



Registered Used Oil Materials Processor Incentive Program Requirements April 1, 2024 – March 31, 2027



REGISTERED USED OIL MATERIALS 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 Used Oil Processor Incentive Program Requirements (the "Program"). The undersigned Applicant agrees that this agreement expires on March 31, 2027, 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 _____, [Province], this _____ day of _____, 20____.

[Name of Applicant]

[Signature of Authorized Signing Officer of Applicant]

[Name of Signing Officer – please print]

Registered Used Oil Materials Processor Incentive Program Requirements

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1. DEFINITIONS

- 1.1 **“Alberta”** means the province of Alberta including the part of the City of Lloydminster located within the provincial borders of Alberta;
- 1.2 **“Applicant”** means a company, individual, or partnership who applies for registration under this Program as a Registered Processor;
- 1.3 **“Approved End Use Material”** means usable products created from processed used oil materials as set out in Schedule “C”;
- 1.4 **“Authority”** means Alberta Recycling Management Authority;
- 1.5 **“Bylaws”** means the Authority’s bylaws made under section 12 of the *Designated Material Regulation*, as may be amended from time to time;
- 1.6 **“Collection Site”** means a site operated or approved by a municipality for the collection of Used Oil Material;
- 1.7 **“Collector”** means a municipality registered with the Authority that has a Collection Site;
- 1.8 **“Delay”** has the meaning set out in section 9.4;
- 1.9 **“Designated Material Regulation”** means the *Designated Material Recycling and Management Regulation* (Alberta), as may be amended from time to time;
- 1.10 **“Downstream Processor”** means a company/facility that receives Used Oil Material from a Registered Processor for recycling, processing, or an approved end use, but which is not eligible for Incentives under the Program;
- 1.11 **“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;
- 1.12 **“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;
- 1.13 **“Final Recycled State”** means the point in the downstream flow of material where the materials generated from the processing of Used Oil Materials have been physically or chemically altered into a new product, material, commodity, or state;

- 1.14 **“Financial Report”** has the meaning set out in section 16.3(a);
- 1.15 **“Generator”** means a user of Lubricating Oil, Oil Containers and/or Oil Filters that, through normal use of these materials, creates Used Oil Materials;
- 1.16 **“GIFI”** means the General Index of Financial Information as set out in section 16.3(a);
- 1.17 **“ICI Source”** means a source of Used Oil Material that is from the industrial, commercial, or institutional sector;
- 1.18 **“Incentive”** means any funding payable under the Program, as the context may require, including Processing Incentives;
- 1.19 **“Ineligible Material”** means oil, oil containers, oil filters or other materials or products which are not Used Oil Material;
- 1.20 **“Interim Approval”** has the meaning set out in section 5.9;
- 1.21 **“Lubricating Oil”** means all petroleum-derived or synthetic crankcase oils, engine oils, hydraulic fluids, transmission fluids, gear oils, heat transfer fluids, or other oils or fluids used for lubricating purposes in machinery or equipment;
- 1.22 **“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.);
- 1.23 **“Oil Container”** means a container in which Lubricating Oil is supplied and that has a capacity of 30 litres or less;
- 1.24 **“Oil Filter”** means material through which a gas or liquid is passed to remove substances. For the Authority, this is any spin-on or element style fluid filters used in hydraulic, transmission, or internal combustion engine applications. This includes oil-air separator, diesel fuel, coolant, storage tank, and household furnace fuel filters; sump tank automatic transmission filters; plastic/paper element style filters; and diesel fuel filters used at retail and commercial pump islands. This does not include gasoline fuel filters, air filters, household furnace air filters, and sock-type filters;
- 1.25 **“Oil Materials”** means Lubricating Oil, Oil Containers, and/or Oil Filters;
- 1.26 **“Processor Claim Due Date”** has the meaning set out in Schedule “E”;
- 1.27 **“Processing Incentive”** means an Incentive payable to Registered Processors under the terms of this Program and as set out in Schedule “B”;

