



**Registered Paint Processor
Incentive Program Requirements
Fiscal 2022-23**



REGISTERED PAINT PROCESSOR INCENTIVE PROGRAM REQUIREMENTS CERTIFICATE OF APPLICANT

The undersigned Applicant hereby certifies it agrees to be bound by the terms of the attached Alberta Recycling Management Authority Registered Paint Processor Incentive Program Requirements (the “Program”). The undersigned Applicant agrees that this agreement expires on March 31, 2023, and the undersigned Applicant will only be entitled to continue to be eligible under the Program if the Applicant provides a current certificate to the Alberta Recycling Management Authority (the “Authority”).

The undersigned Applicant agrees that where the Authority wishes to make amendments to these terms prior to the agreement expiry date, the Authority will provide thirty (30) days’ notice of such amendments to the agreement and provide the Applicant with an amended agreement for the remainder of the term.

Dated at _____, Alberta, this ____ day of _____, 20_____

[Name of Applicant]

[Signature of Authorized Signing Officer of Applicant]

[Name of Signing Officer – please print]

Registered Paint Processor Incentive Program Requirements

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1. DEFINITIONS

- 1.1 **“Aerosol Storage Receptacle”** means a bin, tote bag or any other storage container approved by the Authority for Leftover Paint Material aerosol containers, including but not limited to a Bin, Tote Bag, Large Tote Bag or Drum;
- 1.2 **“Alberta”** means the province of Alberta including all of the City of Lloydminster;
- 1.3 **“Applicant”** means a company, individual or partnership who applies for registration under this Program as a Registered Processor;
- 1.4 **“Authority”** means Alberta Recycling Management Authority;
- 1.5 **“Bin”** means a bin with a capacity of no less than 1,000 litres or 1 m³, or as approved by the Authority, capable of providing secondary containment of Leftover Paint Material;
- 1.6 **“Bylaws”** means the Authority’s bylaws made under section 12 of the Designated Material Regulation, as may be amended from time to time;
- 1.7 **“Collection Site”** means a site operated or approved by a municipality, Indigenous community, waste commission or authority for the collection of Leftover Paint Material;
- 1.8 **“Collector”** means a municipality registered with the Authority that has a Collection Site;
- 1.9 **“Delay”** has the meaning set out in section 9.4;
- 1.10 **“Designated Material Regulation”** means the *Designated Material Recycling and Management Regulation* (Alberta), as may be amended from time to time;
- 1.11 **“Downstream Processor”** means a company/facility in North America that receives Leftover Paint Material from a Registered Processor for recycling or processing, but which is not eligible for Incentives under the Program;
- 1.12 **“Drum”** means a drum with the capacity of 205L which provides containment of Leftover Paint Material acceptable to the authority;
- 1.13 **“Environmental Law(s)”** shall include, without limitation, all present and future federal, provincial, municipal, or other local laws, regulations, standards, rules, guidelines, orders, or requirements respecting the environment, environmental protection, pollution, enhancement and enforcement, natural resources, conservation, health, chemical use, land use and occupational safety and health;
- 1.14 **“Environmental Management System”** means a system used to identify and evaluate the impact of the organization’s activities, products, and services on the natural environment and to put controls in place to minimize that impact. The system typically includes an environmental policy to provide guidance to the organization on controlling environmental matters as well as a procedures manual outlining how environmentally significant tasks are to be conducted and how to ensure compliance with applicable Environmental Laws;

- 1.15 **"Final Recycled State"** means the point in the downstream flow of material where the materials generated from the processing of Leftover Paint Material have been physically or chemically altered into a new product, material, commodity, or state;
- 1.16 **"Financial Report"** has the meaning set out in section 16.3(a);
- 1.17 **"GIFI"** means the General Index of Financial Information as set out in section 16.3(a);
- 1.18 **"ICI Source"** means a source of Leftover Paint Material that is from the industrial, commercial, or institutional sector;
- 1.19 **"Incentive"** means any funding payable under the Program, as the context may require, including Processing Incentives;
- 1.20 **"Ineligible Material"** means paint, coatings and containers or other materials or products which are not Leftover Paint Material;
- 1.21 **"Interim Approval"** has the meaning set out in section 5.8;
- 1.22 **"Large Tote Bag"** means flexible intermediate bulk containers also referred to as bulk bags, tote bags or supersacks with the capacity of 1.2M³ litres, capable of containing 1,200 Leftover Paint Material aerosol containers;
- 1.23 **"Leftover Paint Material"** means leftover Paint Materials including without limitation coatings and paint aerosol containers which attract a surcharge pursuant to the Paint Regulation and Bylaws and which are no longer used in their original state, as further set out in Schedule "A", as may be amended from time to time;
- 1.24 **"Non-Arm's Length"** shall have the same meaning as is commonly applied to it under the Income Tax Act of Canada
- (Note: a non-arm's length transaction involves two or more parties that have some element of ownership or control in common. When a Registered Processor submits for Program funding for material sold or supplied to a non-arm's length party, the Program requirement for independent "third-party" confirmation of the validity and accuracy of the transaction is not available. See section 6.5 for more information.);
- 1.25 **"Paint Materials"** means paint and paint containers as are defined in the Paint Regulation.
- 1.26 **"Paint Regulation"** means the Paint and Paint Container Designation Regulation (Alberta), as may be amended from time to time;
- 1.27 **"Processor Claim Due Date"** has the meaning set out in Schedule "E";
- 1.28 **"Processing Incentive"** means an Incentive payable to Registered Processors under the terms of this Program and as set out in Schedule "B";
- 1.29 **"Processor"** means a recycler that picks up Leftover Paint Materials from Collectors and/or generators and delivers them to a Downstream Processor permitted by the Authority;

- 1.30 **“Program”** means this Registered Paint Processor Incentive Program Requirements, including the schedules attached hereto;
- 1.31 **“Registered Processor”** means a Processor who has been registered by the Authority and who fully meets the terms and requirements of the Program;
- 1.32 **“Supplier”** means a supplier as defined in the Paint Recycling Bylaw, as may be amended from time to time;
- 1.33 **“Tote Bag”** means flexible intermediate bulk containers also referred to as bulk bags, tote bags or supersacks with the capacity of 1M³ litres, capable of containing 1,000 Leftover Paint Material aerosol containers.
- 1.34 **“Transporter”** means a carrier of Leftover Paint Materials working under an arrangement with a Registered Processor.

2. PROGRAM PURPOSE

- 2.1. The purpose of the Program is to encourage waste minimization and recycling of Leftover Paint Material in Alberta as specified under the Designated Material Regulation and the Paint Regulation.
- 2.2. For the purpose of this Program:
- a) processing latex Leftover Paint Material by re-blending, filtering, and re-containerizing for reuse or resale is considered recycling;
 - b) using latex as an alternate raw material in an approved downstream manufacturing process is considered recycling;
 - c) using non-latex and oil-based Leftover Paint Material as a fuel blend is considered energy recovery;
 - d) shipping metal paint containers and empty spray paint cans to an approved downstream metals recycler for processing into a final recycled state is considered recycling;
 - e) shipping plastic paint containers, spray paint tips, and lids to an approved downstream plastics recycler for processing into a final recycled state is considered recycling;
 - f) the Authority recognizes that municipalities may encourage the reuse of Leftover Paint Material by providing a “take-away” service for residents to reuse uncontaminated discarded Leftover Paint Material;
- 2.3. The Program will not pay Incentives for any use or disposal of Ineligible Material or Leftover Paint Material provided to facilities without a documented commitment to environmentally sound management and fair labour practices, or such other uses or materials that from time to time may be prohibited by the Authority, or any applicable legislation, bylaw, regulation, or enactment.

- 2.4. The Authority is not a regulatory authority and will not become involved in, own or control collection, processing or recycling facilities, or companies or businesses which are Transporters, Collectors, Suppliers or Processors. The Authority will encourage waste minimization and recycling activity within Alberta through the administration of Incentive-based programs as specified in the Designated Material Regulation.

