

SCHEDULE A
RULES FOR STEWARDS WITH RESPECT TO PAYMENT OF EEE FEES

1) Interpretation

In these Rules, the following terms shall have the following meanings. Capitalized terms which are not otherwise defined will have the meaning given to them in the *Waste Diversion Act, 2002*:

Affiliate means an affiliated body corporate, determined as follows:

- (1) one body corporate shall be deemed to be affiliated with another body corporate if, but only if, one of them is the subsidiary of the other or both are subsidiaries of the same body corporate or each of them is controlled by the same person;
- (2) a body corporate shall be deemed to be controlled by another person or by two or more bodies corporate if, but only if,
 - (a) voting securities of the first-mentioned body corporate carrying more than 50 per cent of the votes for the election of directors are held, other than by way of security only, by or for the benefit of such other person or by or for the benefit of such other bodies corporate; and
 - (b) the votes carried by such securities are sufficient, if exercised, to elect a majority of the board of directors of the first-mentioned body corporate; and
- (3) a body corporate shall be deemed to be a subsidiary of another body corporate if, but only if,
 - (a) it is controlled by,
 - (i) that other, or
 - (ii) that other and one or more bodies incorporate each of which is controlled by that other, or
 - (iii) two or more bodies corporate each of which is controlled by that other; or
 - (b) it is a subsidiary of a body corporate that is that other's subsidiary;

Base Interest Rate means the prejudgment interest rate established from time to time under the Rules of Civil Procedure of the *Courts of Justice Act*, as amended from time to time, for prejudgment interest;

Brand Owner means, with respect to Branded EEE, during any time in the Data Period:

- (a) a Person Resident in Ontario who is the registered owner of the Brand, or
- (b) a Person Resident in Ontario who is a licensee of the Brand, or
- (c) a Person Resident in Ontario, who owns the intellectual property rights to the Brand, or
- (d) a Person Resident in Ontario, who is the licensee, in respect of the intellectual property rights of the Brand;

where “licensee” includes a Person who packages EEE which bear a Brand, other than a packager, producer, Manufacturer or filler of Private Label Goods, and includes any Person whose corporate name or business name registration contains the Brand;

Brand means a trademark, official mark, tradename or distinguishing guise, within the meaning of the *Trade-marks Act (Canada)*, whether or not registered pursuant thereto;

Branded means a Brand is attached to or otherwise associated with EEE;

Commencement Date means the first day of the first calendar month which begins at least 240 days after the date of publication of the Regulation on the e-Laws Website designating OES as the industry funding organization for WEEE;

Commercial Connection, for the purposes of these Rules, means that a Person derives a direct economic benefit when the particular EEE is Supplied in Ontario;

Data Period means the 1 month period ending the last day of each calendar month starting with the Commencement date;

EEE means electrical and electronic equipment, being all goods and products set out in Appendix A which are Supplied in Ontario that result in the generation of waste electrical and electronic equipment;

e-Laws Website means the website of the Government of Ontario for statutes, regulations and related materials that is available on the Internet at www.e-laws.gov.on.ca or at another website address specified by a regulation made under subsection 1(3) of the *Legislation Act, 2006*;

Filed means electronically submitted or mailed to OES at an address identified to the Stewards by mail or electronically, with confirmation of transmission in the case of sending by electronic means;

First Importer means a Person Resident in Ontario who is not a Brand Owner for a specific EEE that imports such EEE into Ontario, and includes a Person Resident in Ontario who is the first to take title or delivery or possession to such EEE, upon or after arrival in Ontario from elsewhere during the Data Period; and for the purposes of this definition, a Franchisee is not a First Importer of EEE if a Franchisor for such EEE is Resident in Ontario. A Person who takes delivery/possession of EEE only for the purpose of transporting it to another Person in Ontario is not the First Importer of the EEE;

Franchisor, Franchisee and Franchise System have the meaning ascribed thereto under the *Arthur Wishart Act (Franchise Disclosure), 2000*, as amended from time to time;

