

BY-LAW NO. 1
A by-law relating generally to the
transaction of the business and
affairs of
PRODUCT CARE ASSOCIATION

TABLE OF CONTENTS

SECTION 1	INTERPRETATION
1.01	DEFINITIONS
SECTION 2	AFFAIRS OF THE CORPORATION
2.01	HEAD OFFICE
2.02	FINANCIAL YEAR
2.03	EXECUTION OF INSTRUMENTS
2.04	BANKING ARRANGEMENTS
2.05	AUTHORITY
2.06	AUDITORS
2.07	MINUTES
2.08	AMENDMENT OF BY-LAWS
2.09	RULES AND REGULATIONS
SECTION 3	MEMBERS
3.01	MEMBERS
3.02	CLASSES OF MEMBERS
3.03	QUALIFICATIONS AND RIGHTS
3.04	TERM OF MEMBERSHIP
3.05	MEMBERSHIP FEES
3.06	RESIGNATION
3.07	TERMINATION BY THE BOARD FOR NON-PAYMENT
3.08	REMOVAL BY MEMBERS
SECTION 4	DIRECTORS
4.01	FIRST DIRECTORS
4.02	NUMBER OF DIRECTORS
4.03	QUALIFICATION
4.04	ELECTION AND TERM

4.05	NOMINATION
4.06	REMOVAL OF DIRECTORS
4.07	STRUCTURE OF BOARD OF DIRECTORS
4.08	VACATION OF OFFICE
4.09	VACANCIES
4.10	ACTION BY THE BOARD
4.11	MEETING BY TELEPHONE OR OTHER ELECTRONIC MEANS
4.12	PLACE OF MEETINGS
4.13	CALLING OF MEETINGS
4.14	NOTICE OF MEETING
4.15	FIRST MEETING OF NEW BOARD
4.16	REGULAR MEETINGS
4.17	CHAIR
4.18	QUORUM
4.19	VOTES TO GOVERN
4.20	SECTORAL VOTING
4.21	RESOLUTION IN WRITING
4.22	REMUNERATION AND EXPENSES
SECTION 5	COMMITTEES
5.01	COMMITTEES OF THE BOARD
5.02	GOVERNANCE COMMITTEE
5.03	ADVISORY COMMITTEE
5.04	OTHER COMMITTEES OF THE BOARD
5.05	PROCEDURE
SECTION 6	OFFICERS
6.01	APPOINTMENT
6.02	CHAIR OF THE BOARD
6.03	PRESIDENT
6.04	VICE-CHAIR
6.05	SECRETARY
6.06	POWERS AND DUTIES OF OFFICERS
6.07	TERM OF OFFICE AND REMUNERATION
6.08	AGENTS AND ATTORNEYS

SECTION 7 PROTECTION OF DIRECTORS, OFFICERS AND OTHERS

7.01 LIMITATION OF LIABILITY

7.02 INDEMNITY

SECTION 8 MEETINGS OF MEMBERS

8.01 ANNUAL MEETINGS

8.02 GENERAL MEETINGS

8.03 SPECIAL MEETINGS

8.04 PLACE OF MEETINGS

8.05 NOTICE OF MEETINGS

8.06 MEETINGS WITHOUT NOTICE

8.07 CHAIR, SECRETARY AND SCRUTINEERS

8.08 PERSONS ENTITLED TO BE PRESENT

8.09 QUORUM

8.10 RIGHT TO VOTE

8.11 PROXIES

8.12 VOTES TO GOVERN

8.13 SHOW OF HANDS

8.14 BALLOTS

8.15 EQUALITY OF VOTE

8.16 ADJOURNMENT

SECTION 9 NOTICES

9.01 METHOD OF GIVING NOTICES

9.02 COMPUTATION OF TIME

9.03 OMISSIONS AND ERRORS

9.04 WAIVER OF NOTICE

SECTION 10 EFFECTIVE DATE

10.01 EFFECTIVE DATE

SCHEDULE I APPLICABLE LAW

SCHEDULE II DIRECTORS BY SECTOR REPRESENTATION

SCHEDULE III ECO-FEE RATES

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BE IT ENACTED as a By-law of the Corporation as follows:

BY-LAW NO 1 SECTION 1
INTERPRETATION

1.01 **Definitions.** In the By-laws of the Corporation, unless the context otherwise requires:

- (a) **“Act”** means the *Canada Corporations Act*; R.S.C. 1970, c.C-32 as amended;
- (b) **“Applicable Law”** means all requirements which the Corporation has agreed to meet, imposed by governments, courts or other regulatory bodies, including corresponding regulation, providing for the regulation of the business of one or more Sectors, all as set out in Schedule I to this By-law, as amended or supplemented from time to time.
- (c) **“Board”** means the Board of Directors of the Corporation;
- (d) **“Board Resolution”** means:
 - (i) a resolution passed at the meeting of the Board by a simple majority of the votes cast by the Directors entitled to vote at such meeting; or
 - (ii) a resolution that is consented to in writing by all of the Directors;
- (e) **“Brand Owner”** means:
 - (i) a person who is the owner or licensee of a trademark under which a consumer product is sold or otherwise distributed, whether the trademark is registered or not;
 - (ii) a person who brings a consumer product for sale or other distribution into the jurisdiction in which a program is operated by the Corporation; or
 - (iii) an association representing one or more persons referred to in (i) or (ii).
- (f) **“By-law”** means any By-law of the Corporation from time to time in effect;
- (g) **“Chair”** means the Chairman of or the Chairman of any meeting of, the Board of Directors;