3. LEFTOVER PAINT MATERIAL FROM ALBERTA

- 3.1 Incentives paid under this Program are sourced from surcharges (as defined in the Designated Material Regulation) collected on the sale in Alberta of applicable new Paint Materials to fund the end-of-life management of these products when discarded in Alberta. Accordingly, only Leftover Paint Material originating in Alberta for which the surcharge has been remitted to the Authority will be considered eligible as Leftover Paint Material for the purposes of the Program and Incentive payments made under the Program.
- 3.2 Registered Processors are responsible for verifying that Leftover Paint Material, including any Leftover Paint Material collected by third party companies, has originated in Alberta as required, and Incentives or approvals may be withheld without adequate verification as may be required by the Authority.
- 3.3 Only Leftover Paint Material for which the surcharge has been remitted to the Authority is eligible for Incentives through the Program. Processors are required to provide notification when they receive any Paint Materials that have not been sold into the market (new, unopened or mis tinted containers) prior to processing the material. This will allow the Authority an opportunity to confirm whether the Authority has received the surcharge for the Paint Materials to ensure that the funds are on hand to cover the cost of processing the Paint Materials under the Program.
- 3.4 Incentives paid to Registered Processors are intended to cover the cost of collecting and processing Leftover Paint Material. Registered Processors may not charge Collection Sites, ICI Sources, or other generators for Paint Processing associated with program eligible Leftover Paint Material.
- a) However, a Registered Processor may charge a contamination fee to the generator if Ineligible Material (i.e. household hazardous waste) is placed in the paint Bin.

4. SCHEDULES

- 4.1. The schedules attached form part of this Program, and all terms contained herein shall apply to each of the specific Incentives described in the schedules.

5. REGISTRATION

- 5.1 Applicants must be registered by the Authority under the Program in order to be eligible to receive Incentives under the Program.

- 5.2 An application for registration must be in the form provided by the Authority and must contain the information required by the Authority, including, without limitation:
- a) evidence the Applicant will carry out its operations in Alberta, British Columbia, Saskatchewan, or Manitoba;
 - b) evidence of registration as an Alberta corporation or extra-provincial registration in Alberta;
 - c) evidence of a valid and subsisting account with the Alberta Workers' Compensation Board, the British Columbia Workers' Compensation Board, the Saskatchewan Workers' Compensation Board, or the Manitoba Workers Compensation Board as applicable;
 - d) evidence of:
 - i. for work performed in Alberta, a Certificate of Recognition (COR) issued by Alberta Human Services under the Occupational Health and Safety Act (Alberta) and the regulations under that Act, or an equivalent document as approved by the Authority;
 - ii. for work performed in British Columbia, a Certificate of Recognition issued by WorkSafe BC under Part 3 of Workers' Compensation Act (British Columbia) and the regulations under that Act;
 - iii. in the event that under The Saskatchewan Employment Act and the regulations under that Act, as such legislation may be amended or substituted in the future (the "Saskatchewan Occupational Health and Safety Legislation"), the Government of Saskatchewan establishes a program or certificate which is similar to or is the equivalent of a Certificate of Recognition as described in section 5.2(d)(i), then and upon the Saskatchewan Occupational Health and Safety Legislation coming into effect (the "Saskatchewan Legislation Effective Date"), for work performed in Saskatchewan on and after the Saskatchewan Legislation Effective Date, a certificate of recognition or equivalent as described in section 5.2(d)(i); or
 - iv. in the event that under The Workplace Safety and Health Act (Manitoba) and the regulations under that Act, as such legislation may be amended or substituted in the future (the "Manitoba Workplace Safety Legislation"), the Government of Manitoba establishes a program or certificate which is similar to or is the equivalent of a Certificate of Recognition as described in section 5.2(d)(i), then and upon the Manitoba Workplace Safety Legislation coming into effect (the "Manitoba Legislation Effective Date"), for work performed in Manitoba on and after the Manitoba Legislation Effective Date, a certificate of recognition or equivalent as described in section 5.2(d)(i);
 - e) other licenses, approvals, certificates, or clearances as may be requested, including permits to transport, handle or process hazardous or dangerous waste or recyclables;
 - f) evidence of adequate insurance coverage as per section 13.

- 5.3 evidence from Alberta Environment and Parks or equivalent organization in British Columbia, Saskatchewan or Manitoba, as may be applicable, confirming there are no environmental protection, compliance or enforcement orders or actions or any environmental penalties, fines, or warnings issued under applicable Environmental Laws with respect to the Applicant A business plan is required to be submitted with the application for new registration.
- 5.4 Applicants must provide a completed Downstream Processor application, in the format required by the Authority, for each Downstream Processor that will be receiving processed Leftover Paint Material, from the Applicant.
- 5.5 In submitting an application for registration, the Applicant grants permission for the Authority to conduct any credit checks or other searches the Authority may require.
- 5.6 Incomplete applications for registration shall not be approved by the Authority.
- 5.7 Each Applicant whose application for registration has been accepted by the Authority shall be advised of the registration number assigned by the Authority.
- 5.8 As a condition of approval for registration of an Applicant who is applying to be a Registered Processor, such Applicant must post security or provide evidence of security in place with Alberta Environment and Parks in an amount that in the estimation of the Authority shall be no less than the amount required to meet the requirements of Schedule “D”.
- 5.9 The Authority may, in its sole discretion, provisionally approve an application for registration (an “Interim Approval”) for a minimum of six months until such time as the Applicant can demonstrate to the satisfaction of the Authority, in the Authority’s sole discretion, the Applicant’s ability to meet the terms and conditions of the Program. Applicants who have obtained an Interim Approval must comply with all terms and conditions of the Program, including the requirements for Applicants approved for registration under this section 5. Notwithstanding anything herein to the contrary, final approval of an Applicant for registration is in the sole discretion of the Authority.
- 5.10 Registration may be suspended or revoked at any time by the Authority for any of the following:
 - a) failure of a Registered Processor to meet or abide by, or otherwise fail to perform, for any reason whatsoever, any term, condition or provision of the Program, Bylaws, policies, rules, or procedures of the Authority or any contract or agreement between the Registered Processor and the Authority;
 - b) failure of a Registered Processor to comply with any law, legislation, regulation, judicial order, permit, license, or agreement;
 - c) failure of a Registered Processor to comply with the Registered Processor Compliance Requirements as set out in Schedule “C” attached to this Program, or as otherwise prescribed by the Authority from time to time;
 - d) false or misleading information being provided by the Registered Processor to the Authority, its agents, or employees;

- e) the Registered Processor ceases to carry on business as such, or ceases to be registered in Alberta;
- f) the Registered Processor representing, directly or indirectly, to consumers that there are fees or charges imposed by the Authority for delivery of Leftover Paint Material to Registered Processors;
- g) bankruptcy or insolvency of the Registered Processor;
- h) the Registered Collector or Registered Processor ceases to carry on its operations in Alberta, British Columbia, Saskatchewan, or Manitoba.

5.11 The Authority may terminate an Interim Approval without cause upon written notice to the Applicant. Upon termination of an Interim Approval, the Applicant:

- a) is entitled to be compensated in accordance with the terms of the Program such that any amounts due under this Program up to the effective date of the termination will remain payable to the Applicant; and
- b) must provide the Authority with a detailed accounting of the work completed under the Program up to the termination date.

In the event that the Applicant suffers any damages of any kind whatsoever resulting from the termination of an Interim Approval, the only claim of any kind that the Applicant may make against the Authority is for liquidated damages in the sum of one (\$1.00) dollar.

5.12 Registration by the Authority is in no way an approval of the Applicant by the Authority other than for the purpose of becoming eligible to apply for Incentives under this Program.

5.13 Registration under the Program as a Registered Processor cannot be transferred upon the sale, assignment or transfer of the business of the Registered Processor. Any change to the ownership structure or control of the Registered Processor may result in a suspension or cancellation of registration unless prior written notice has been received by the Authority and a new application for registration has been submitted and accepted by the Authority.

5.14 Where an application for registration is made by a corporation, company, partnership, joint venture, organization or person that is affiliated with or related to any previously approved Registered Processor or Supplier, the Authority may, in its discretion, refuse the registration where in the opinion of the Authority a purpose of the registration is to obtain funding that would not otherwise be available to the related approved Registered Processor or Supplier.

5.15 Approval of an Applicant for registration is in the sole discretion of the Authority.

6. INCENTIVES

6.1 Incentives shall be paid by the Authority to Registered Processors in accordance with the Program.

6.2 Incentives are payable only in respect of Leftover Paint Materials as set out on Schedule "A", attached hereto. Incentives shall not be payable by the Authority in respect of Ineligible Material.