Manufacturer means a Person, other than a Refurbisher, who uses Branded or Unbranded components with or without value added additional processing to create EEE

OES means Ontario Electronic Stewardship;

Person includes an individual, partnership, joint venture, sole proprietorship, company or corporation, government (whether national, federal, provincial, state, municipal, city, county or otherwise and including any instrumentality, division, body, department, board or agency of any of them), trust, trustee, executor, administrator or any other kind of legal personal representatives, unincorporated organization, association, institution, entity, however designated; and words importing “persons” have similar meanings;

Private Label Goods means goods that carry the brand or trademark of a Brand Owner and Supplied or delivered to consumers by such Brand Owner that is a retail outlet in Ontario;

Published Address means an address in Ontario appearing in a current telephone directory or a recognized current published business directory;

Refurbisher means a Person who carries out internal testing, troubleshooting disassembly or physical modification to WEEE, part removal and replacement or repair of non-functioning or obsolete parts (not including consumable items such as batteries, toners, fusers, etc.) for the purpose of product or part repair and/or redistribution and Supplies such product for distribution in Ontario;

Remitter means a Person, who may or may not be a Steward, who has executed a Remitter’s Agreement with a Steward and OES respecting EEE;

Remitter’s Agreement means an agreement among OES, a Remitter and a Person designated under these Rules as an EEE Steward which provides that the Remitter will file a Remitter’s Report and pay Steward Fees to OES on behalf of a Steward for such EEE that was Supplied in Ontario by the Remitter and will inform such Steward of the amount of Steward Fees paid to OES;

Remitter’s Report means a report prepared by a Remitter and filed with OES on behalf of a Steward, pursuant to a Remitter’s Agreement, describing the aggregate amount of EEE that was Supplied by the Remitter in Ontario in the Data Period on behalf of the Steward and containing the information required by Appendix C;

Resident in Ontario means any or all of the following: (i) having a published address in Ontario; (ii) having a permanent place of business in Ontario, determined in accordance with the provisions of Appendix D; or (iii) having a permanent establishment in Ontario for the purposes of the *Corporations Tax Act (Ontario)*;

Rules means these rules, and includes additional rules or amendments to these Rules from time to time, as published by OES on its website;

Steward means a Person designated as such under Section 2; and “Stewards” means more than one Steward;

Steward Fees means the fee payable to OES pursuant to Section 4;

Steward’s Report means a report prepared by a Steward and filed with OES describing the aggregate amount of EEE that the Steward Supplied to a Person resident in Ontario in the

Data Period by the Steward or its Franchisees and/or Affiliates, containing the information required by Appendix B;

Supplied means sold, leased, donated, disposed of, transferred the possession or title of, or otherwise made available or distributed for use in the Province of Ontario; Supply and Supplies have similar meanings;

Unbranded means a Brand is not attached to or otherwise associated with EEE;

WEEE means waste electrical and electronic equipment, being any waste EEE that is defined in Ontario Regulation 393/04.

2) Designation of Stewards

For the purposes of determining which Person shall be designated as a Steward for a particular class or group of EEE, the following provisions shall apply, in the order in which they are set out. If two or more Persons are designated as a Steward pursuant to the following, the earlier provision shall prevail.

- (1) A Brand Owner is designated as a Steward with respect to all EEE:
 - a. for which it is the Brand Owner in the Data Period; and
 - b. to which it has a Commercial Connection;
- (2) A First Importer is designated as a Steward with respect to all EEE for which it is the First Importer in the Data Period.
- (3) A Franchisor is designated as a Steward with respect to all EEE which are Supplied within the relevant Franchise System in the Data Period.
- (4) If there are two Brand Owners for the same EEE in the same Data Period, the Brand Owner more directly connected to the production of the EEE shall be designated as the Steward.
- (5) If there is Unbranded EEE in the Data Period, and if the Manufacturer is Resident in Ontario, the Manufacturer of such EEE shall be designated as the Steward for such EEE; otherwise the First Importer shall be designated as the Steward for such EEE.