- (h) “**Corporation**” means Product Care Association;
- (i) “**Director**” means a director of the Corporation;
- (j) “**Member**” means a member of the Corporation;
- (k) “**Membership**” means the membership of a Member in the Corporation;
- (l) “**Membership Agreement**” means the Agreement in the form approved by the Board which shall apply to all Members;
- (m) “**Membership Class**” means a class of Membership of the Corporation based on the Sector in which the Member is a Brand Owner;
- (n) “**Ordinary Resolution**” means:
 - (i) a resolution passed at the general meeting of the Corporation, or at a meeting of a Membership Class, by a simple majority of the votes cast by those Members entitled to vote in person or by proxy at such meeting; or
 - (ii) a resolution that is consented to in writing by all of the Members who would have been entitled to vote in person or by proxy at a general meeting of the Corporation, or at a meeting of a Membership Class;
- (o) “**Sector**” means a division of industry in which Members are Brand Owners for the purposes of identifying classes of Membership of the Corporation; initially there are four Sectors, set out in Schedule II to this By-law, as may be amended or supplemented from time to time.
- (p) “**Sector Specific Matter**” has the meaning given in section 4.20
- (q) “**Special Resolution**” means:
 - (i) a resolution passed at a general meeting of the Corporation, or at a meeting of a Membership Class, by a majority of not less than 75% of the votes cast by those members entitled to vote in person or by proxy as such meeting; or
 - (ii) a resolution consented to in writing by all of the Members who would have been entitled to vote in person or by proxy at a general meeting of the Corporation, or at a meeting of a Membership Class.

Words importing the singular number include the plural and vice versa; and words importing gender include the masculine, feminine and neuter genders; and words importing a person include an individual, partnership, association, body corporate, trustee, executor, administrator and legal representative.

BY-LAW NO 1 SECTION 2
AFFAIRS OF THE CORPORATION

2.01 **Head Office.** The head office of the Corporation shall be in the city of Surrey in the province of British Columbia, Canada or at such location therein as the Board from time to time determine. The location of the head office may be changed in accordance with this By-law and the Act.

2.02 **Financial Year.** Until changed by the Board, the financial year of the Corporation shall end on the last day of December in each year.

2.03 **Execution of Instruments.** Deeds, transfers, assignments, contracts, obligations, certificates and other instruments must be signed on behalf of the Corporation by two persons, one whom holds the office of the Chair of the Board or Director and the other of whom holds the office of Secretary or any other office created by By-law or by the Board. In addition, the Board may from time to time direct the manner in which the person or persons by whom any particular instrument or class of instruments may or shall be signed.

2.04 **Banking Arrangements.** The banking business of the Corporation including, without limitation the borrowing of money and the giving of security therefor, shall be transacted with such banks, trust companies or other bodies corporate or organizations as may from time to time be designated by or under the authority of the Board.

2.05 **Authority.** The maximum amount of funds which the Corporation can borrow will be limited by budgets approved from time to time at meetings of the Members. Upon this By-law being sanctioned by at least two-thirds of the votes cast at a special general meeting of the Members duly called for considering this By-law, the Directors may from time to time:

- (a) borrow money upon the credit of the Corporation;
- (b) limit or increase the amount to be borrowed;
- (c) issue debentures or other securities of the Corporation;
- (d) pledge or sell such debentures or other securities for such sums and at a price as may be deemed expedient; and
- (e) secure any such debentures, or other securities, or any other future borrowing or liability of the Corporation, by mortgage, hypothec, charge or pledge of all or any currently-owned or substantially acquired real and personal, movable and immovable, property of the Corporation, and the undertaking and rights of the Corporation.

The Directors may from time to time delegate to such officers of the Corporation or Directors as they deem appropriate the foregoing borrowing powers to the extent and manner as the Directors deem appropriate. Nothing herein limits or restricts the borrowing of money by the Corporation on bills of exchange or promissory notes made, drawn, accepted or endorsed by or on behalf of the Corporation.

2.06 **Auditors.** The Members shall at each annual meeting appoint an auditor to audit the accounts of the Corporation to hold office until the next annual meeting provided that the Directors may fill any casual vacancy in the office of auditor. The remuneration of the auditor shall be fixed by the Members or by the Board, if they are authorized to do so by the Members.

2.07 **Minutes.** The minutes of the Board or any committee thereof shall not be available to the Membership of the Corporation but shall be available to the Board, each of whom shall, upon request, receive a copy of such Minutes.

2.08 **Amendment of By-laws.** Unless otherwise provided by the Act, any existing By-law of the Corporation not embodied in the letters patent, including any Schedules thereto, may be repealed or amended by By-law passed by the Directors and confirmed by a Special Resolution of the Members, provided that the repeal or amendment of such existing By-law shall not be enforced or acted upon until the approval of the Minister of Industry Canada has been obtained.

2.09 **Rules and Regulations.** The Board may establish rules and regulations not inconsistent with the By-laws relating to the management and operation of the Corporation.

BY-LAW NO 1 SECTION 3 MEMBERS

3.01 **Members.** Subject to the Act and the letters patent, the Members shall consist of the applicants for incorporation of the Corporation and of such other persons that are Brand Owners as are admitted as Members, by or under the authority of the Board, in accordance with By-Law No.2.

3.02 **Classes of Members.** There will be one Membership Class for each Sector represented by the Corporation; every applicant for Membership will be entitled to elect to be included in one or more Membership Class, provided that to be eligible for participation in any Membership Class, a Member must be a Brand Owner in the applicable Sector. Any decision as to whether or not a Member is a Brand Owner in a Sector will be in the sole discretion of the Board.

3.03 **Qualifications and Rights.** Any person may be admitted to Membership if such person complies with the requirements of Section 3.01 and this Section 3.03. Each Member shall be entitled to receive notice of and attend all meetings of the Members and shall be entitled to one vote on any vote taken at any meeting of Members.

3.04 **Term of Membership.** The interest of a Member in the Corporation is not transferable and lapses and ceases to exist upon death, when the Member ceases to be a Brand Owner, or when the Member ceases to be a Member by resignation or otherwise in accordance with the By-laws of the Corporation.

3.05 **Membership Fees.** The fees payable by Members shall from time to time be fixed by By-law passed by the Board. A notice of the fees payable at any time shall be sent to each Member by the Secretary promptly before the due date.