- 6.3 Incentives shall only be paid to Registered Processors upon receipt by the Authority of completed Incentive claims as required by the Authority and upon acceptance by the Authority of the claim. Incentive claims are to be submitted in metric units pounds (lbs) to be converted into kilograms (kg) using the conversion factor of 0.4536 kg/lbs (2.2046 lbs/kg) and Incentive claims are to be completed to the thousandth decimal place (e.g. 0.123). Further direction on how to complete Incentive claims is available upon request.
- 6.4 Incentives may only be claimed by Registered Processors that are in compliance with the objects of the Authority, its Bylaws, guidelines, policies, procedures and protocols and the provisions of all laws, regulations, codes and other requirements, including, without limitation, all applicable Environmental Laws, health, safety and fire codes, regulations, legislation and requirements.
- 6.5 Notwithstanding any other provision of this Program, if a Registered Processor applies for an Incentive for an activity which involves the transportation or supply of Leftover Paint Material to a Non-Arm's Length party the Authority may, in its discretion, impose additional terms and conditions on the approval of the Incentive including, but not limited to, terms and conditions related to reporting requirements, level of funding, term of approval, and the maximum amount of Leftover Paint Material for which the Incentive can be claimed. Prior to the approval of the Incentive the Registered Processor must acknowledge and agree to be bound by any additional terms and conditions required by the Authority and, if requested by the Authority, enter into an agreement with the Authority setting out the additional terms and conditions of the Incentive approval.
- 6.6 Incentives shall not be claimed, and shall not be paid by the Authority, in respect of any Leftover Paint Material directed to landfill for disposal without prior approval.
- 6.7 Incentives shall not be claimed, and shall not be paid by the Authority in respect of any material that is shipped to a Downstream Processor that has not been approved by the Authority to receive specified materials from Registered Processors under the Program.
- 6.8 To ensure the objectives of the Program are met, Incentives are only paid when all requirements of the Program have been satisfied.
- 6.9 Incentives payable under this Program shall be Processing Incentives.
- 6.10 Incentives are made under this Program to Registered Processors who engage in activities that fully meet the terms and requirements of the Program. Incentives are provided to reduce the expenses of Registered Processors in carrying out recycling activities pursuant to the terms of the Program.
- 6.11 Any funds payable under the Program shall be used exclusively by Registered Processors for the purpose it was paid under the Program in accordance with the Program requirements.
- 6.12 Use of funds for any purpose other than that described in the Program creates a right in the Authority to immediately terminate Incentive payments or registration under this Program and a right to immediate return from a Registered Processor of any amounts so paid, and may void the possibility of any future or further payments of Incentives to Registered Processors in the sole discretion of the Authority.

- 6.13 All funds advanced in respect of work not yet complete or prior to meeting all the terms of the Program, are deemed to be held in trust by Registered Processors until the Authority has acknowledged in writing to the Registered Processor that the work has been completed in accordance with the terms of the Program.
- 6.14 Notwithstanding section 6.13, no funds will be advanced in respect of work not yet complete or prior to meeting all the terms of the Program for Registered Processors conducting such work outside of Alberta.
- 6.15 The Authority's role under the Program is strictly limited to providing the Incentives and not for any work undertaken by any Registered Processor.

7. PROCESSING INCENTIVES

- 7.1 Processing Incentives are paid to Registered Processors for pick-up and transportation of Bins containing Leftover Paint Material from Collection Sites and generators of Leftover Paint Material and for delivery of such Leftover Paint Material to Downstream Processors.
- 7.2 Processing Incentives are payable at the rates set out in Schedule "B" attached hereto for each of the Leftover Paint Materials. Rates for Processing Incentives may be amended by the Authority from time to time, and amendments to the Processing Incentives will be communicated to Registered Processors. Processing Incentives shall be payable by the Authority on eligible material as set out on Schedule "A" attached hereto, and as otherwise specified by the Authority from time to time.
- 7.3 In order to receive payment of a Processing Incentive, a Registered Processor must have weighed the Leftover Paint Material that is delivered to a Downstream Processor on an electronic scale that is certified at least annually, and provide a copy of the electronic scale printout or ticket to verify the time, date, tare weight and net weight of the Leftover Paint Material delivered.
- 7.4 Registered Processors must receive prior approval from the Authority for any proposed changes to the processing and/or reporting methods of the Registered Processor which were previously approved by the Authority (as set out in the information provided by the Registered Processor as part of their application package or in any subsequent changes that were previously approved by the Authority). The Registered Processor must advise the Authority of any proposed changes in writing.

8. APPROVAL REVIEW AND PAYMENT

- 8.1 Registered Processors must apply for payment of Incentives from the Authority in accordance with the terms of the Program. There is no obligation on the Authority to pay Incentives until such time as complete and error free application for Incentives has been approved by the Authority.
- 8.2 Registered Processors must apply for payment of Incentives from the Authority and provide supporting documents using a methodology acceptable to the Authority. The methodology is subject to change by the Authority. There is no obligation on the Authority to pay Incentives on claims where the claim or supporting documentation have been submitted

- using a methodology other than that indicated as acceptable to the Authority for the month's claim. Where changes are made by the Authority to the methodology for submitting a claim and back-up documentation, Registered Processors will be responsible to ensure claims are submitted using the new methodology and, if needed, adjust their systems or operations to meet the requirements of the claim process.
- 8.3 Applications for Incentives must be prepared and submitted for each calendar month.
- 8.4 Registered Processors are encouraged to submit their applications for Incentives as soon as possible after the end of each month, and ideally no later than the Processor Claim Due Date specified for each month's claim in the Accounts Payable Schedule attached as Schedule "E" herein.
- 8.5 Registered Processors unable to submit their completed application for Incentives by the Processor Claim Due Date must notify the authority in writing no later than the Processor Claim Due Date that their application for Incentives will be late. This notification must include an estimate of the claim amount and a reason for the late submission.
- 8.6 Where a Registered Processor is unable to submit their application for Incentives by the Processor Claim Due Date indicated in Schedule "E", the absolute deadline for Applications for Incentives is thirty (30) days past the end of the month of the claim activity. After this deadline, the Program is not obligated to approve nor pay the Incentive claim.
- 8.7 The only exception to the guidelines in sections 8.3, 8.4 and 8.5 will be for Incentives for activities completed within the last three (3) business days of a month, where in the normal course of business activity the required documentation to support the claim was not in order by the time the Incentive claim for that month was submitted by the Registered Processor. The activity of the last three (3) business days of the month may be included with the application for Incentives for the immediately following month and will become subject to the deadlines for that following month's claim.
- 8.8 Registered Processors acknowledge that no payment of Incentives will be made until such time as a complete and accurate claim for payment has been accepted by the Authority. All records, receipts and/or invoices as required by the Authority must accompany all applications for Incentives. Where requested by the Authority, each claim for payment must include a summary of the data supporting the Incentive claim in digital spreadsheet format. The format of the data file may be updated from time to time by the Authority. The Authority may require, and the Registered Processor shall provide verification of any information contained in the application for Incentives prior to the Authority approving payment.
- 8.9 The Authority's approval or acceptance of the application for Incentives shall address:
- a) the total maximum Incentives payable;
 - b) the timing, or a schedule of Incentive payments;
 - c) the terms and conditions of Incentive payments;
 - d) additional terms and conditions on the use or payment of the Incentives;

- e) any other specific conditions or accountability requirement that are necessary to carry out the activities of the Registered Processor, including audit procedures and reporting requirements; and
 - f) any other terms and conditions reasonably required by Authority, given the purpose and intent of the Program.
- 8.10 Any payment made by the Authority where there is a false certificate by a Registered Processor, or false or misleading information provided by the Registered Processor, shall be considered to have been paid in error, and any such payment is held in trust by the Registered Processor for the sole and exclusive benefit of the Authority. Such payments or funds shall be returned forthwith to the Authority upon either the Authority or the Registered Processor's discovery of the error.
- 8.11 Incentives are only payable for processing of Leftover Paint Material:
- a) where Leftover Paint Material is generated in Alberta (for clarity, Leftover Paint Material brought into Alberta is ineligible);
 - b) where Leftover Paint Material is exported from Canada for recycling, it is exported only to facilities that have a documented commitment to environmentally sound management and fair labour practices and that have been approved by the Authority;
 - c) where a Transporter is licensed as required by law, is insured, and if applicable, is permitted to transport hazardous waste, as may be required by law;
 - d) where Leftover Paint Material is provided to a Registered Processor that is licensed or approved as required by law, is insured, and is permitted to transport, handle, or process hazardous or dangerous waste or recyclables, as may be required by law; or
 - e) where Leftover Paint Material is provided to a Registered Processor in Alberta, British Columbia, Saskatchewan, or Manitoba that is registered to carry on business in Alberta.