- 1.28 **“Processor”** means a receiver and processor of one or more Used Oil Materials;
- 1.29 **“Program”** means this Registered Used Oil Processor Incentive Program Requirements, including the schedules attached hereto;
- 1.30 **“Registered Processor”** means a Processor who has been registered by the Authority that fully meets the terms and requirements of the Program and who directs processed Used Oil Materials to a Downstream Processor;
- 1.31 **“Supplier”**, also known as EHC Remitter, means a supplier as defined in the Used Oil Recycling Bylaw, as may be amended from time to time, and includes a manufacturer, marketer, wholesaler, retail distributor, or jobber of Used Oil Material;
- 1.32 **“Transporter”** means a company that picks up used oil materials from collection facilities and/or generators and delivers them to a Registered Processor;
- 1.33 **“Transportation Incentive”** means an Incentive payable to a Registered Processor under the terms of this Program as set out in Schedule “B”.
- 1.34 **“Used Oil”** means Lubricating Oil following its initial use;
- 1.35 **“Used Oil Filter”** means an Oil Filter following its initial use;
- 1.36 **“Used Oil Material”** means lubricating oil materials as defined in the Used Oil Regulation, including Lubricating Oil, Oil Containers, and Used Oil Filters, which attract a surcharge pursuant to the Used Oil Regulation, as further set out in Schedule “A”, as may be amended from time to time; and
- 1.37 **“Used Oil Regulation”** means the *Lubricating Oil Material Designation Regulation* (Alberta), as may be amended from time to time.

2. PROGRAM PURPOSE

- 2.1 The purpose of the Program is to encourage waste minimization and recycling of Used Oil Material in Alberta as specified under the Designated Material Regulation and the Used Oil Regulation.
- 2.2 The Program will not pay Incentives for any use or disposal of Ineligible Material or Used Oil 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.
- 2.3 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 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. USED OIL MATERIAL FROM ALBERTA

- 3.1 Incentives paid under this Program are sourced from surcharges (as defined in the Designated Material Regulation) which are collected on the sale, importation, or distribution of Used Oil Materials into Alberta to fund the end-of-life management of these products when discarded in Alberta. Accordingly, only Used Oil Material originating in Alberta will be considered eligible as Used Oil Material for the purposes of the Program and Incentive payments made under the Program.
- 3.2 Registered Processors are responsible for verifying that Used Oil Material, including any Used Oil Material collected by third-party companies, has originated in Alberta as required. Incentives or approvals may be withheld without adequate verification as may be required by the Authority.

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; and
- g) evidence from Alberta Environment and Protected Areas 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.
- 5.3 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 Used Oil Materials 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 Protected Areas 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, the final approval of an Applicant for registration is at 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) bankruptcy or insolvency of the Registered Processor;
 - g) the 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, at 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 at 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 Used Oil 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. Where incentive claims are calculated utilizing weight-based measurements, the units are to be submitted in metric units (i.e. kilograms [kg]). Where scale tickets or other documents used to substantiate a claim utilize pounds (lbs) as the unit of measure, those units are to be converted by the Registered Processor into kilograms (kg) using the conversion factor of 0.4536 kg/lbs (2.2046 lbs/kg). Similarly, where incentive claims are calculated utilizing volume-based assumptions, the units are to be submitted in metric units (i.e. litres [L]). Conversion from gallons (US) to litres are to be completed by the Registered Processor using a conversion factor of 3.7854 L/gal (US) [0.2642 gal (US)/L]. The entry of kilograms and litres into incentive claims are to be completed to the thousandth decimal place (e.g., 0.123 kg or 0.123 L). 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 Used Oil Material to a Non-Arm’s Length party the Authority may, at 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 Used Oil 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 Used Oil Material directed to a landfill for disposal or an unapproved end use(s) 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 Transportation Incentives and 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. TRANSPORTATION AND PROCESSING INCENTIVES

- 7.1 Transportation Incentives are payable to Registered Processors at the rates and on the terms set out in Schedule "B" attached hereto.
 - a) Detailed transaction records for each collection and transport of Used Oil Material included in the monthly Incentive claim must be submitted by the Processor to the Authority through the ARMA Connect portal. It is the responsibility of the Processor to prepare and submit the data in a format and manner compatible with the

requirements of the Authority and the ARMA Connect system.

7.2 Processing Incentives are payable to Registered Processors at the rates and on the terms set out in Schedule “C” attached hereto.