3.06 **Resignation.** Any Member wishing to withdraw from Membership may do so upon giving 12 months notice in writing to the Board. The terms and mechanics of withdrawal will be determined by the Membership Agreement then in effect. Members shall remain liable for payment of any assessment or other sum levied or which become payable by the Member to the Corporation prior to acceptance of such resignation.

3.07 **Termination by the Board for Non-Payment .** If Membership fees are levied by the Directors, the Membership of any Member who is in arrears in excess of 90 days may be terminated by or under the authority of the Board if such arrears or fees are not paid within the designated time; and if such arrears are not paid by such designated time the Board may pass a resolution authorizing the removal of such Member from the Register of Members of the Corporation and thereupon such persons such cease to be a Member of the Corporation. Any such Member may reapply for Membership in the Corporation.

3.08 **Removal by Members.** Upon 30 days notice in writing to a Member of the Corporation, Members may after giving the Member an opportunity to be heard, pass an Ordinary Resolution authorizing the removal of such Member from the register of Members of the Corporation and thereupon such persons shall cease to be a Member of the Corporation. The notice may be delivered personally or mailed to the last address of the Member as shown on the register of Members.

BY-LAW NO 1 SECTION 4 DIRECTORS

4.01 **First Directors.** The applicants for incorporation shall be the first Directors of the Corporation whose term of office on the Board shall be until the first meeting of the Members. The Directors shall be elected and retire in rotation as provided in Section 4.04.

4.02 **Number of Directors.** Until changed in accordance with the Act, the Board shall consist of a maximum of ten Directors elected from the Sectors, in the number set out on Schedule II.

[altered at general meeting of members May 29, 2002, accepted at Industry Canada October 25, 2002. Prior wording: "Until changed in accordance with the Act, the Board shall consist of nine Directors elected from the Sectors, in the number set out on Schedule II. Sector 5 "Retail" added by resolution of the board of directors September 19, 2002"]

4.03 **Qualification.** No person shall be qualified for election as a Director if such person is less than 18 years of age; is of unsound mind and has been so found by a court in Canada or elsewhere; is not an individual or has the status of a bankrupt.

4.04 **Election and Term.** The election of Directors shall take place at each annual meeting of the Members. The Directors of the Corporation shall be elected and shall retire in rotation. At the next annual meeting of Members for the election of Directors in rotation after the coming into force of this By-law, five Directors shall be elected to hold office of a term of two years until the second annual meeting of Members after such date and four Directors shall be elected to hold office for a term of one year until the next annual meeting after such date, and thereafter at each annual meeting, Directors shall be elected to fill the positions of those Directors whose term of office has expired and each Director so elected shall hold office until the second annual meeting after such election. The Directors to be elected to hold office for a term

of two years at the first annual meeting of the Members shall be in accordance with those Sector representations as set out in Schedule 2. The election shall be by resolution. If an election of Directors is not held at the proper time, the incumbent Directors shall continue in office until their successors are elected.

4.05 **Nomination.** Each year either prior to the annual meeting of Members or at the annual meeting of Members, each category of Members shall nominate from among its delegates through the Governance Committee, the number of directors it is entitled to elect to the board of the Corporation at the Annual Meeting of Members pursuant to Section 4.02. If more than the maximum number of Directors from any category of Members are nominated by the delegates of such category, that category of Members, voting separately as a class, shall determine which of such nominees are elected to the Board.

4.06 **Removal of Directors.** The Board may, by Board Resolution, remove a Director who is a class representative, if a Special Resolution has been passed at a meeting, called for such purpose, of the Members in the Sector represented by the Director.

4.07 **Structure of Board of Directors.** The Board shall be comprised of representatives of each Membership Class, in the proportions set out in Schedule II, as it may be amended from time to time. The Board may, and upon request by Ordinary Resolution, the Board will consider redistributing the proportionate board representation set out on Schedule II from time to time as it deems necessary.

4.08 **Vacation of Office.** A director ceases to hold office on death, on removal from office by the Members, on ceasing to be qualified for election as a director, on receipt of a written resignation by the Corporation or, if a time is specified in such resignation, at the time so specified, whichever is later.

4.09 **Vacancies.** Subject to the Act, a quorum of the Board may appoint a qualified individual to fill a vacancy in the Board provided that the Board shall use all reasonable efforts to appoint a Director to fill such a vacancy with an individual acceptable to the Membership Class which nominated the vacating Director.

4.10 **Action by the Board.** The Board shall manage the business and affairs of the Corporation. Where there is a vacancy in the Board, the remaining directors may exercise all the powers of the Board so long as a quorum remains in office. Where the Corporation has a Board consisting of only one Director, that Director may constitute a meeting.

4.11 **Meeting by Telephone or Other Electronic Means.** If all the Directors of the Corporation consent thereto generally or in respect of a particular meeting, a Director may participate in a meeting of the board or of a committee of the board by means of such conference telephone or other communications facilities as all directors consent to the use of in advance of the meeting, to which all Directors have equal access and as permit all persons participating in the meeting to communicate adequately with each other. A Director participating in such a meeting is deemed to be present at the meeting, and may be counted in the quorum present at such meeting. Voting at such meetings shall be by poll of the participants signifying verbally or by electronic means of communication their assent or dissent on the matter before the board for

approval. If the electronic means of communication is not secure, each Director shall be so advised by the Chair and a procedure to secure discussion and voting on matter before the Board shall be agreed upon in advance of the meeting.

4.12 **Place of Meetings.** Meetings of the Board may be held at any place in or outside Canada.

4.13 **Calling of Meetings.** Meetings of the Board shall be held from time to time at such time and at such place as the Board, the Chair, Vice-Chair or any two Directors may determine.