9. RESTRICTION ON PROGRAM PAYMENTS

- 9.1 All Incentive payments made under the Program are made in the sole discretion of the Authority and in accordance with this Program. The Authority may suspend, withhold, delay or reduce any particular Incentive payment to a Registered Processor in any of the following circumstances:
- a) the Registered Processor has not been able to demonstrate the Leftover Paint Material has been satisfactorily collected in accordance with this program;
 - b) the Registered Processor has not been able to demonstrate the Leftover Paint Material has been satisfactorily recycled or processed to a Final Recycled State;
 - c) the Registered Processor has not been able to demonstrate that the Leftover Paint Material has been satisfactorily delivered for recycling or processing to a Downstream Processor;

- d) the Registered Processor's processes, premises, equipment, or procedures are unsafe or are potentially unsafe in the discretion of the Authority
 - e) the Registered Processor is in breach of, or otherwise fails to perform, for any reason whatsoever, any term, condition or provision of the Program, Bylaws, polices, rules or procedures of the Authority, or any contract or agreement between the Registered Processor and the Authority;
 - f) there is an unsatisfactory environmental audit, health and safety audit, or deficiencies arising from a Program compliance review or site inspection; or
 - g) the Registered Processor is in breach of, or is not able to verify conformance to, applicable laws, orders, directives, codes or regulations and the Registered Processor Compliance Requirements as set out in Schedule "C".
- 9.2 The Authority's approval of a request for Incentives shall be limited to availability of funds for the Program generally.
- 9.3 No Incentive payment shall be approved by the Authority that is in excess of the maximum Incentives set out in the schedules hereto for the particular category of Leftover Paint Material for the processing activities described in the schedules.
- 9.4 The Authority may from time to time set a maximum amount payable under this Program and is not required to approve a proposal or project or make any payment that exceeds the maximum set by the Authority. The Authority may, in its sole discretion delay, suspend, withhold or cease (collectively referred to as "Delay") any or all Incentive payments as a result of funding restrictions or for any other reason whatsoever. Should a Delay occur, the Authority will use reasonable efforts to provide reasonable notice to the Registered Processor of the Delay in the making of Incentive payments.
- 9.5 Registered Processors will notify the Authority in writing immediately upon becoming aware of a month over month change in excess of twenty-five percent (25%) of the Registered Processor's average monthly Incentive claim.
- 9.6 The Registered Processor hereby acknowledges and agrees that any payment requests, funds, Incentives, payments, or advances paid under this Program are paid subject to verification of any information requested by the Authority, and subject to all required information being correct and sufficient for the purposes of the Authority.
- 9.7 Registered Processors shall submit an invoice or other record, as requested by the Authority, that is equal to the eligible Incentives being claimed. Any adjustments to the Incentive claim shall be accompanied by an equally adjusted invoice or other record demonstrating the adjustment, as requested by the Authority.
- 9.8 Where an application for Incentives is made by a corporation, company, partnership, joint venture, organization, or person affiliated with or related to any previously approved Registered Processor, the Authority may, in its discretion, refuse approval of such application where, in the opinion of the Authority, a purpose of the application is to obtain Incentives or Program support that would not otherwise be available to the related approved Registered Processor.

9.9 The Authority is not obliged to pay Incentives where the Registered Processor has exceeded the amount or volume of Leftover Paint Material allowed on or around the Registered Collector or Registered Processor's premises as set forth by the Authority.

10. COMPLIANCE

10.1 By applying for Incentives under the Program, Registered Processors agree to be bound by all applicable Authority Bylaws, programs, policies, and procedures.

10.2 Registered Processors acknowledge the Authority's authority to create Bylaws, policies and procedures that may affect Registered Processors and the Program. Registered Processors agree to be bound by all applicable Bylaws, programs, policies, and procedures hereafter adopted by the Authority.

10.3 Unless specifically waived by the Authority, Registered Processors shall comply with the Workers' Compensation Act of Alberta, or the equivalent legislation in British Columbia, Saskatchewan, or Manitoba as applicable to the jurisdiction where the Registered Processor is carrying on its operations, and shall, provide annually to the Authority, a certification from the corresponding Workers' Compensation Board in that jurisdiction certifying that:

- a) the Registered Processor is registered and in good standing with the applicable Workers' Compensation Board; or
- b) the Registered Processor is not required by the applicable *Workers' Compensation Act* or legislation and the regulations under such legislation to have coverage thereunder for the work; and
- c) the Authority will not have current or future liability to the applicable Workers' Compensation Board for that work of the Registered Processor as a consequence of these terms and conditions.

10.4 Each Registered Processor agrees and acknowledges for itself that:

- a) it is an "employer" as defined in the *Occupational Health and Safety Act* (Alberta), Part III of *The Saskatchewan Employment Act*, *The Workplace Safety and Health Act* (Manitoba), or Part 3 of *Workers' Compensation Act* (British Columbia), as applicable to the jurisdiction or jurisdictions where it is carrying on business;
- b) it has overall responsibility for the health and safety of all of its workers;
- c) that it will, as a condition of these terms and conditions, comply with the *Occupational Health and Safety Act* (Alberta), Part III of *The Saskatchewan Employment Act*, the *Workplace Safety and Health Act* (Manitoba) or Part 3 of *Workers' Compensation Act* (British Columbia), as applicable, and regulations enacted thereunder; and
- d) the Authority is not an "employer" or "owner" as defined in the *Occupational Health and Safety Act* (Alberta), Part III of *The Saskatchewan Employment Act*, *The Workplace Safety and Health Act* (Manitoba), or Part 3 of *Workers' Compensation Act* (British Columbia), as applicable to the jurisdiction or jurisdictions where it is carrying on business, in respect of any activity that may be undertaken in direct or

indirect connection with this Program, and the Authority is not responsible for health and safety on a Registered Processor's site.

- 10.5 Each Registered Processor agrees to remain in compliance with all relevant laws, regulations, municipal bylaws, codes and other requirements, including, without limitation, all applicable Environmental Laws, health, safety and fire codes, privacy regulations, legislation and requirements, the Environmental Protection and Enhancement Act (Alberta), Waste Control Regulation (Alberta), the Activities Designation Regulation (Alberta), the Transportation of Dangerous Goods Regulations (Canada), and the Interprovincial Movement of Hazardous Wastes Regulation (Canada). Registered Processors understand that the Authority may suspend or cancel funding or registration under this Program if the Registered Processor is not fully compliant.
- 10.6 A Registered Processor shall promptly advise the Authority in writing and, in any event, within a recommended eight (8) hours and no later than twenty-four (24) hours of:
- a) any breach of any part of the Program;
 - b) any reasonable belief on the part of the Registered Processor that it is not in compliance with any aspect of the Program or any Environmental Laws;
 - c) any change to the processing methods used to process Leftover Paint Material; or
 - d) any municipal, provincial, or federal government department, agency or authority commencing an investigation, or issuing an order, notice, amendment, charge, violation, ticket, or other document with respect to non-compliance with any applicable Environmental Law or requirement.

11. NO LIABILITY

- 11.1 The Authority shall not be liable for any loss, damage, claim, liability, charge, cost, or expense whatsoever that may arise, directly or indirectly, as a result of:
- a) any payment or non-payment by the Authority;
 - b) registration or non-registration of an Applicant;
 - c) non-acceptance of a claim for an Incentive by the Authority; and/or
 - d) any causes attributable to, Registered Processors, Collectors, Suppliers, Transporters, or Downstream Processors in relation to any Leftover Paint Material including, without limitation, the collection, storage, transportation, processing, sale, or supply, or use thereof.
- 11.2 The Authority does not direct, prohibit, discourage, or encourage any particular method or manner of generation, storage, transportation, processing or use of Leftover Paint Material by or Registered Processors. The Authority's role under this Program is restricted to determining whether Incentives are payable under this Program. The Authority does not own or control any Registered Processor.
- 11.3 While the Authority does not generally prohibit the export of Leftover Paint Material from Alberta, the Authority neither encourages nor discourages such export. Where such export

is contemplated, any references to laws, legislation, or regulations in this Program shall be construed to refer to the laws, legislation, or regulation of any applicable jurisdiction.