- a) Detailed transaction records for each shipment of outgoing materials included in the monthly Incentive claim must be submitted by the Processor to the Authority through the ARMA Connect portal. It is the responsibility of the Processor to prepare and submit the data in a format and manner compatible with the requirements of the Authority and the ARMA Connect system.

7.3 Rates for Incentives may be amended by the Authority from time to time, and amendments to the Incentives will be communicated to Registered Processors. 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.

7.4 In order to receive payment for an Incentive requiring a weight-based measurement, a Registered Processor must have weighed the materials received from a generator or 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 Used Oil Material delivered. In order to receive payment of an Incentive requiring a volume-based measurement, a Registered Processor must utilize well-maintained measurement equipment and provide certifications and or allow inspections of the equipment by the Authority as requested.

7.5 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. Where the processing and/or reporting methods of the Registered Processor are incompatible with the requirements of the Authority and/or the ARMA Connect system, the Registered Processor must adjust to comply with the requirements of the Authority and the ARMA Connect system.

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 a 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 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 for all eligible activities undertaken must be prepared and submitted for each calendar month including any claims submitted via Progression Live. Registered Processors are required to submit claims monthly. If no activities eligible for incentives have occurred within a given month, the processor must indicate there is nothing to report for the specific monthly reporting period on the ARMA Connect portal.
- 8.4 Eligible activities for each month include transportation (incoming material received at the registered processor facility) and processing (outgoing processed material shipped to an approved Downstream Processor) within the calendar month reporting period.
- 8.5 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.
- 8.6 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.
- 8.7 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.
- 8.8 The only exception to the guidelines in sections 8.3, 8.4 and 8.5 will be for Incentives for activity 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.
- 8.9 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 be retained by the Registered Processor for a minimum of five (5) years and must be provided to the Authority upon request in the manner requested. 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.
- 8.10 Registered Processors must provide requested backup documentation or additional information on transactions within a claim under review within five (5) business days of the original request for the information from the Authority. Where a Registered Processor is unable to submit

documents or information within this timeframe, or where the document or information provided by the Registered Processor is insufficient to support evaluation of the transaction, claim review will be considered delayed and payment of incentive amounts may be delayed or declined as a result.

8.11 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 requirements 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.

8.12 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.

8.13 Incentives are only payable for transportation and processing of Used Oil Material:

- a) where Used Oil Material is generated in Alberta (Used Oil Material brought into Alberta is ineligible);
- b) where Used Oil 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 Used Oil 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
- d) where Used Oil 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 at 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 Used Oil Material has been satisfactorily collected and transported in accordance with this Program;
 - b) the Registered Processor has not been able to demonstrate the Used Oil Material has been satisfactorily recycled or processed to an approved end use;
 - c) the Registered Processor's processes, premises, equipment, or procedures are unsafe or are potentially unsafe in the discretion of the Authority;
 - d) 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, policies, rules or procedures of the Authority, or any contract or agreement between the Registered Processor and the Authority;
 - e) there is an unsatisfactory environmental audit, health and safety audit, or deficiencies arising from a Program compliance review or site inspection;
 - f) 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 the 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 Used Oil 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 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.

- 9.8 The Authority is not obliged to pay Incentives where the Registered Processor has exceeded the amount or volume of Used Oil Material allowed on or around the Registered Processor's premises as set forth by the Authority.

10. COMPLIANCE

- 10.1 By applying for the 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* (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* of Manitoba, or Part 3 of *Workers' Compensation Act* of 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 acknowledges they are familiar with their obligations under relevant privacy legislation, including the *Protection of Personal Information Act* (PIPA) of Alberta or the equivalent provincial legislation in British Columbia, Saskatchewan or Manitoba as applicable to the jurisdiction where the Applicant is carrying on its operations, and the federal *Personal Information Protection and Electronic Documents Act* (PIPEDA), and will remain in compliance with such legislation.
- 10.6 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.
- 10.7 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 or transport Used Oil 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 in relation to any Used Oil 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 Used Oil Material by 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 Used Oil 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 Used Oil Material or end products;
 - b) in respect of the use or misuse of any Used Oil Material or end products, whether or not such Used Oil 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 Used Oil Material, end products, or the Program;
 - d) attributable to any injury, harm, damage, impairment, or death arising out of the use or misuse of Used Oil 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 Used Oil 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 Two Million (\$2,000,000.00) 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 Protected Areas 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.
- 13.5 Registered Processors shall maintain at their own expense, as applicable to their operations, professional liability insurance with limits of not less than \$2,000,000.00 per claim and in the aggregate. This insurance is required to remain in place for a period of 36 months following the termination or expiry of this Agreement.
- 13.6 Registered Processors shall maintain at their own expense, as applicable to their operations, Directors' and officers' insurance in an amount not less than \$2,000,000 per claim insuring its liability for any wrongful acts by its directors and officers made in the performance of their duties.