4.14 **Notice of Meeting.** Notice of the time and place of each meeting of the Board shall be given in the manner provided in Section 9 to each Director not less than fifteen days before the date of the meeting. A notice of a meeting of Directors need not specify the purpose of or the business to be transacted at the meeting. Notice of an adjourned meeting of the Board is not required if the time and place of the adjourned meeting is announced at the original meeting.

4.15 **First Meeting of New Board.** Provided a quorum of Directors is present, each newly elected Board may without notice hold its first meeting immediately following the meeting of Members at which such Board is elected.

4.16 **Regular Meetings.** The Board may appoint a day or days in any month or months for regular meetings of the Board at a place and hour to be named. A copy of any resolution of the Board fixing the place and time of such regular meetings shall be sent to each director forthwith after being passed, but no other notice shall be required for any such regular meeting.

4.17 **Chair.** The Chair of the Corporation shall be the chair of any meeting of the Board. If the Chair is not present, the Vice-Chair shall be the chair of any meetings of the Board. If the Chair and Vice-Chair are not present, the Directors present shall choose one of their members to be chair of the meeting.

4.18 **Quorum.** The quorum for the transaction of business at any meeting of the Board shall consist of a majority of the Directors, such majority to include Directors nominated by at least two different Membership Classes.

4.19 **Votes to Govern.** At all meetings of the Board every question shall be decided by a majority of the votes cast on the question except as set out in Section 4.20. In case of an equality of votes the chair of the meeting shall not be entitled to a second or casting vote.

4.20 **Sectoral Voting.** Any Sector Specific Matter shall be decided, both by a majority of votes cast on the question, and a separate affirmative vote of a majority of the Directors in the Sector so affected. A Sector Specific Matter is defined as any matter before the Board which has an effect on Members of one Membership Class in a way that is unique from the effect it would have on every other Membership Class. By way of example the following are Sector Specific Matters:

- (a) Dues/eco-fee structure;
- (b) Special funds of Sector-only interest, including purpose and Sector member assessments;
- (c) Nomination and election of a Director;
- (d) Application and visibility of the eco-fee on the retail invoice; and
- (e) What messages to give to regulators about each Sector.

4.21 **Resolution in Writing.** Notwithstanding anything to the contrary in these By-laws, a resolution in writing signed by all of the Directors shall be valid and effective as if it had been passed at a meeting of the Board duly called and constituted. The resolution must be recorded into the minutes of the next Board meeting.

4.22 **Remuneration and Expenses.** The Directors shall serve as such without remuneration and no Director shall directly or indirectly receive any profit from such position. However, the directors shall be entitled to be reimbursed for travelling and other expenses properly incurred by them in attending meetings of the Board or any committee thereof. Nothing herein shall preclude any Director who is engaged in or is a member of a firm engaged in any business or profession from acting in and being paid the usual professional costs and charges for any professional business required to be done in connection with the administration of the affairs of the Corporation. Also, nothing herein contained shall be construed to preclude any Director from serving the Corporation as an officer or in any other capacity and receiving reasonable compensation therefor.

BY-LAW NO 1 SECTION 5 COMMITTEES

5.01 **Committees of the Board.** The Board may appoint such committees as it, from time to time, considers advisable. No committee shall have the power to act for or on behalf of the Board but shall only have the power to make recommendations to the Board. Any committee member may be removed by a majority vote of the Board. The Board may, from time to time, determine if members are entitled to receive an honorarium for their service on a committee. Members of the committee are entitled to reasonable expenses incurred in the exercise of their duty.

5.02 **Governance Committee.** The Board may from time to time, and on request of not less than 50% of the Members in a Membership Class, the Board will appoint a Governance Committee to represent each Membership Class. The Governance Committee shall consist of a minimum of 3 and a maximum of 9 members, one of whom must be a Director. The Governance Committee may undertake any one or more of the following duties:

- (a) nominating representatives of the Membership Class for election to the Board;
- (b) advising the Sector's board representative in respect of any Sector Specific matters;

- (c) advising the Board on the budgetary requirements for administrating the Sector Specific programs;
- (d) advising the Board on fees and collections regulations which will apply to a Membership Class;
- (e) reviewing the financial statements of the Corporation in conjunction with the budget;
- (f) any other duties as the Board may determine.

5.03 **Advisory Committee.** The Board may, from time to time, appoint such advisory bodies as it may deem advisable, comprised of representatives of stakeholder groups including retailers, government and consumers.

5.04 **Other Committees of the Board.** The Board may appoint one or more other committees of the Board however designated and delegate to any such committee any of the powers of the Board subject to any rules and regulations imposed from time to time by the Board.

5.05 **Procedure.** Unless otherwise determined by the Board, each committee and advisory body shall have power to fix its quorum at not less than a majority of its members, to elect its chair and to regulate its procedure.

BY-LAW NO 1 SECTION 6 OFFICERS

6.01 **Appointment.** The Board may from time to time appoint a President, a Chair, Vice-Chair and Secretary, and other officers as the Board may determine, including one or more assistants to any of the officers so appointed. One person may hold more than one office. The Board may specify the duties of and, in accordance with this By-law and subject to the Act, delegate to such officers powers to manage the business and affairs of the Corporation. Subject to sections 6.02 and 6.03, an officer may but need not be a director.

6.02 **Chair of the Board.** The Board shall appoint a Chair of the board who shall be a director. The Chair shall be subject to the authority of the Board, have general supervision of the affairs of the Corporation; and shall have such other powers and duties as the board may specify.

6.03 **President.** The President shall be the Chief Executive Officer of the Corporation and may attend and participate at any meetings of the Board but shall not vote thereat or be counted for purpose of determination of a quorum.

6.04 **Vice-Chair.** The Board may also appoint a Vice-Chair. If appointed, the Vice-Chair shall have such powers and duties as the Board may specify. During the absence or disability of the Chair, the Vice-Chair shall also have the powers and duties of that office.