- 11.4 The Authority shall not be liable for any Registered Processor's collection, use or disclosure of personal or sensitive information or data of any party whatsoever, or the contravention of any privacy legislation.
- 11.5 All matters of administration of, and accountability for any work conducted pursuant to this Program shall be the sole responsibility of the Registered Processor.

12. INDEMNITY

- 12.1 In consideration of receiving Incentives under this Program, each Registered Processor is and shall be liable for, and does hereby release, indemnify and hold harmless the Authority, the Authority's employees, officers, directors, members, agents, contractors and subcontractors of, from and against any and all liabilities, losses, costs, damages, solicitor's fees and disbursements (on a solicitor-and-his-own-client basis with right of full indemnity), claims, demands, actions, obligations, proceedings, and expenses or costs whatsoever that may arise, directly or indirectly:
- a) that are attributable to the negligence, misconduct or any act or omission of the Registered Processor, its employees, agents, contractors, or sub-contractors, in connection with the execution or delivery of the work under the Program or any matter relating to Leftover Paint Material or end products;
 - b) in respect of the use or misuse of any Leftover Paint Material or end products, whether or not such Leftover Paint Material or end products are eligible for Incentives under this Program;
 - c) attributable to the failure of the Registered Processor or the Registered Processor's employees, agents, contractors, or sub-contractors, to comply with any laws, rules, regulations, ordinances, standards, bylaws, orders, certificates, permits, approvals, guidelines, policies, consents, or directions in any way connected with Leftover Paint Material, end products, or the Program;
 - d) attributable to any injury, harm, damage, impairment, or death arising out of the use or misuse of Leftover Paint Material or end products, to any person whatsoever, including without limitation, any of the Registered Processor's employees, agents, contractors, sub-contractors, or any licensees or invitees, or any person for whom they are responsible at law;
 - e) attributable to any environmental damages, contamination, order, direction, claim, reclamation, or cleanup effort in relation to the Registered Processor's land, premises, business or activities;
 - f) arising out of the death or bodily injury of any agent, employee, customer, business invitee or business visitor of the Registered Processor;
 - g) arising out of the damage, loss, or destruction of any real or personal property owned or leased by the Registered Processor;
 - h) arising out of the violation by the Registered Processor of any laws, legislation or regulations;

- i) arising out of any error, act, or omission, or conduct or misconduct (whether negligent or otherwise) which is in breach of this Program by the Registered Processor;
- j) arising out of any legal or administrative action, proceeding, investigation, demand, claim, or notice of any third party, including without limitation any governmental authority, against any Registered Processor pursuant to or under Environmental Laws;
- k) arising out of any release or alleged or potential release of any hazardous substance, or contaminant into the environment; and/or
- l) arising out of any infringement of any patent, trademark, trade secret or copyright registered or recognized in North America.

12.2 The release and indemnification set out in this section 12 shall survive termination or expiry of these terms and conditions or registration under the Program.

12.3 The Authority shall not be liable or responsible for, and the Registered Processor shall release the Authority from any liability in respect of, any bodily or personal injury or property damage of any nature whatsoever that may be suffered or sustained by a Registered Processor, its employees, agents, contractors or sub-contractors, any licensees or invitees, or any person for whom the Registered Processor is responsible for at law:

- a) in the performance of any work performed under the Program or these terms and conditions;
- b) by the use or misuse of any Leftover Paint Material or end products, whether or not or not such end products are eligible for Incentives under this Program; and/or
- c) in respect of any matter or circumstance for which the Authority is indemnified, under this section 12.

13. INSURANCE

13.1 The Authority may require a Registered Processor to provide proof of adequate liability, "all risk", and appropriate environmental insurance, which insurance shall be maintained by the Registered Processor at its own cost and expense.

13.2 For the purposes of this Program and section 13.1, above, Registered Processors shall maintain, at their own expense, comprehensive general liability insurance covering the Registered Processor, its officers, servants, agents, subcontractors and employees for any claim for damage or injury to persons or for loss of life including products liability, liability assumed under this Program, any agreement or document contemplated hereby, or liability arising in the course of the Registered Processor's business, with limits as required by applicable legislation, bylaw, regulation or enactment, and, in any event not less than Five Million (\$5,000,000.00) Dollars inclusive of any one loss. Such insurance shall contain environmental liability coverage or an environmental damage endorsement.

13.3 Each Registered Processor shall maintain, at its own expense, pollution legal liability insurance with limits of not less than One Million (\$1,000,000.00) Dollars, unless: (i) the Registered Processor provides an independent third party assessment indicating that such

insurance is not required; and (ii) the Authority determines, in its sole discretion, that such insurance is not required. Such insurance shall contain environmental liability coverage or an environmental damage endorsement.

- a) Financial Security held with Alberta Environment and Parks pursuant to section 27 of the Waste Control Regulation (Alberta) does not replace the requirement for pollution legal liability insurance.

13.4 Registered Processors shall maintain, at their own expense, automobile liability insurance on all vehicles owned, operated, contracted by, or licensed in the name of the Registered Processor and used in carrying out the obligations under this Agreement with limits of not less than Two Million (\$2,000,000.00) Dollars.

14. REMEDIES

14.1 The Authority reserves all rights and remedies provided to it under law that may be in addition to any terms contained herein.

14.2 In the event that a Registered Processor is in breach of, or otherwise fails to perform, for any reason whatsoever, any term, condition or provision of the Program, Bylaws, policies, procedures, or rules of the Authority or any contract or agreement between the Registered Processor and the Authority, the Authority may, in its sole discretion, do one or more of the following in addition to any other rights it may have at law or otherwise:

- a) terminate any and all agreements with the Registered Processor;
- b) suspend, withhold, delay, or reduce any Incentive payment to a Registered Processor;
- c) demand, and be entitled to receive, from the Registered Processor any and all paid, disbursed, and undisbursed Incentives advanced by the Authority;
- d) suspend or revoke approval or registration at any time; and/or
- e) commence any action or take any steps that the Authority may consider just or appropriate in the circumstances.

14.3 In the event of the appointment of a receiver over the assets and affairs of a Registered Processor, the Authority may allow, in its sole discretion, the receiver to carry out the terms of an approval for an Incentive under the Program prior to receivership, provided always the receiver be obligated to the same extent and in the same manner as the Registered Processor. Further, the Authority may, in its sole discretion, allow the Authority's funds to be utilized by the receiver of a Registered Processor in a manner that is in accordance with the Bylaws, rules and policies of the Authority, as well as any applicable agreement, all as if the receiver were the original Applicant for the funds.

14.4 The Program in its entirety shall be governed by the laws of the Province of Alberta. Registered Processors agree to attorn to the exclusive jurisdiction of the courts of the Province of Alberta.

15. RECORDS

- 15.1 The Authority maintains the right to require further or more complete information from any Registered Processor claiming an Incentive under the Program or from an Applicant applying for registration under the Program.
- 15.2 Registered Processors shall maintain all records relating to the Program for five (5) years. All such records shall be made available to the Authority upon the request of the Authority.
- 15.3 Without limiting the generality of the forgoing, Registered Processors shall provide reports of volumes of Leftover Paint Material recycled, processed, disposed of, and collected, at least annually to the Authority, in a form acceptable to the Authority.

16. REPORTING AND AUDIT REQUIREMENTS

- 16.1 Registered Processors shall provide all information the Authority requests relating to the Program, Incentives, Leftover Paint Material, or any other related matter or request for an Incentive, both before and after approval and this provision shall be a requirement of the approval or payment of Incentives.
- 16.2 Incentive reporting shall be submitted monthly. If no eligible Processing Incentives are payable, the Registered Processor must notify the Authority that no Incentives are being claimed for the reporting period. The Processor must still submit a report of incoming Leftover Paint Material, including volumes received and origin of material, for that period.
- 16.3 Without limiting the generality of the foregoing, the Authority or its agent may request and shall receive from any Registered Processor:
 - a) a report including a statement of income and expenses and a statement of financial position for the time period requested by the Authority (the “Financial Report”), together with an “attest statement” signed by the Chief Financial Officer of the Registered Processor, if the Registered Processor does not have a Chief Financial Officer, the key financial decision maker of the Registered Processor, attesting that all information in the Financial Report is complete and accurate. A template for the Financial Report will be provided by the Authority to the Registered Processor for the purposes of the Financial Report and attest statement. The Registered Processor will also provide a copy of the Registered Processor’s GIFI filed with the Canada Revenue Agency for the time period of the Financial Report requested by the Authority and the Authority will verify that the Financial Report received is in agreement with the reported GIFI;
 - b) an audit report provided by an independent, qualified accountant;
 - c) complete and prompt responses to any financial or compliance audit inquiries or requests by the Authority or its agent;
 - d) financial reports detailing costs for each category of Leftover Paint Material processed;
 - e) the submission of technical reports in respect of processing of Leftover Paint Material;

- f) the submission of technical reports for total volumes of Leftover Paint Material collected and processed annually;
- g) the submission of annual inventory of Authority-supplied Bins;
- h) an annual scale certification and/or calibration report provided by an independent, qualified inspector, as may be applicable;
- i) the submission of reports on a monthly basis for total volumes of Leftover Paint Material sent to a landfill and total volumes of metals and plastics recycled;
- j) receipts, invoices, accounts, or other documents relating to any part of Leftover Paint Material processing, including waste collection records, scale tickets, proof of delivery of product, and other such required or requested documentation;
- k) a certificate of an individual Registered Processor, or an officer or principal of a corporate Registered Processor, certifying all accounts with Suppliers are current and paid; and
- l) any other reasonable information relating to applications for Incentives or any matter that relates to this Program or procedure of the Authority.