14. REMEDIES

- 14.1 The Authority reserves all rights and remedies provided to it under the 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.

16. REPORTING AND AUDIT REQUIREMENTS

- 16.1 Registered Processors shall provide all information the Authority requests relating to the Program, Incentives, Used Oil Material, or any other related matter or request for an Incentive, as applicable, 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 Incentives are payable, the Registered Processor must notify the Authority that no Incentives are being claimed for the reporting period. As part of monthly incentive reporting in ARMA Connect, the Registered Processor must submit information including, but not limited to:
- b) Incoming materials including eligible, out-of-province, and ineligible materials;
 - c) Outgoing processed materials from program eligible and ineligible materials;
 - d) Outgoing materials to safe/approved disposal from program eligible and ineligible materials; and
 - e) Estimated closing inventory of processed and unprocessed materials from program eligible and ineligible materials.

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; or
- 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 Used Oil Material processed;
- e) the submission of technical reports in respect of processing of Used Oil Material;
- f) an annual scale certification and/or calibration report provided by an independent, qualified inspector, as may be applicable;
- g) receipts, invoices, accounts, or other documents relating to any part of Used Oil Material processing, including waste collection records, scale tickets, proof of delivery of product, and other such required or requested documentation;
- h) 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
- i) 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, Registered Processors, Transporters, or Downstream Processors as it may relate to the Program, Incentives, Used Oil 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 the 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 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"**USED OIL MATERIALS ELIGIBLE FOR INCENTIVES UNDER THE PROGRAM**

Subject to the terms and conditions of the Program, the following used oil materials (as defined in the *Used Oil Regulation* and the Bylaws) are specifically eligible for payment of Incentives:

CATEGORY OF USED OIL MATERIAL	ADDITIONAL DETAIL FOR USED OIL MATERIAL CATEGORY
1. Used Lubricating Oil	<p>This category includes but is not limited to:</p> <ul style="list-style-type: none"> • Circulating oil • Compressor oil • Crankcase oil (petroleum or synthetic) • Electrical insulating oil • Engine oil • Gear oil • Hydraulic fluid • Marine engine oil for vessels operating domestically • Mineral heat transfer fluid • Natural gas compressor oil not consumed in use • Paper machine oil • Petroleum crankcase oil • Polyolester fluids • Power steering fluid • Refrigeration system oil • Re-refined oil • Synthetic crankcase oil • Transmission fluid • Turbine oil • Vegetable oil for lubrication
2. Oil Containers (up to 30 Litres)	<p>This category includes but is not limited to:</p> <ul style="list-style-type: none"> • The containers for the materials listed under Used Lubricating Oil in this table • 2-cycle engine oil • Agricultural spray oil • Anti-seize lubricant • Chain oil • Conveyor lube • Dedusting oil • Drawing, stamping, and shaping oil • Dripless lube • Emulsified oil • Food grade white mineral oil • Form release oil • Gasoline / 2-cycle engine oil mixes • Machine tool and slideway lubricant • Marine cylinder oil • Metal working oil • Natural gas compressor oil consumed in use • Pneumatic system oil • Process oil • Quenching oil • Rock drill oil • Rustproof oil • Saw guide oil • Silicone lubricant • Textile oil • Wiring pulling lubricant (petroleum or vegetable base)

3. Oil Filters	<p>This category includes but is not limited to:</p> <ul style="list-style-type: none">• Coolant filter• Diesel fuel filter used at retail & commercial pump islands• Household furnace fuel filter• Oil / air separator filter• Plastic / paper element style filter• Spin-on or element style filter that is used in hydraulic, transmission or internal combustion engine applications including diesel fuel filter• Storage tank diesel fuel filter• Sump type automatic transmission filter
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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:

<https://www.albertarecycling.ca/programs/used-oil/>

SCHEDULE "B"

TRANSPORTATION INCENTIVES

The following Incentives may be payable to Registered Processors under the Program for transportation of Used Oil Materials from Collection Sites, ICI Sources, and other Generators to a Registered Processor's facility.