6.05 **Secretary.** The secretary shall be a Director and is empowered by the Board to carry on the affairs of the Corporation generally under the supervision of the Chair. The

secretary shall attend and be the secretary of all meetings of the Board, members and committees of the Board and shall enter or cause to be entered in the records kept for the purpose of minutes of all proceeding thereat. The secretary shall give or cause to be given, as and when instructed, all notices to members, director, officers, auditors and members of committees of the Board and shall be the custodian of all books, records and instruments belonging to the Corporation, except when some other officer or agent has been appointed for that purpose, and have such other powers and duties as otherwise may be specified.

6.06 **Powers and Duties of Officers.** The powers and duties of all officers shall be such as the terms of their engagement call for or as the Board may specify. The Board may, from time to time and subject to the provisions of the Act, vary, add to or limit the powers and duties of any officer. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant, unless the Board otherwise directs.

6.07 **Term of Office and Remuneration.** The Board, in its discretion, may remove any officer of the Corporation. Otherwise each officer appointed by the Board shall hold office until a successor is appointed or until an earlier resignation is received by the Corporation. The officers shall be paid such remuneration for their services as the board may from time to time determine.

6.08 **Agents and Attorneys.** The Corporation, by or under the authority of the Board, shall have power from time to time to appoint agents or attorneys for the Corporation in or outside Canada with such powers (including the power to subdelegate) of management, administration or otherwise as may be thought fit.

BY-LAW NO 1 SECTION 7 PROTECTION OF DIRECTORS, OFFICERS AND OTHERS

7.01 **Limitation of Liability.** Every Director and officer of the Corporation in exercising their powers and discharging their duties shall act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Subject to the foregoing, no director or officer shall be liable for the acts, omissions, failures, neglects or defaults of any other director, officer or employee, or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired for or on behalf of the Corporation, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Corporation shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person with whom any of the moneys, securities or effects of the Corporation shall be deposited, or for any loss occasioned by any error of judgement or oversight on the part of such director or officer, or for any other loss, damage or misfortune which shall happen in the execution of the duties of office or in relation thereto; provided that nothing herein shall relieve any director or officer from the duty to act in accordance with the Act and any unanimous shareholder agreement and the regulations thereunder or from liability for any breach thereof.

7.02 **Indemnity.** Subject to the Act, the Corporation shall indemnify directors or officers, former directors or officers, or persons who act or acted as directors or officers of the

Corporation or at the Corporation's request as directors or officers of a body corporate of which the Corporation is or was a shareholder or creditor, and their heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgement, reasonably incurred by them in respect of any civil, criminal or administrative action or proceeding to which they are made a party by reason of being or having been a director or officer of the Corporation or such body corporate, if (a) they acted honestly and in good faith with a view to the best interests of the Corporation; and (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, they had reasonable grounds for believing that their conduct was lawful. The Corporation shall also indemnify such persons in such other circumstances as the Act or law permits or requires. Nothing in this by-law shall limit the right of any person entitled to indemnity to claim indemnity apart from the provisions of this by-law.

BY-LAW NO 1 SECTION 8 MEETINGS OF MEMBERS

8.01 **Annual Meetings.** The annual meeting of Members shall be held at such time in each year and, subject to section 8.04 at such place as the Board, the Chair, the Vice-Chair or the President may from time to time determine, for the purpose of considering the financial statements of the Corporation placed before the meeting, the report of the Corporation's auditor thereon and the report of the Board electing directors, appointing auditors and for the transaction of such other business as may properly be brought before the meeting.

8.02 **General Meetings.** The Board, shall have power to call a general meeting of Members at any time.

8.03 **Special Meetings.** A special meeting of the Members shall be called by the Chair or Secretary upon receipt by either of them of a petition requesting the meeting signed by one-third of the Members in good standing, setting out the reasons for calling such meeting.

8.04 **Place of Meetings.** Meetings of Members shall be held at the registered office of the Corporation or elsewhere in the municipality in which the registered office is situate or, if the Board shall so determine, at some other place in Canada or, if all the Members entitled to vote at the meeting so resolve generally or for any particular meeting, at some place outside Canada.

8.05 **Notice of Meetings.** Notice in writing of the time and place of each meeting of Members shall be given in the manner provided in Section 9 not less than fifteen days before the date of the meeting, to the auditor and to each Member who at the close of business on the day immediately preceding the day on which notice is given is entered register of Members of the Corporation. Notice of a meeting of Members called for any purpose other than consideration of the financial statements and auditor's report and Board's report, election of directors and reappointment of the incumbent auditor shall state the nature of the business to be transacted in sufficient detail to permit the Member to form a reasoned judgement thereon. Any notice to Members may either enclose a form of proxy or contain a reminder of the right to appoint a proxy. Notice of any adjourned meeting of Members is not required if the time and place of the adjourned meeting is announced at the original meeting

8.06 **Meetings Without Notice.** A meeting of Members may be held without notice at any time and place permitted by the Act (a) if all the Members entitled to vote thereat are present in person or duly represented or if those not present or represented waive notice of or otherwise consent to such meeting being held, and (b) if the auditors and the directors are present or waive notice of or otherwise consent to such meeting being held. At such a meeting any business may be transacted which the Corporation at a meeting of Members may transact. If the meeting is held at a place outside Canada, Members not present or duly represented, but who have waived notice of or otherwise consented to such meeting, shall also be deemed to have consented to the meeting being held at such place.

8.07 **Chair, Secretary and Scrutineers.** The chair of any meeting of Members shall be the first mentioned of such of the following officers as have been appointed and who is present at the meeting: Chair of the Board, Vice-Chair and the President. If no such officer is present within 15 minutes from the time fixed for holding the meeting, the persons present and entitled to vote shall choose one of their number to be chair of the meeting. If the secretary of the Corporation is absent, the chair of the meeting shall appoint some person, who need not be a Member, to act as secretary of the meeting. If desired, one or more scrutineers, who need not be Members, may be appointed by a resolution or by the chair with the consent of the meeting.