3) Steward's Report

- (1) Every Steward shall file its first Steward's Report with OES the later of:
 - (a) 30 days after Commencement Date; and
 - (b) 90 days after such Steward is notified of the existence of these Rules and how to obtain a copy of them.
- (2) Stewards may amend a Steward's Report with the consent of OES to correct information in the Steward's Report that is in error or to replace data previously reported.
- (3) Once it has filed its first Steward's Report, an EEE Steward shall file a Steward's Report in accordance with the schedule as set out in Appendix E.
- (4) Notwithstanding the above OES may require a Steward to file a Steward's Report by sending a written request to the Steward.

4) Fees Payable

- (1) Stewards shall pay Steward's Fees to OES in accordance with Appendix E. The amount of Steward's Fees shall be calculated in accordance with Appendix F by multiplying the

number of units of each type of EEE included in the Steward's Report by the Fee Rate set out opposite such type.

- (2) Notwithstanding that a Steward has not received the notice in Section 3(1), it is responsible for payment of Steward's Fees for all EEE for which it is a Steward from and after the Commencement Date to the date on which it receives such notice.
- (3) OES may provide a credit for Steward's Fees which are overpaid, or which are for the same EEE for which another Person has paid Steward's Fees.
- (4) A Person described in any provision of Section 2 who acquires EEE from a person also described in Section 2 (the "provider") must ensure that the provider has an OES identification number. The OES number will be posted on the OES website, so that potential downstream Stewards can confirm it. If a valid OES identification number is not given, the downstream Steward will then be subject to filing and paying to the extent that the provider doesn't.

5) Remitters

- (1) To the extent that a Remitter submits a Remitter's Report and pays Fees on EEE on behalf of a Steward in accordance with a Remitter's Agreement, such Steward shall be relieved of reporting such EEE under subsection 3 (1) and 3 (3), and paying Steward's Fees on such EEE under section 4. OES shall not be required to execute a Remitter's Agreement with any party.

6) Penalties, Interest and Back Fees

- (1) Stewards who fail to pay Steward's Fees by the dates specified in Appendix E will be subject to a penalty calculated at 10% of Steward Fees due and payable.
- (2) If the amounts reported in a Steward's Report are inaccurate, any deficiency in Steward Fees paid resulting from such inaccuracies shall be immediately due and payable from the date of the filing of the correcting Steward's Report, and, if not paid within 30 days, will be subject to a penalty equal to 10% of such Steward Fee deficiency.
- (3) Interest on the amounts payable under subsections 6(1) and Section 6 (2) shall accrue from their respective due dates at the Base Interest Rate plus 3% per annum. In addition, a Steward shall pay all collection costs, including all proper and reasonable legal fees, incurred by OES, whether or not an action has been commenced.
- (4) OES may waive all or part of any penalty, interest or charges otherwise payable under this Section 6.

7) Record Provision and Retention

- (1) Upon request from OES, Stewards shall promptly provide data used by Stewards in the preparation of the Steward's Report, including calculation methodology, product data, audit reports, list of Brands reported and list of Brands excluded from report, and allocation percentages.
- (2) A Steward shall retain records or, on receipt of written request, provide records at an address in the Province of Ontario to substantiate and verify the amount set out in its Steward's Report for a period of not less than five years from the date of the Steward's Report to which they relate. A Steward shall grant access to OES upon its request to examine its books and records to enable OES to audit and inspect such records respecting a Steward's Report up to five years after the date of receipt of such Steward's Report by OES.