The level of funding and categories of Transportation Incentives 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.

The level of Transportation Incentives is based on the zone where the Used Oil Materials originate as identified on the map appended to this Schedule "B".

The level of Transportation Incentives for pick up and Transportation to a Registered Processor in each of the zones is:

		Used Oil Containers	Used Oil Filters	Used Oil
Zone 1A	Within the corporate boundaries of the City of Calgary and City of Edmonton	\$0.64/kg	\$0.28/kg	\$0.04/L
Zone 1	Within a 100 km radius around the Calgary - Edmonton corridor	\$0.64/kg	\$0.28/kg	\$0.05/L
Zone 2	All areas of the province outside Zone 1 and Zone 3	\$1.19/kg	\$0.55/kg	\$0.09/L
Zone 3	Within the northern zone, delineated by the northern boundary of Township line 70	\$1.86/kg	\$0.83/kg	\$0.13/L
Drop-off	Dropped off at the Processor site where there is no third-party agreement in place for the delivery of the Used Oil Materials	\$0.00/kg	\$0.00/kg	\$0.00/L

Transportation Incentives for used lubricating oil will be paid to Registered Processors upon their receipt of Used Oil following determination of water content and proper storage, on the adjusted volume (volume less water content).

**USED OIL TRANSPORTATION INCENTIVE ZONES
(ILLUSTRATIVE MAP)**



SCHEDULE “C”

PROCESSING INCENTIVES

1. Used Lubricating Oil

While no separate Processing Incentive is paid for used lubricating oil, the payment of Transportation Incentives for this material may be withheld in the event that the Registered Processor has not demonstrated that the material has been shipped to an approved Downstream Processor.

Used lubricating oil must be shipped to an approved Downstream Processor where the Registered Processor has submitted all supporting documentation required by the Authority, and where the Downstream Processor application indicates an approved end use of the material. The following end uses may be approved by the Authority to support the payment of Transportation Incentives based on the volume of Used Oil collected and stored in a certified storage container:

- a) For sale as a re-refined Lubricating Oil
- b) For transfer and/or sale to an asphalt manufacturer or cement kiln as a fuel, as outlined in the Waste Control Regulation (Alberta) or applicable government standards in other states or provinces;
- c) For transfer and/or sale to a government-approved fuel use other than for cement kilns, as outlined in the Waste Control Regulation or applicable government standards in other states or provinces; and
- d) For other uses, such as for mining explosives or exploration drilling, that meet the intent of the Waste Control Regulation (Alberta) or applicable government standards in other states or provinces.

The following end uses are not approved by the Authority to support the payment of Transportation Incentives:

- a) Disposal in a landfill
- b) Application directly to land for road construction, repair, dust suppression or any other purpose;
- c) Use in oil-fired furnaces;
- d) Deep well disposal; and
- e) Any other end use not listed above without prior approval of the Authority.

2. Used Oil Container and Filter Processing Incentives

Processing Incentives for Filters, and Containers will be paid to Registered Processors upon satisfactory receipt by the Authority of confirmation that the materials have been delivered to

and received by an approved Downstream Processor.

The Processing Incentive may be claimed once the material has been shipped to an approved Downstream Processor.

Type of Material	Rate
ELIGIBLE OIL CONTAINERS (per kg)	\$1.94 (per kg)
ELIGIBLE OIL FILTERS (per kg)	\$0.96 (per kg)

Oil Containers processed into the following products are eligible for Processing Incentives upon shipment from a Registered Processor to an approved Downstream Processor:

- a) Pelletized plastic;
- b) Shredded flake; and
- c) Other end uses with the prior approval of the Authority.