8.08 **Persons Entitled to be Present.** The only persons entitled to be present at a meeting of Members shall be those entitled to vote thereat, the President, the directors and auditor of the Corporation and others who, although not entitled to vote, are entitled or required under any provision of the Act or the letters patent or by-laws to be present at the meeting. Any other person may be admitted only on the invitation of the chair of the meeting or with the consent of the meeting.

8.09 **Quorum.** The quorum for the transaction of business at any meeting of Members shall be six Members with at least one Member representing each Membership Class. Members must be present in person and each entitled to vote thereat or a duly appointed proxy so entitled.

8.10 **Right to Vote.** Subject to the Act and the letters patent, at any meeting of the Members every person shall be entitled to vote who is at the time of the meeting entered in the books of the Corporation as a Member.

8.11 **Proxies.** At any meeting of Members a proxyholder duly and sufficiently appointed by a Member shall be entitled to exercise, subject to any restrictions expressed in the instrument appointing such person, the same voting rights that the Member appointing the proxyholder would be entitled to exercise if present at the meeting. A proxyholder must be a Member. An instrument appointing a proxy shall be in writing. An instrument appointing a proxy shall be acted on only if, prior to the time of voting, it is deposited with the secretary of the Corporation or of the meeting or as may be directed in the notice calling the meeting.

8.12 **Votes to Govern.** Unless the Act, the letters patent, provide at any meeting of Members every person shall be entitled to vote who is at the time of the meeting entered in the books of the Corporation as a Member. Each Member shall have the right to exercise one vote. On Ordinary Resolution or Special Resolution, the subject matter of which relates to a specific Membership Class, only those Members which belong to that Membership Class may vote. Any

Member that belongs to two or more Membership Classes may vote on resolutions relating to each Membership Class to which it belongs.

8.13 **Show of Hands.** Any question at a meeting of Members shall be decided by a show of hands, unless a ballot thereon is required or demanded as hereinafter provided. Upon a show of hands every person who is present and entitled to vote shall have one vote. Whenever a vote by show of hands shall have been taken upon a question, unless a ballot thereon is so required or demanded, a declaration by the chair of the meeting that the vote upon the question has been carried or carried by a particular majority or not carried and an entry to that effect in the minutes of the meeting shall be prima facie evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against any resolution or other proceeding in respect of the said question, and the result of the vote so taken shall be the decision of the Members upon the said question.

8.14 **Ballots.** On any question proposed for consideration at a meeting of Members, and whether or not a show of hands has been taken thereon, the chair may require a ballot or any person may demand a ballot thereon. A ballot so required or demanded shall be taken in such manner as the chair shall direct. A demand for a ballot may be withdrawn at any time prior to the taking of the ballot. Upon a ballot each member present in person or represented by proxy and entitled to vote shall have one vote and the result of the ballot shall be the decision of the members upon the said question.

8.15 **Equality of Vote.** In case of an equality of vote at any meeting of the Members either upon a show of hands or upon a ballot, the resolution shall be defeated.

8.16 **Adjournment.** The chair at a meeting of Members may, with the consent of the meeting and subject to such conditions as the meeting may decide, adjourn the meeting from time to time and from place to place.

BY-LAW NO 1 SECTION 9 NOTICES

9.01 **Method of Giving Notices.** Any notice (which term includes any communication or document) to be given (which term includes sent, delivered or served) pursuant to the Act, the letters patent, the by-law or otherwise to a shareholder, director, officer, auditor or member of a committee of the board shall be sufficiently given if delivered personally to the person to whom it is to be given or if delivered to the person's recorded address or if mailed to such person at such recorded address by prepaid ordinary or air mail or if sent to such person at such recorded address by any means of prepaid transmitted or recorded communication. A notice so delivered shall be deemed to have been given when it is delivered personally or to the recorded address as aforesaid; a notice so mailed shall be deemed to have been given when deposited in a post office or public letter box; and a notice so sent by any means of transmitted or recorded communication shall be deemed to have been given when dispatched or delivered for dispatch. The secretary may change or cause to be changed the recorded address of any member, director, officer, auditor or member of a committee of the board in accordance with any information believed by the secretary to be reliable.

9.02 **Computation of Time.** In computing the date when notice must be given under any provision requiring a specified number of days' notice of any meeting or other event, the day of giving the notice shall be excluded and the day of the meeting or other event shall be included.

9.03 **Omissions and Errors.** The accidental omission to give any notice to any member, director, officer, auditor or member of a committee of the board or the non-receipt of any notice by any member, director, officer, auditor or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

9.04 **Waiver of Notice.** Any member (or duly appointed proxyholder), director, officer, auditor may waive any notice required to be given to under any provision of the Act, the letters patent, the by-laws or otherwise and such waiver, whether given before or after the meeting or other event of which notice is required to be given, shall cure any default in the giving or in the time of such notice.

**BY-LAW NO 1 SECTION 10
EFFECTIVE DATE**

10.01 **Effective Date.** This by-law shall come into force when made by the board in accordance with the Act.