8) Dispute Resolution

If any dispute arises between a Steward and OES as to the amount of EEE that is required to be included in a Steward's Report:

- (1) The parties shall attempt to resolve the dispute through designated representatives from each of OES and the Steward within 30 days after written notice of the dispute was first given, or as otherwise agreed upon.
- (2) If the parties are unable to resolve the dispute within the above period, the Steward and OES shall, within 30 days thereafter, jointly select an arbitrator to arbitrate the dispute. If the Steward does not nominate an arbitrator within the 30 day period, OES shall nominate the arbitrator. The arbitration shall be conducted in accordance with the *Arbitration Act, 1991*, as amended from time to time.
- (3) OES may from time to time establish a panel of approved arbitrators for the purposes of this Rule, whose names will be published on the OES website. The arbitrator shall be chosen from this panel, unless OES and the Steward mutually agree otherwise.
- (4) The arbitrator shall render a written decision on the dispute within 14 days after the arbitration hearing or submission. The decision of the arbitrator shall be final and binding on the parties and shall not be subject to appeal on any grounds whatsoever, and shall be enforceable against OES and the Steward, as the case may be, immediately on the issue of such decision to the parties to the dispute.
- (5) Non-payment of Stewards Fees or the requirement for a Steward to file a Steward's Report shall not be items subject to arbitration.

9) Interpretive Memoranda

OES may publish on its website non-binding interpretive memoranda on these Rules and how it proposes to administer them.

10) Publishing of Names

- (1) OES will provide all Stewards and Remitters with an identification number
- (2) The names and identification numbers of Stewards filing Steward's Reports and Remitters filing Remitter's Reports will be posted on the OES website.
- (3) OES may post a list on its website of all Brands reported in Steward's Reports from time to time.
- (4) OES may publish on its website the name of any Person who may appear to be a Steward Resident in Ontario, but which it has determined upon investigation not to be Resident in Ontario.

11) Notice

Any notice, request or other communication from OES to a Steward which is required or may be given under these Rules may be delivered or transmitted by means of electronic communication, personal service or by prepaid first class postage to the Steward at a Published Address in Ontario and shall be deemed to have been received on the third day after posting and on the first day after the date of electronic transmission, in each case which is not a Saturday, Sunday or public holiday in Ontario.

12) Amendments to Rules

These Rules may be amended by OES from time to time. On receipt of such approvals and the publication of the amended Rules on OES' website, such amendments will come into effect and apply to all Stewards from and after the effective date.

Appendix A: EEE Material Definitions

Material Definitions	Inclusions	Exclusions
<p>Desktop Computers – A desktop computer or computer terminal that requires a standard AC power plug for its primary source of power.</p>	<p>Includes products commonly referred to as</p> <ul style="list-style-type: none"> • Desktops • Computers • Computer terminals • Desktops acting as servers • Thin Clients • Microcomputers • Minicomputers 	<ul style="list-style-type: none"> • Computer terminals that are embedded into non-Phase 1 products • Portable computers identified in Phase 2 (e.g. PDA's) • Products classified as Computer Peripherals under this Plan
<p>Portable Computers – A computer that contains a Central Processing Unit (CPU) and that can operate through self-contained battery.</p>	<p>Includes products commonly called</p> <ul style="list-style-type: none"> • Laptops • Notebooks • Notepads • Tablet PC 	<ul style="list-style-type: none"> • Portable computers identified in Phase 2 such as Personal Digital Assistant (PDA's) • Other handheld devices
<p>Computer Peripherals – Standalone disk drives, optical drives, computer mouse and keyboards.</p>	<p>Includes replacement computer components, and those Supplied as standalone products.</p> <ul style="list-style-type: none"> • CD-ROM, DVD, HD-DVD, and BluRay drives • Disk Drives • Computer Mouse • Computer Keyboard 	<ul style="list-style-type: none"> • Speakers, cameras, microphones and other non-Phase 1 products • Internal components contained within the original desktop or portable computer at the time of supply
<p>Monitors – A device that displays video image and does not have an embedded television tuner. The video images are displayed using a variety of technologies including Cathode Ray Tube (CRT), Liquid Crystal Display (LCD), and Plasma.</p>	<ul style="list-style-type: none"> • Computer monitors • Professional display monitors • Closed circuit monitor screens 	<ul style="list-style-type: none"> • Displays that are embedded into non-Phase 1 product, where the monitor is not the primary product.
<p>Televisions – A device that displays video image and has an embedded television tuner. The video images are displayed using a variety of technologies including Cathode Ray Tube (CRT), Liquid Crystal Display (LCD), Plasma, and Rear-Projection.</p>	<ul style="list-style-type: none"> • Televisions • Dual television and computer monitors 	<ul style="list-style-type: none"> • Monitors • Televisions that are embedded into non-Phase 1 products where the television is not the primary product (e.g. televisions within refrigerators)
<p>Printing Devices – Printing devices that are designed to reside on a work surface and includes various printing technologies, including laser and LED, ink jet, dot matrix, thermal, dye sublimation, etc. and “multi-function” or “all in one” devices that perform different tasks such as copy, scan, fax, and print.</p>	<p>Standalone</p> <ul style="list-style-type: none"> • Desktop printers • Portable PC-free photo printers • Camera dock printers • Desktop label, barcode, and card printers • Desktop fax machines 	<ul style="list-style-type: none"> • Printing devices listed in Phase 2 including: <ul style="list-style-type: none"> – Floor standing printers – Point of sale (POS) receipt printers – Handheld printers such as calculators with printing capabilities or label makers • Printing devices that are embedded into non-Phase 1 products, where the printer is not primary product.

