Membership Agreement shall be governed by, construed and enforced in accordance with the laws of the Province of Québec.

Date: July 21, 2022