PASSED by the board the 7th day of June, 2001

Owen MacRae, Chair

Dick Glassford, Secretary

CONFIRMED by the members the 29th day of May, 2002

Dick Glassford, Secretary

BY-LAW NO. 2

A by-law relating generally to the rights and obligations of members in
PRODUCT CARE ASSOCIATION

BE IT ENACTED as a By-law of the Corporation as follows:

BY-LAW NO 2 SECTION 1 INTERPRETATION

1.1 Definitions. In this By-law, unless the context otherwise requires:

- (1) “**Act**” means the Canada Corporations Act, R.S.C. 1970, c.C-32 as amended;
- (a) “**Applicable Legislation**” means all requirements which the Corporation has agreed to meet, imposed by governments, courts or other regulatory bodies, including corresponding regulation, providing for the regulation of the business of one or more sectors, all as set out in Schedule I to By-law No. 1, as amended or supplemented from time to time.
- (b) “**Applicant**” means a person applying to become a Member;
- (c) “**Auditor**” means the accountant retained by the Corporation from time to time to provide services to the Corporation and its Members having such professional designation, if any, as the Board determines appropriate, in its sole discretion;
- (d) “**Board**” means the Board of Directors of the Corporation;
- (e) “**Corporation**” means Product Care Association, a corporation incorporated under Part II of the Canada Corporations Act, R.S.C. 1970, c. C-32, as amended;
- (f) “**Fee Schedule**” means the schedule attached as Schedule III to By-law No. 1 of the Corporation as revised by the Corporation from time to time detailing the Fees and method of calculating Fees payable by Members to the Corporation;
- (g) “**Fee**” means the amounts detailed in the Fee Schedule as constituting the initiation, operating and administration fees assessed on Members by the Corporation to meet the capital and operating costs of the Corporation, as initially determined by the Board and thereafter by the Members;
- (h) “**Member**” means a member of the Corporation;

- (i) **“Membership Agreement”** means the membership application of an Applicant who applies to become a Member which has been accepted by the Corporation; and
- (j) **“Sector”** means the division of industry in which Members sell or distribute products for the purposes of identifying classes of Membership of the Corporation; initially there are four Sectors, set out in Schedule II to By-law No. 1, as may be amended or supplemented from time to time.

1.2 Interpretation. Words implying the singular number include the plural and vice versa; words importing any gender include the masculine, feminine and neuter gender; and words importing persons include individuals, bodies corporate, partnerships and incorporated organizations.

BY-LAW NO 2 SECTION 2 STATEMENT OF INTENTION

2.1 **Intention.** Each Applicant acknowledges to the Corporation that the Applicant is requesting membership in the Corporation as a person, society, company or organization who sells or distributes products and wishes to take advantage of membership in the Corporation to meet the requirements of an environmental stewardship program.

BY-LAW NO 2 SECTION 3 MEMBERSHIP

3.1 **Member.** Each Applicant will be considered a Member and in compliance with the Stewardship Program upon submitting a signed application for membership together with any outstanding Fees, or any Fees payable as set out in the Fee Schedule, and the Corporation accepting the application for membership.

3.2 **Representative.** Every corporate applicant will forthwith, after its application is accepted, appoint in writing a representative and an alternate representative to represent the corporation in respect of Corporation matters. Every representative or alternate representative shall be an actively employed director, officer or executive employee of the corporate member. The corporate member may, from time to time, appoint a new representative or alternate representative upon the provision of written notice to the Corporation.

3.3 **Term of Membership.** The Applicant shall provide not less than 12 months prior written notice to the Board by registered mail of the Applicants' intention to withdraw as a Member from the Corporation.

BY-LAW NO 2 SECTION 4
REMITTANCE OF FEES

4.1 Fees. Each Member will remit Fees, determined in accordance with the Fee Schedule, to the Corporation, in respect of each Product sold or supplied by the Member for the period set out in the Fee Schedule.

4.2 Interest. Members will pay interest on overdue Fees at the annual rate of interest established from time to time by The Royal Bank of Canada at its main branch in Vancouver, British Columbia, as the reference rate then in effect for determining rates of interest it will charge on Canadian dollar loans made by it in Canada and payable on demand and now designated as its “prime rate”, plus 1% per annum, compounded monthly, from the date the same are due until paid.

BY-LAW NO 2 SECTION 5
RECORD KEEPING

5.1 Records. Each Member will provide to the Corporation a record of all transactions respecting products, in the form and at the times approved by the Board.

BY-LAW NO 2 SECTION 6
AUDIT BY CORPORATION

6.1 Appointment of Auditor. The Corporation may, from time to time and as approved by the Board, audit the records of a Member with respect to the sale or supply of products and remittance of Fees to the Corporation through the services of the Auditor.

6.2 Review of Records. In the event of an audit, a Member shall make available to the Auditor any and all records of the Member relating to the sale or supply of the Products and remittances of Fees to the Corporation and shall provide to the Auditor all information respecting transactions relating to the products requested by the Auditor, provided that such records and information are reasonably required to perform an accurate audit.

6.3 Under-Remittance of Fees. In the event a Member is shown, after an audit, to have under-remitted Fees to the Corporation in an amount which is the greater of 5% of the Fee properly due for such period being audited and \$500, then the Member shall, in addition to any other liability at law, be obliged to pay the Corporation immediately the following:

- (1) the amount due;
- (2) the costs of the audit; and
- (3) 20% of the Fee due, by way of any administration fee to the Corporation.

6.4 Over-Remittance of Fees. In the event that a Member is audited and it is shown that a Member has over-remitted a Fee to the Corporation, then the Corporation shall, as soon as practicable, credit the Member for the amount overpaid.

6.5 Operating Costs. The Corporation will conduct an annual review of the actual operating costs for each Sector.

BY-LAW NO 2 SECTION 7
CORPORATION BY-LAWS GOVERN

7.1 Governing By-Laws. Each Member agrees that its membership in the Corporation will be governed by the By-laws of the Corporation.

BY-LAW NO 2 SECTION 8
OBLIGATIONS OF THE CORPORATION

8.1 Stewardship Program. The Corporation shall provide to each Member an environmental stewardship program with respect to the sale or supply of product which are approved in accordance with the Applicable Legislation.

8.2 Confidential Information. The Corporation covenants with each Member to keep confidential any and all information transmitted to it by the Member for any purpose, including audit, except as required by law and except that the Corporation may identify a Member who is in arrears of Fee remittances. The Corporation will ensure the Auditor and other employees, representatives and employees of the Corporation, to keep Member information confidential, except as required by law.

8.3 Notice. The Corporation shall provide to all Members 90 day advance notice, in writing, of any change to the Fee Schedule.