16.4 The Authority or its agent reserves the right at all times to conduct audits, site inspections, or reviews of the books and records of all Applicants and Registered Processors, as it may relate to the Program, Incentives, Leftover Paint Material, or any other related matter.

17. TERMINATION

17.1 The Authority may, in the Authority's sole discretion and upon written notice to the Registered Processor, suspend, withhold, delay, or reduce any Incentive payment, and suspend or revoke registration under the Program in accordance with the terms of the Program. The Authority may lift such suspension, withholding, delay or reduction of Incentive payments or suspension or revocation of a Registered Processor's registration at any time in the Authority's sole discretion.

17.2 The Authority may cease funding to a Registered Processor without cause by giving six (6) months' notice to the Registered Processor, and, upon termination, the Registered Processor is entitled to be compensated in accordance with the terms of this Program such that any amounts due under this Program up to the effective date of the termination will remain payable to the Registered Processor.

17.3 A Registered Processor's participation in the Program may be terminated by mutual consent of the parties evidenced in writing.

17.4 Upon termination of its participation in the Program, a Registered Processor must provide the Authority with a detailed accounting of the work completed under the Program up to the termination date.

17.5 In the event that the Registered Processor suffers any damages of any kind whatsoever resulting from termination under this Program, the only claim of any kind that the Registered Processor may make against the Authority is for liquidated damages in the sum of One (\$1.00) Dollar.

- 17.6 In the event that the Program is terminated for any reason whatsoever, the unexpended funds allocated to the Program remain the exclusive property of the Authority and if held by the Registered Processor, must be returned forthwith to the Authority.

SCHEDULE "A"

ELIGIBLE LEFTOVER PAINT MATERIAL

Subject to the terms and conditions of this Program, the following Leftover Paint Materials in their original containers (aerosol paint containers and paint supplied in unpressurized containers with a capacity between 100 ml and 23L) are specifically eligible for payment of Incentives:

<ul style="list-style-type: none"> ◆ Aerosols/Spray Paints: <ul style="list-style-type: none"> ◇ Paint-based aerosols, ◇ Blank aerosol cans
<ul style="list-style-type: none"> ◆ Architectural coatings including but not restricted to: <ul style="list-style-type: none"> ◇ Water-based (e.g., latex, acrylic) ◇ Oil & solvent based (alkyd)
<ul style="list-style-type: none"> ◆ Interior and exterior paint and stains regardless of finishing type (e.g., eggshell, satin, chalk finish): <ul style="list-style-type: none"> ◇ Chalk based paint ◇ Craft and artist paints (e.g., tempera paint) ◇ Drywall paint ◇ Enamels (standard single component) ◇ Epoxies (pre-catalyzed) ◇ Ink based paint ◇ Metal paints <ul style="list-style-type: none"> ○ Decorative ○ Rust preventative coatings ◇ Milk-based paint
<ul style="list-style-type: none"> ◆ Topcoats (Single Component, waterborne/water based, or solvent based) <ul style="list-style-type: none"> ◇ Glazes ◇ Lacquers <ul style="list-style-type: none"> ○ Pre-catalyzed and nitrocellulose ○ Water borne ◇ Polyurethanes ◇ Shellac and shellac-based products ◇ Urethanes ◇ Varnishes
<ul style="list-style-type: none"> ◆ Primers, Sealers and Undercoats
<ul style="list-style-type: none"> ◆ Stains & Finishes <ul style="list-style-type: none"> ◇ Barn & Fence ◇ Deck ◇ Floor ◇ Porch & Patio ◇ Wood finishing oils and stains

<ul style="list-style-type: none">◆ Sealers (non-tar or non-bitumen based)<ul style="list-style-type: none">◇ Concrete Sealer◇ Driveway Paints or sealers◇ Elastomeric coatings (water-based only)◇ Encapsulant coatings◇ Liquid block filler◇ Masonry Sealer◇ Stain Blocking paint◇ Undercoat◇ Water repellent sealers
<ul style="list-style-type: none">◆ Solvents, thinners, and mineral spirits
<ul style="list-style-type: none">◆ Textured Paint<ul style="list-style-type: none">◇ Stone effects coatings◇ Stucco paint◇ Swimming pool coating (single component)◇ Textured paint◇ Truck Bed Coating
<ul style="list-style-type: none">◆ Miscellaneous<ul style="list-style-type: none">◇ Deck cleaners◇ Dry fog coating◇ Fire-retardant/resistive coating (e.g., Pink Shield)◇ Marine paint and enamel (non-anti-fouling)◇ Scenic, movie set paint◇ Strippers for paint, coatings, and wallpaper removal◇ Traffic marking paint◇ Tree marking paint◇ Wood preservatives (non-creosote)

The list of products above is provided for reference purposes and may be amended from time to time.

Refer to the Alberta Recycling website for the current list of eligible products:

www.albertarecycling.ca/recycling-programs/paint-recycling-program/eligible-products-fees/

SCHEDULE "B"
PROCESSING INCENTIVES

The Processor will make every effort to achieve the highest environmental outcomes and consolidate oil based and non-latex paint materials.

The level of funding and categories of Processing Incentives for Leftover Paint Materials may be adjusted from time to time by the Authority upon thirty (30) days' notice to Registered Processors having regard to expenses of Registered Processors generally and contingent on the Authority's budget.

All Processing Incentives will be paid to Registered Processors upon satisfactory receipt by the Authority of confirmation that Leftover Paint Material has been delivered to, and received by an approved Downstream Processor, as follows:

1. PROCESSED ELIGIBLE LEFTOVER PAINT MATERIALS

- 1.1 \$1.20/kg of non-latex and oil-based paint, actual finished weight.
- 1.2 \$1.35/kg of latex paint, finished weight, as determined by
 - a) the weight of unbulked paint in Bins, calculated as follows:

Weight of unbulked paint in Bin equals weight of full Bin with lid minus weight of empty containers minus weight of empty Bin with lid. The weight of empty containers is calculated by multiplying the number of containers in the Bin by 0.554 kg.

2. PAINT AEROSOLS PROCESSED

- 2.1. \$0.60 per Leftover Paint Material aerosol container, based on an actual aerosol container count.
 - a) \$120.00 per Drum of Leftover Paint Material aerosol containers (minimum 200 containers), if less than a full Drum is shipped an individual container count is needed,
 - b) \$600.00 per full Aerosol Storage Receptacle (minimum 1M³ and 1,000 containers), if less than a full Aerosol Receptacle is shipped an individual container count is needed,
 - c) \$720.00 per full Aerosol Storage Receptacle (minimum 1.2M³ and 1,200 containers), if less than a full Aerosol Receptacle is shipped an individual container count is needed.

3. REGISTERED PAINT COLLECTION SITE PAINT BIN PICK UP

- 3.1. Incentives will be paid to Registered Processors who pick up Leftover Paint Material in Bins only from Registered Collection Sites.

- 3.2. Incentives can be claimed upon satisfactory receipt by the Authority of confirmation that Leftover Paint Material has been delivered to and received by an approved Downstream Processor.
- 3.3. \$0.22/kg of Leftover Paint Material, calculated as follows:
 - a) Weight of Leftover Paint Material equals weight of full Bin with lid minus the weight of the empty Bin with lid;
- 3.4. This Incentive does not apply to:
 - a) Paint Bins picked up from metro Edmonton or Calgary Collection Sites;
 - b) Bins picked up at a commercial paint roundups or municipal round-up events; and
 - c) Paint collected on pallets or other non-program approved storage containers.

