



**Interchange**  
Recycling™\*

# Participation Agreement

*British Columbia*

June 10, 2024

## 1. Definitions

1.1 For the purposes of this Participation Agreement, unless the context otherwise requires:

- (a) **Act** means the *Environmental Management Act*, SBC 2003, c 53.
- (b) **Director** means the director as set out in the Regulation.
- (c) **EHC** means the environmental handling charge assessed by Interchange in respect of Products.
- (d) **EHC Payment Schedule** means the Environmental Handling Charge Payment Schedule as periodically issued by Interchange and is attached to this Agreement as **Appendix 2**.
- (e) **EPR Plan** means any one or more extended producer responsibility plans or stewardship plans adopted by Interchange, which have been approved as a plan under Part 2, section 5 of the Regulation.
- (f) **Executive Director** means the person who is employed by Interchange from time to time to oversee and carry out, under the supervision of the Directors, the operations and activities of Interchange
- (a) **Interchange** means the British Columbia Used Oil Management Association (BCUOMA) doing business under the trade name Interchange Recycling
- (g) **Member** means a Producer who is a member of Interchange.
- (h) **Participation Agreement or Agreement** means this agreement between the Member and Interchange.
- (i) **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.
- (j) **Producer** 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 uses in a commercial enterprise in British Columbia.

For illustrative purposes, Producers are further described in **Appendix 3** to this Agreement.

- (k) **Products** means those products to which EHC applies, as set out the List of EHC Applicable Products and Containers, attached as **Appendix 1** to this Agreement.
- (l) **Regulation** means the *Recycling Regulation*, BC Reg 449/2004.

1.2 Capitalized terms not otherwise defined in this Participation Agreement shall have the same meaning given to them in the Membership Agreement between Interchange and the Member.

1.3 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.

1.4 This Participation Agreement, adopts and incorporates by reference the terms and conditions of the Membership Agreement between the Member and Interchange, as may be amended from time to time.

## 2. Plan terms

2.1 The Member acknowledges to Interchange that it is a Producer and in accordance with section 2(1) of the Regulation it hereby appoints Interchange to carry out its duties as a "producer" under Part 2 of the Regulation in accordance with an EPR Plan.

2.2 Interchange may require a Member to provide security from time to time to Interchange, or provide Interchange with evidence of security, in a form that is acceptable to Interchange for the purpose of ensuring that the Member exercises the powers and carries out the duties of a Producer in accordance with the Act, Regulation, the Membership Agreement and this Agreement.

2.3 The Member agrees with Interchange as follows:

(a) To pay to Interchange the EHC on all Products as set out by Interchange in the EHC Payment Schedule and as amended from time to time by Interchange.

(b) The Member agrees to remit to Interchange the EHC for each Product used, sold or supplied by the Member in British Columbia. If the Member is located outside of British Columbia but sells to a wholesaler, jobber, retailer or end user located in British Columbia, the EHC is to be remitted to Interchange. If the Member is located in 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 Interchange.

(c) To pay Interchange the EHC on all Products sold or supplied by the Member between the date Interchange assessed EHC on the Products and the date the Producer becomes a Member of Interchange.

## 3. The Fund

3.1 (a) 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 Interchange, to Interchange within 30 days of the end of each quarter. The remittance to Interchange shall be in the form and fashion of Interchange's "Environmental Handling Charge Payment Schedule Remittance Form" as amended from time to time by Interchange (Refer to **Appendix 2** attached). (b) 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 Interchange in a manner and time satisfactory to Interchange, then the Member shall have the option of providing Interchange 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 Interchange within 30 days of the end of the calendar year. The remittance to Interchange shall be in the form and fashion of Interchange's "Environmental Handling Charge Payment Schedule Remittance Form" as amended from time to time by Interchange (Refer to **Appendix 2** attached).

3.2 The EHC to be remitted by the Member with respect to the use, sale or supply of Product shall be in accordance with the EHC Payment Schedule, as established, and from time to time amended, by Interchange (Refer to **Appendix 1** attached).

3.3 Notwithstanding sections 3.1, and 3.2 of this Participation Agreement Interchange 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, Interchange 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.

- 3.4 It is the intent of Interchange that the EHC in respect of a specific Product supplied be paid only once.
- 3.5 EHCs owing by the Member to Interchange is a debt owing to Interchange, and Interchange shall be entitled to take any step it may be entitled to in contract or law to collect overdue EHCs.
- 3.6 Interchange 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 Interchange, the Member is to provide a record of all EHC sales and/or supplies of Product based on point of destination.

#### 5. **Audit by Interchange**

- 5.1 The Member agrees that Interchange may from time to time, and as approved by Interchange, 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 Interchange of the EHC.
- 5.2 In the event of an audit the Member shall make available to Interchange'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 of British Columbia to someone in British Columbia and remittances to Interchange 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 Interchange reasonably believes that a Member, through action or omission, has delayed the provision to Interchange of such reasonably required records such that the audit extends beyond the calendar year in which the audit had commenced, Interchange may, in its sole discretion, assess additional administration fees and interest against that Member.
- 5.3 Where Interchange has reason to believe the Member has under-remitted EHC to Interchange, 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 Interchange 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 Interchange.
- 5.4 Where Interchange has reason to believe the Member has over-remitted EHC to Interchange, then the Member shall be reimbursed by Interchange as soon as practicable.

**6. Obligations of Interchange**

- 6.1 Interchange 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.
- 6.2 Interchange shall provide the Member with an EPR Plan in respect of the sale and/or supply of Product, which is approved, and in accordance with the Regulation.
- 6.3 Interchange 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 Interchange to identify a Member who is in arrears of EHC remittance, and except for the purposes of the Member listing in accordance with the Membership Agreement.
- 6.4 Interchange shall provide to all Members a written, ninety (90) day advance notice of any change to the EHC Payment Schedule.
- 6.5 Interchange 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 section 6.1 of this Participation Agreement; and
  - (c) review EHC remittances and recommend non-compliance audits.

**British Columbia Used Oil Management Association  
d/b/a Interchange Recycling:**

By \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

**Member:** \_\_\_\_\_

By \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

## Appendix 1

### Environmental Handling Charge (EHC) Applicable Products & OEM Categories

The current list of EHC Applicable Products and the OEM Categories can be found on the national website using the following link:

<https://usedoilrecycling.com/uoma-members/>

**Appendix 2**  
**Environmental Handling Charge Payment Schedule Remittance Form**

EHC Remittances are to be made using the online system accessible at the following web address:  
<https://interchangerecycling.com/participants/members/ehc-remittance/>

### Appendix 3

To provide additional guidance, “Producer” for the purpose of this Participation 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 Producer.
2. **A** ships Product to a BC wholesaler **B**, pre-pays the freight but adds it to **B**’s invoice. **A** is the Producer.
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 Producer 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 Producer when **B** is not a Member of Interchange and **B** is the Producer when **B** is a Member of Interchange.
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 Producer 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 Producer because it subsequently re-invoices **C**, it’s BC based stores and franchisees.

**B** is the designated Producer in scenarios 1, 3, 5 & 6 and **A** is the designated Producer in scenarios 2 & 4. As Producers in British Columbia they must,

- Join Interchange, or
- Establish their own approved plan, or
- Stop selling Products.



In the scenarios where **A** is already a Member of Interchange it is **A's** responsibility under its Participation Agreement to either ensure **B** is a Member of Interchange, 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 Interchange for clarification**