8.4 Non-Proprietary Information. The Corporation will provide non-proprietary information to Members, as required for the Member's report to the applicable government agency.

8.5 Proof of Membership. The Corporation will generally co-operate with the Membership so as to facilitate easy identification of Members.

BY-LAW NO 2 SECTION 9
LIMITED LIABILITY

9.1 Liability. No Member shall be liable for a debt or obligation of the Corporation merely by reason of Membership in the Corporation.

BY-LAW NO 2 SECTION 10
EFFECTIVE DATE

10.1 **Effective Date.** This by-law shall come into force when made by the board in accordance with the Act.

PASSED by the board the 7th day of June, 2001

Owen MacRae, Chair

Dick Glassford, Secretary

CONFIRMED by the members the 29th day of May, 2002

Dick Glassford, Secretary

SCHEDULE 1

APPLICABLE LAW

Acts

1. Waste Management Act, R. S. B. C. 1996, c. 482 as amended
2. Environment Act, S. N. S. 1994-5, c. 1
3. Environmental Protection and Enhancement Act (Alberta)
4. Environmental Management and Protection Act, 2002 (Saskatchewan)
5. The Waste Reduction and Prevention Act, C.C.S.M. c. 40 (Manitoba)
6. Waste Diversion Act, 2002 (Ontario)
7. Clean Environment Act (New Brunswick)
8. Environmental Protection Act (PEI)
9. Environmental Protection Act (Nfld)

[Item 2 added by resolution of the board of directors September 19, 2002; Items 3-9 added by resolution of the board of directors June 11, 2003]

Regulations

1. Post-Consumer Residual Stewardship Regulation BC Reg. 111/97, pursuant to the Waste Management Act (as amended by OIC 59/2003)
2. Solid Waste –Resource Management Regulations made under section 102 of the Environment Act, O. I. C. 96- 79 (February 6, 1996), N. S. Reg. 25/96 as amended up to O. I. C. 2002 – 94 (March 1, 2002), N. S. Reg. 24/2002

[Item 2 added by resolution of the board of directors September 19, 2002]

SCHEDULE II

DIRECTORS BY SECTOR REPRESENTATION

Sector	Number of Directors	Number of Directors Elected at First Meeting
1. Coatings	5	3
2. Pesticides	1	1
3. Flammable Liquids	2	1
4. Petroleum Products*	1	0
5. Additional director** (Retail)	<u>1</u>	
Total:	10	

**the Director may be a staff member of the Canadian Petroleum Products Institute instead of a Sector Representative.*

*** the additional director shall be appointed to a sector as determined by the Board from time to time.*

[Sector 5 "additional director" position created at general meeting of members May 29, 2002. Designation of "Retail" sector determined by resolution of the board of directors September 19, 2002.]

SCHEDULE III

ECO-FEE RATES (as of May 1, 2012)

BC Paint

100 ml to 250 ml	\$0.20
251 ml to 1 litre	\$0.25
1.01 to 5 litres	\$0.60
5.01 litres to 23 litres	\$1.50
Aerosol paint (all sizes)	\$0.25

BC Household Pesticides

Less than 0.01 L or kg	\$0.01
Less than 0.9 litres or kg	\$0.60
0.9 litres or kg to 1.79 litres or kg	\$1.20
1.8 litres or kg or more	\$2.40

BC Flammable Liquids

0.75 litres or less	\$0.05
0.76 litres to 1 litre	\$0.10
1.01 litres to 2 litres	\$0.20
2.01 litres to 4 litres	\$0.40
4.01 litres to 10 litres	\$1.00
Aerosol solvents/flammable liquids (1 to 75ml)	\$0.01
Aerosol solvents/flammable liquids (76 to 200ml)	\$0.05
Aerosol solvents/flammable liquids (201 and over)	\$0.10

BC Gasoline Stations

Per gasoline station in B.C.	\$11.25 per month
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BC Compact Fluorescent Lights

Compact Fluorescent Light	\$0.15
Tubes measuring less than or equal to 2 feet	\$0.20
Tubes measuring greater than 2 feet and up to or equal to 4 feet	\$0.40
Tubes measuring greater than 4 feet	\$0.55

BC Smoke and CO Alarms

Smoke Alarm	\$1.20
CO Alarms	\$0.60

Saskatchewan Paint Fees

100 ml to 250 ml	\$0.10
251 ml to 1 litre	\$0.25
1.01 to 5 litres	\$0.60
5.01 litres to 23 litres	\$1.50
Aerosol paint (all sizes)	\$0.10

Nova Scotia Paint Fees

100 ml to 250 ml	\$0.10
251 ml to 1 litre	\$0.25
1.01 to 5 litres	\$0.50
5.01 litres to 23 litres	\$1.00
Aerosol paint (all sizes)	\$0.10

New Brunswick Paint Fees

100 ml to 250 ml	\$0.20
251 ml to 1 litre	\$0.35
1.01 to 5 litres	\$0.70
5.01 litres to 23 litres	\$1.50
Aerosol paint (all sizes)	\$0.20

Manitoba Paint Fees

100 ml to 250 ml	\$0.20
251 ml to 1 litre	\$0.25
1.01 to 5 litres	\$0.60
5.01 litres to 23 litres	\$1.50
Aerosol paint (all sizes)	\$0.25

Manitoba Fluorescent Lamps Fees

Light type (sales for residential use)	Common type	Fee per unit
Compact Fluorescent Light	CFL	\$0.15
Tubes measuring less than or equal to 2 feet	2 feet	\$0.20
Tubes measuring greater than 2 feet and up to or equal to 4 feet	4 feet	\$0.40
Tubes measuring greater than 4 feet	8 feet	\$0.55

Newfoundland and Labrador Paint Fees

100 ml to 250 ml	\$0.30
251 ml to 1 litre	\$0.50
1.01 to 5 litres	\$1.10
5.01 litres to 23 litres	\$2.50
Aerosol paint (all sizes)	\$0.30