Oil Filters are eligible for Processing Incentives upon shipment from a Registered Processor of crushed filters with residual oil removed to an approved Downstream Processor as follows:

- a) Metal filters – recycled, marketable steel products;
- b) Non-metal filters – waste to energy facility; and
- c) Other end uses with the prior approval of the Authority.

SCHEDULE "D"

ELIGIBLE PROCESSING GUIDELINES

The measurement of used lubricating oil must be conducted in accordance with the following guidelines to be eligible for Incentives:

1. Used Oil: Transportation Incentives are based on the eligible volume of Used Oil collected (substantiated by either digital gauges or dipping the tank with a metered stick), less the percentage of water determined to be included in the collected quantity (substantiated by using an approved testing method). The adjusted volume for each zone is equal to the collected volume of Used Oil in each zone reduced by the percentage of water determined in the approved test sample. The following restrictions are in place:

- a) Over 35% water in quantity collected will result in the entire quantity being deemed as ineligible for a Transportation Incentive. Approved water testing methods* are as follows:
 - i) D86 – Karl Fisher
 - ii) D95 – Retort
 - ii) D96 – Dean Stark Method or equivalent
 - iv) EPA 9001 – HydroSCOUT
- *Oil samples must be labeled with the date the sample was taken and retained for a minimum of 6 months after the date of the test.
- b) For used oil contaminated with PCBs, the Authority follows the federal regulation for PCB liquids limits to determine if the used oil can be processed and claimed for Processing Incentives. The federal regulation for PCB liquids limits currently allows for up to 2 ppm of PCB contamination in used oil. Used oil that is contaminated with other substances (e.g., paint or solvents) is not eligible for Transportation Incentive payments.
- c) If field inspection oil sample testing finds a discrepancy between what is reported and the water content of a sample, Transportation Incentives may be adjusted.

SCHEDULE "E"

ELIGIBLE PROCESSING GUIDELINES

Processing of Oil Containers and Oil Filters must be conducted in accordance with the following guidelines to be eligible for Incentives:

- 1. Oil Containers:** Processing Incentives are based on the weight of eligible Oil Containers (Schedule A) which have been processed and received by an Authority-approved Downstream Processor. The following guidelines must be met for payment:
 - a) The processed weight of eligible plastic Oil Containers must be identified through printed or electronic scale tickets.
 - b) Ineligible oil containers must be processed separately from eligible Oil Containers. If, during a field inspection ineligible and eligible containers are found to not be separated, Processing Incentives will be reduced based on the eligible/ineligible rate determined through a sample audit.
 - c) Metal Oil Containers, such as those used in the aircraft industry, must be crushed along with metallic Used Oil Filters, and can be included in a claim for metallic Used Oil Filters.
 - d) Oil Containers are required to be processed and claimed no longer than 6 months from the date of collection. Processors are encouraged not to carry over inventory to the next fiscal year.
- 2. Oil Filters:** Processing Incentives are based on the weight of eligible Used Oil Filters (Schedule A) which have been processed and received by an Authority approved Downstream Processor. The total processed weight on the claim is allocated to each zone based on the proportion of material collected in each zone. The following guidelines must be met for payment:
 - a) **Metal Filters:** Processing Incentives for metallic Used Oil Filters are based on the crushed weight of the filters delivered to an approved metal broker/steel mill (substantiated by a weight scale ticket signed by the metal broker/steel mill).
 - b) **Non-Metal Filters:** Processing Incentives for non-metallic used oil filters are based on the crushed weight of the filters delivered to an Authority-approved energy from waste facility as a fuel source (substantiated by a weight scale ticket signed by the energy from waste facility).
 - c) The weight of processed Used Oil Filters must be substantiated with a scale ticket(s) that includes only eligible, Alberta-generated filters.
 - d) Used Oil Filters are required to be processed and claimed no longer than six (6) months from the date of collection. Processors are encouraged not to carry over inventory to the next fiscal year.

SCHEDULE “F”

REGISTERED PROCESSOR COMPLIANCE REQUIREMENTS

These compliance requirements outline the Authority’s requirements for Registered Processors providing processing or recycling services for Used Oil Materials 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 Used Oil 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 (transportation, 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 Used Oil Material.