4. ELIGIBLE EMPTY PAINT CONTAINERS RECYCLED

- 4.1 Incentives will be paid to Registered Processors upon satisfactory receipt of a manifest signed by the appropriate parties confirming that empty Leftover Paint Material containers (including aerosol containers) have been delivered to, and received by an approved Downstream Processor, as follows:
- 4.2 \$0.07/kg (metal) and \$0.10 (plastic) of paint containers, finished weight, as determined by
 - a) actual weight of eligible empty paint containers with valid scale ticket;
 - b) average weight of aerosol paint containers processed and shipped to a metals recycler that has been approved as a Downstream Processor.
 - i. The average weight of empty aerosol containers is calculated by multiplying the number of containers processed by 0.125 kg.

SCHEDULE "C"

REGISTERED PROCESSOR COMPLIANCE REQUIREMENTS

These compliance requirements outline the Authority's requirements for Registered Processors providing processing or recycling services for Leftover Paint Material collected through the Program. All Registered Processors must meet these compliance requirements in order to be registered as Registered Processors under the Program.

REQUIREMENTS FOR COMPLIANCE OF REGISTERED PROCESSORS

All Registered Processors and all sub-contractors used by a Registered Processor must assure that all Leftover Paint Material is processed in an environmentally sound manner at facilities that are licensed by all appropriate governing authorities.

All Registered Processors must ensure that all activities (storage, processing, etc.), including activities relating to Ineligible Materials, that are conducted at the Registered Processor's facility are conducted in an environmentally sound manner and in a manner that safeguards the health and safety of employees working at the facility.

All Registered Processors must continually seek to reduce costs, improve services provided, ensure regulatory compliance, exceed industry standards, and achieve the highest environmental outcomes in respect of Leftover Paint Material.

All Registered Processors must accept all types of Leftover Paint Materials considered eligible under the Program.

Upon request of the Authority, Processors must provide a copy of the terms and conditions associated with any third-party contract for the end-of-life management of Leftover Paint Material to demonstrate to the satisfaction of the Authority, at its sole discretion, that the contractual arrangements are in compliance with the Program Requirements.

All Registered Processors shall demonstrate the expertise, knowledge, and technical capability to process each type of material it accepts in a manner that is legal and protective of worker safety, public health, and the environment. All Registered Processors must have both the ability and the capacity to ensure that Leftover Paint Material is processed to a Final Recycled State, and must accept full responsibility for Leftover Paint Material once it leaves a Collection Site or ICI Source and until it has reached a Final Recycled State at the Registered Processor's facility, or has been directed to a facility or facilities further downstream for the purpose of the Leftover Paint Material being recycled or processed to a Final Recycled State.

All Registered Processors must provide objective evidence that the following requirements have been satisfied:

1. ENVIRONMENTAL MANAGEMENT

All Registered Processors shall:

- 1.1 Possess and maintain, and provide to the Authority upon request, a documented Environmental Management System to ensure adequate control over the Registered Processor's impact on the environment;
- 1.2 Identify and comply with all applicable Environmental Laws, orders, or directives (international, federal, provincial/state, and municipal) and disclose any related legal infractions within the five (5) years period prior to the date of application;
- 1.3 Possess and adhere to all applicable provincial/state waste and air emissions permits or certifications, and have processes in place to ensure continued compliance to the requirements of such authorization(s);
- 1.4 Possess and adhere to all applicable provincial/state regulations and obtain all applicable approvals for the operation of hazardous waste and hazardous recyclables storage facilities;
- 1.5 Ensure the proper and legal handling of all hazardous materials, hazardous recyclables and hazardous waste generated, collected, or processed through the Registered Processor's facility by implementing and maintaining a documented procedure to manage hazardous materials that provides guidance on how materials are stored and registered in accordance with federal and provincial regulations; and
- 1.6 Implement and maintain a documented procedure for responding to and reporting pollutant spills and emergency situations, including a plan to mitigate any environmental damage caused.

2. OCCUPATIONAL HEALTH AND SAFETY

All Registered Processors shall:

- 2.1. Identify and comply with all applicable health and safety regulations (federal, provincial/state, municipal, and industry standards) and disclose any legal infractions within the five (5) year period prior to the date of application;
- 2.2. Maintain a current Certificate of Recognition ("COR"), or equivalent, and in the event that a COR or equivalent certification expires, the Processor must provide the Authority with written notification from their auditor confirming that the recertification process is underway;
- 2.3. Possess current workers' compensation coverage; and
- 2.4. Ensure occupational health and safety of employees working at the facility by:
 - a) providing continual health and safety training of personnel;
 - b) making available and enforcing the use of personal protective equipment;

- c) labeling of all hazardous materials; and
- d) safeguarding of dangerous mechanical processes.

3. OPERATIONS

All Registered Processors shall:

- 3.1. Maintain a monitoring program to track key processes, compliance with applicable legislation, and any emissions or effluents being generated;
- 3.2. Maintain all records for a period of five (5) years, including manifests, bills of lading, scale tickets and chain of custody in respect of all materials destined for downstream markets;
- 3.3. Upon request, provide annual recycling volume reports to the Authority;
- 3.4. Notify the Authority prior to processing any Leftover Paint Material that may not have been sold into the market.
- 3.5. Ensure that scale tickets are automatically printed from the scale reading, and that scale tickets include time, date, weight, and are legible and not manually altered;
- 3.6. Scale tickets are required to substantiate the weight claimed, and acceptable formats include original scale tickets, electronic copies of scale tickets, and reports that are automatically generated by the certified scale;
- 3.7. Submit an annual scale calibration provided by an independent, qualified inspector;
- 3.8. Ensure that prison labour is not used in the recycling of Leftover Paint Material;
- 3.9. Provide prompt written notice to the Authority and within a recommended eight (8) hours and no later than twenty-four (24) hours of any incident that is reportable to any government, regulatory or other authority or under any contract (e.g., Alberta Environment and Parks, Fire Department, EMS/ambulance, RCMP/municipal police). The occurrence of emergency events, including exceptional releases, accidents, spills, fires, and explosion shall be reported to the required authorities;
- 3.10. Provide the Authority or its agent with access to their facility to conduct scheduled or unannounced visits and inspections (including the taking of photographs) of the recycling process, inventory, or general site for the Authority's internal purposes; and
- 3.11. Inform the Authority of personnel changes to management and other personnel regularly in contact with the Authority and inform the Authority of any changes to accounts payable information within five (5) business days of such changes being made.
- 3.12. Maximize Leftover Paint Material recycling and ensure that Leftover Paint Materials are not directed to landfill;

- 3.13. Prior to distribution, provide for review to the Authority any formal communications from the Processor to Collectors, Suppliers, and other Program stakeholders where reference is made to Program changes, funding, results, or other data.

4. DOWNSTREAM PROCESSORS

All Registered Processors shall:

- 4.1. Identify all Downstream Processors that are used to process Leftover Paint Material under the Program through to a Final Recycled State;
- a) The Authority wishes to encourage using local markets wherever possible. Therefore, Downstream Processor approval will be prioritized based on processing facility location. Alberta-based downstream processors will receive highest priority approvals, followed by facilities located within Canada, followed by other North American-based options. Prior to receiving approval for a Downstream Processor located outside of North America, the Registered Processor must demonstrate no other higher priority options are viable.
- 4.2. Have a process to ensure that all Downstream Processors that are used to process Leftover Paint under the Program through to a Final Recycled State:
- a) possess all appropriate waste and air emissions permits or certifications;
 - b) have and provide evidence of current liability insurance of no less than One Million (\$1,000,000.00) Dollars;
 - c) process materials in an environmentally sound manner; and
 - d) safeguard the health and safety of employees working at the facility, as evidenced by current supporting documentation.
- 4.3. Receive approval from the Authority prior to shipping any material to Downstream Processors to ensure shipment is eligible for Incentives;
- e) Submission of a completed Downstream Processor application with detailed information on how the Leftover Paint Material is managed by the Downstream Processor is required for approval by the Authority. If the Downstream Processor changes their procedures as they related to Leftover Paint Material, written notification must be provided to the Authority.
- 4.4. Conduct and maintain a record of the Downstream Processor evaluation that is acceptable to the Authority or its agent, and is available at the request of the Authority or its agent, including records or other evidence in respect of the items described above in section 4.2;
- 4.5. Maintain supporting documentation to demonstrate that the Final Recycled State of all Leftover Paint Material shipped to an approved Downstream Processor has been verified annually, at a minimum;
- 4.6. Submit on an ongoing basis to the Authority all supporting documentation (as described above in section 4.2) to ensure the continued approval of a Downstream Processor and avoid holdbacks; and

- 4.7. Submit written notification to the Authority of any incident that is required to be reported to a regulatory body which occurs at a Downstream Processor facility.