Appendix B
Form of Steward's Report

Name of Steward

Mailing address

Billing address

Primary Contact Person for Steward's Report

Email address

Units of Electrical and Electronic Equipment Supplied into Ontario for the brands owned or first imported into Ontario in the data period.

EEE Material	EEE Sub-Category Material	Units
Desktop Computers		
Portable Computers		
Computer Peripherals		
	Mice	
	Keyboards	
	Single Hard drives	
	Optical Drives	
Monitors		
Televisions		
	18" screen and smaller	
	19" to 29" screen	
	30" to 45" screen	
	46" screen and larger	
Printing Devices		
Desktop Bundle A	Computer + Mouse + Keyboard	
Desktop Bundle B	Computer + Mouse + Keyboard + Monitor	
Desktop Bundle C	Computer + Mouse + Keyboard + Monitor + Printer	
Desktop Bundle D	Computer + Mouse + Keyboard + Printer	

Required information to be included in the Steward's Report:

1. Description of methodology and data used to prepare this Steward's Report;
2. Description of Excluded units of EEE deducted from the Steward's Report,
3. List of brands or trade marks covered in this Steward's Report;
4. List of affiliates and /or franchisees included in this Steward's Report;
5. Declaration of accuracy of contents of this Steward's Report;
6. List of suppliers covered in the Steward's Report, and;
7. List of distributors covered in the Steward's Report.

Please note: Desktop bundles not meeting criteria A through D must be allocated as individual EEE in the Steward's Report.

Appendix C
Form of EEE Remitter's Report

Name of Remitter

Mailing address

Billing address

Primary Contact Person for EEE Remitter's Report

Email address

Units of Electrical and Electronic Equipment Supplied into Ontario for the products covered in the Remitter's Agreement in the data period.

EEE Material	EEE Sub-Category Material	Units
Desktop Computers		
Portable Computers		
Computer Peripherals		
	Mice	
	Keyboards	
	Single Hard drives	
	Optical Drives	
Monitors		
Televisions		
	18" screen and smaller	
	19" to 29" screen	
	30" to 45" screen	
	46" screen and larger	
Printing Devices		
Desktop Bundle A	Computer + Mouse + Keyboard	
Desktop Bundle B	Computer + Mouse + Keyboard + Monitor	
Desktop Bundle C	Computer + Mouse + Keyboard + Monitor + Printer	
Desktop Bundle D	Computer + Mouse + Keyboard + Printer	

Required information to be included in the EEE Remitter's Report:

1. Description of methodology and data used to prepare this EEE Remitter's Report;
2. Description of Excluded units of EEE deducted from the EEE Remitter's Report,
3. List of brands or trade marks covered in this EEE Remitter's Report;
4. List of affiliates and /or franchisees included in this EEE Remitter's Report;
5. Declaration of accuracy of contents of this EEE Remitter's Report;
6. If applicable, a list of suppliers of EEE included in the EEE Remitter's Report, and;
7. If applicable, a list of distributors of EEE included in the EEE Remitter's Report.