If a Registered Processor relocates their processing facility, they must notify the Authority in writing prior to the relocation. Registered Processors may be required to have an environmental, health and safety audit conducted at their expense by a qualified third-party to verify the new location complies with all relevant environmental and occupational health, and safety legislation.

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 Used Oil 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 Used Oil Material is processed to a Final Recycled State, and must accept full responsibility for Used Oil 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 Used Oil 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 Develop, implement, maintain, update as needed, and provide to the Authority upon request, a documented Environmental Management System (EMS) to ensure adequate control over the Registered Processor's impact on the environment. The EMS must include a commitment to take corrective action to address any issues of non-compliance;
- 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) year 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 with 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.
- 1.7 Report monthly on the total amount of all Program materials diverted to landfill / approved disposal.

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 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 Without limiting the requirements above, 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;
 - d) safeguarding of dangerous mechanical processes; and
 - e) protecting personal information and data.

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 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;
- 3.4 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;
- 3.5 Submit an annual scale calibration provided by an independent, qualified inspector;
- 3.6 Ensure that prison labour is not used in the recycling of Used Oil Material;
- 3.7 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 explosions, shall be reported to the required authorities;
- 3.8 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;
- 3.9 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;

- 3.10 Maximize Used Oil Materials recycling and ensure that Used Oil Materials are not directed to landfill;
- 3.11 Ensure that storage of any Used Oil Materials is done in a secure and environmentally safe fashion and in compliance with all applicable legislation;
- 3.12 Identify probable emergency situations and exceptional circumstances; prepare, periodically test, and update, as appropriate and necessary, an emergency plan(s) for responding to the identified emergency situations and exceptional circumstances to protect workers, the public, and the environment;
- 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 Have a process to ensure that all Downstream Processors that are used to process Used Oil Material 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;
 - d) safeguard the health and safety of employees working at the facility, as evidenced by current supporting documentation.
- 4.2 Receive approval from the Authority prior to shipping any material to Downstream Processors to ensure shipment is eligible for Incentives:
 - a) Submit completed applications with detailed information on how the Used Oil Materials are managed by the Downstream Processor and receive approval for all Downstream Processors that are used to process Used Oil Materials under the Program through to a Final Recycled State as Processor Incentive payments will not be made for material shipped to unapproved Downstream Processors.
 - b) 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 the 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.

- 4.3 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.
- 4.4 Maintain supporting documentation to demonstrate that the Final Recycled State of all Used Oil Material shipped to an approved Downstream Processor has been verified annually, at a minimum. If the Downstream Processor changes their procedures as they relate to Used Oil Materials, written notification must be provided to the Authority.
- 4.5 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.
- 4.6 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 Used Oil 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 and hazardous recyclables 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 Used Oil Materials and make them available at the request of the Authority.

SCHEDULE "G"
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 Protected Areas before any processing of Used Oil 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(s) and all Used Oil Material has been wholly reclaimed, remediated, restored, or removed, as the case may be; or
 - b) reclamation, remediation, or restoration of the site(s) 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 Used Oil Material or operations on the site;
 - b) the Registered Processor fails to meet any requirement relating to inventory levels, maintaining the site(s), 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 Used Oil 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 requirements will result in no further payments being made to the Registered Processor under the Program.

SCHEDULE “H”

ACCOUNTS PAYABLE SCHEDULE

This schedule identifies the processor claim Incentive Payment Dates, and the corresponding deadline for submission by Registered Processors of their application for Incentives (the “Processor Claim Due Date”).

Payment for claim submissions received later than these deadlines, incomplete, and/or with errors, or where requests for backup documentation are not responded to within five (5) business days, will be delayed.

- The **Processor Claim Due Date** is the sixth (6th) business day of the following month (e.g., the April claim is due on the sixth business day of May).
- The **Incentive Payment Date** is the 15th of the month (e.g., the April claim Incentive Payment Date is the 15th of June).

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.

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 an Incentive Payment Date falls on a weekend or statutory holiday in the Province of Alberta, the Incentive Payment Date will be the previous business day.

SCHEDULE "I"

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 2024-25 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 Downstream 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.