5. TRANSPORTATION

All Registered Processors shall:

- 5.1. Ensure that all transporters used to transport Leftover Paint Material from a Registered Processor's facility to Downstream Processors for further processing are:
- a) fully licensed and insured;
 - b) possess the appropriate federal and provincial/state permits or certifications to transport hazardous materials;
 - c) place the proper placards on transportation vehicles prior to transport;
 - d) adhere to all federal and provincial/state transportation of hazardous materials requirements; and
 - e) are able to provide the Registered Processor with proper waste manifests.
- 5.2. Maintain records of such transportation insurance and permits obtained from transporters used to transport Leftover Paint Material and make them available at the request of the Authority.

SCHEDULE "D"

SECURITY TERMS AND CONDITIONS

1. SECURITY REQUIRED

- 1.1 Where an Applicant applies for registration under this Program, as a condition to registration, the Authority may require the Registered Processor to provide security or provide evidence of security in place with Alberta Environment and Parks before any processing of Leftover Paint Material commences.

2. AMOUNT OF SECURITY

- 2.1 For the purpose of this Schedule "D", security for post closure associated expenses shall be in an amount which is determined by the management of the Authority annually and which is calculated based on the following:
- a) \$10,000.00 to be assigned to potential future post closure associated expenses incurred by the Authority associated with the closure of the Registered Processor's site; plus
 - b) A minimum of \$10,000 for each processing site operated by a Registered Processor under the program (amount to be calculated and confirmed annually by the Authority).
- 2.2 Each Registered Processor's security requirement shall be reviewed annually by the Authority, at which time it may be adjusted in accordance with this Schedule "D".

3. ADJUSTMENT OF SECURITY

- 3.1 The Authority shall notify a Registered Processor of any proposed adjustment to the amount of the security. The Registered Processor shall submit the security in the required adjusted amount within thirty (30) days of notification by the Authority.

4. FORM OF SECURITY

- 4.1 Security must be in one or more of the following forms as required by the Authority, or such other form as may be acceptable to the Authority:
- a) cash on deposit with the Authority;
 - b) government guaranteed bond, debentures, term deposits, certificates of deposit, trust certificates or investment certificates assigned to the Authority;
 - c) irrevocable letters of credit in a form acceptable to the Authority, irrevocable letters of guarantee in a form acceptable to the Authority, performance bonds or surety bonds in a form acceptable to the Authority;
 - d) any other form that is acceptable to the Authority.
- 4.2 Environmental Insurance is not considered an acceptable form of security for the purpose of this Program requirement.

5. RETURN OF SECURITY

- 5.1 The Authority may determine that all or part of the security provided by the Registered Processor be returned to the Registered Processor if:
- a) a Registered Processor ceases to be in business as a Registered Processor, and the site and all Leftover Paint Material has been wholly reclaimed, remediated, restored, or removed, as the case may be; or
 - b) reclamation, remediation, or restoration of the site has been partially complete, in which case the Authority may, on application by the Registered Processor, return a part of the security as determined by the Authority; or
 - c) the Authority decreases the amount of security required under these terms, in which case the Authority shall return the portion of the security no longer required; or
 - d) an application for registration or Incentives is submitted by a Registered Processor but no approval is issued by the Authority; and/or
 - e) all other Program requirements of the Authority have been met by the Registered Processor.

6. FORFEITURE OF SECURITY

- 6.1 The Authority may determine that all or part of the security provided by the Registered Processor be forfeited if:
- a) the Registered Processor fails to commence and complete reclamation, remediation, or restoration of a site where a Registered Processor abandons the site or abandons Leftover Paint Material or operations on the site;
 - b) the Registered Processor fails to meet any requirement relating to inventory levels, maintaining the site, or environmental requirements as a condition of the Authority approval;
 - c) the Registered Processor fails to comply with any applicable law, regulation, code, approval or the Program;
 - d) the Registered Processor fails to renew existing security before its expiry date;
 - e) the Registered Processor fails to adjust the amount of security as required by the Authority under this Program;
 - f) the Registered Processor fails to comply with an order issued by a government authority;
 - g) a receiver, receiver-manager or trustee has been appointed in respect of the operations of the Registered Processor;
 - h) there are any amounts owing by the Registered Processor to the Authority under the Program, and the Registered Processor has failed or otherwise has neglected to pay;
 - i) the Authority has suffered any losses, costs, expenses, or damages as a result of the Registered Processor's registration with the Authority, its participation in the Program, or the acts or omissions of the Registered Processor generally;

- j) the Authority requires the Registered Processor to indemnify it under this Program;
 - k) the Registered Processor fails to maintain insurance required under this Program; or
 - l) the Authority determines the Registered Processor is unable to liquidate its inventory of Leftover Paint Material.
- 6.2 Where the Authority requires security to be forfeited, the Authority shall give written notice of the decision to the Registered Processor.
- 6.3 Prior to allowing continuing participation under this Program by a Registered Processor after security has been forfeited, the Registered Processor will be required to provide the Authority new security in an amount required under this Program.
- 7. FAILURE TO COMPLY**
- 7.1 Failure to comply with the posting of security requirement will result in no further payments being made to the Registered Processor under the Program.

SCHEDULE “E”

ACCOUNTS PAYABLE SCHEDULE

The following table identifies the 2022-23 fiscal year Incentive Payment dates, and the corresponding deadline for submission by Registered Processors of their application for Incentives (the “Processor Claim Due Date”) in order to receive payment on each respective Incentive Payment Date. Payment for claim submissions received later than these deadlines, incomplete, and/or with errors will be delayed. If processors are not submitting a claim for a particular month, they must notify the Authority by the corresponding Processor Claim Due Date.

Payments are subject to the Authority’s right to withhold, delay or reduce any particular Incentive payment.

If a Processor Claim Due Date or Incentive Payment Date falls on a weekend or statutory holiday in the Province of Alberta, the Processor Claim Due Date or Incentive Payment Date, as the case may be, will be the previous business day.

<i>Processor Reporting Period</i>	<i>Processor Claim Due Date</i>	<i>Incentive Payment Date</i>
April 2022	13-May-2022	15-Jun-2022
May 2022	15-Jun-2022	15-Jul-2022
June 2022	15-Jul-2022	15-Aug-2022
July 2022	15-Aug-2022	15-Sep-2022
August 2022	15-Sep-2022	14-Oct-2022
September 2022	14-Oct-2022	15-Nov-2022
October 2022	15-Nov-2022	15-Dec-2022
November 2022	7-Dec-2022*	13-Jan-2023
December 2022	13-Jan-2023	15-Feb-2023
January 2023	15-Feb-2023	15-Mar-2023
February 2023	15-Mar-2023	14-Apr-2023
March 2023	14-Apr-2023	15-May-2023

*Please note early deadline for November 2022 paperwork due to holiday office closure.

Registered Processors are not required to wait until the Processor Claim Due Date to submit Incentive claims. The Authority recommends that Registered Processors submit their Incentive claims to the Authority for review and approval as early as they are able to submit a complete and accurate claim.

SCHEDULE "F"

PROGRAM SPONSORED PROJECTS

The Authority, from time to time, may require the participation of the Registered Processor in various Program sponsored projects. These projects may be developed in support of the Authority's Strategic Business Plan or in order to meet the key goals and annual performance measures of the Program.

The following list identifies the projects identified for Registered Processor participation during the 2022-23 fiscal year. Registered Processors will be informed by the Authority of the specific requirements and timelines associated with the project(s). The Authority may engage a third party to conduct the project on its behalf.

1. Environmental, Health and Safety Audits of Registered Paint Processors
2. Sustainability Review of Registered Paint Processors

The list of Program sponsored projects may change at the discretion of the Authority. Registered Processors will be advised of any changes to their required participation.