Please note: Desktop bundles not meeting criteria A through D must be allocated as individual EEE in the Steward's Report.

Appendix D

Resident in Ontario (Person)

Resident in Ontario, with respect to a Person, means a Person that has a permanent establishment in Ontario, where:

- (a) “**permanent establishment**” includes branches, mines, oil wells, farms, timberlands, factories, workshops, warehouses, offices, agencies and other fixed places of business and
- (b) the following rules apply,

Contracting Employees or Inventory Sufficient

Where a Person carries on business through an employee or agent who has general authority to contract for the Person or who has a stock of merchandise owned by the Person from which the employee or agent regularly fills orders which the employee or agent receives, such employee or agent shall be deemed to operate a permanent establishment of the Person.

Commission Agent not Sufficient

The fact that a Person has business dealings through a commission agent, broker or other independent agent shall not of itself be deemed to mean that the Person has a permanent establishment.

Parent of Subsidiary not Sufficient

The fact that a Person has a subsidiary controlled Person in a place or a subsidiary controlled Person engaged in a trade or business in a place shall not of itself be deemed to mean that the first-mentioned Person is operating a permanent establishment in that place.

Licensed Insurance Company Sufficient

An insurance Person is deemed to have a permanent establishment in each jurisdiction in which the Person is registered or licensed to do business.

Purchasing Office not Sufficient

The fact that a Person maintains an office solely for the purchase of merchandise shall not of itself be deemed to mean that the Person has a permanent establishment in that office.

Ownership of Land Sufficient

Where a Person, otherwise having a permanent establishment in Canada, owns land in a province or territory of Canada, such land is a permanent establishment.

Production Packing and other Activities Sufficient

The fact that a non-resident Person in a year produced, grew, mined, created, manufactured, fabricated, improved, packed, preserved or constructed in whole or in part anything in Canada, whether or not the Person exported that thing without selling it prior to exportation, shall of itself, be deemed to mean that the Person maintained a permanent establishment at any place where the Person did any of those things in the taxation year.

Machinery or Equipment Sufficient

The use of substantial machinery or equipment in a particular place at any time in a year of a Person constitutes a permanent establishment of such Person in that place for such a year.

Principal Place of Business Sufficient

Where a Person has no fixed place of business, it has a permanent establishment in the principal place in which the Person's business is conducted.

Charter or By Laws designating Head or Registered Office Sufficient

Where a Person does not otherwise have a permanent establishment in Canada, it has a permanent establishment in the place designated in its charter or by-laws as being its head office or registered office.

Appendix E
Payment and Reporting Schedule

Payment and reporting schedule will be monthly. The reporting schedule will depend on when a Steward is notified.

Monthly Data period	Data period end date	payment deadline
First month	Last day of first month	30 days from last day of first month
Second month	Last day of second month	30 days from last day of second month
Etc.	Etc.	Etc.

All obligated Stewards are required to file individual EEE Steward's Reports from the commencement date of these Rules. Obligated Stewards are required to file an EEE Steward's Report for all outstanding EEE Steward's Reports by the date outlined in Section 4 of these Rules and then the regular schedule of filings and payments shall apply.

Stewards who fail to pay Steward Fees as set out in the instalment schedule above shall pay in addition:

- A penalty of 10% of the Steward Fees due and payable.
- Interest at the posted prime interest rate plus 3% on any outstanding balance due.

Appendix F

Table of Fees: 12 months post-Commencement

EEE Material	EEE Sub-Category Material	Fee Rate
Desktop Computers		\$13.44/ unit
Portable Computers		\$2.14/ unit
Computer Peripherals		\$0.32/ unit
	Mice	
	Keyboards	
	Single Hard drives	
	Optical Drives	
Monitors		\$12.03/ unit
Televisions		\$10.07/ unit
	18" screen and smaller	
	19" to 29" screen	
	30" to 45" screen	
	46" screen and larger	
Printing Devices		\$5.05/ unit