

**2020 Schedule of Contributions
for “Newspapers”**

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1. Definitions

1.1. Definitions

In the Schedule, unless the context indicates a different meaning, the following words and expressions mean or designate:

- a) “brand”: a mark that is used by a person for the purpose of distinguishing, or so as to distinguish, newspapers marketed by the person from newspapers marketed by others;
- b) “cash contribution”: the amount that must be paid in cash to RecycleMédias by a person prescribed under the Schedule;
- c) “compensation regime”: the compensation regime for municipalities established under sub-section 4.1 of division VII of chapter I of the Act and the Regulation, as amended from time to time;
- d) “contribution in ad placements”: the amount payable in the form of ad placements by a prescribed person under the Schedule. Such contributions in ad placements must consist of publishing, at the national, regional and local levels, messages intended to inform, educate or raise awareness about environmental matters, particularly in terms of promoting the recycling and recovery of residual materials, and may be made either in newspapers or through digital products;
- e) “costs of RecycleMédias”: the management costs and other expenses of RecycleMédias incidental to the compensation regime that may be collected by RecycleMédias under section 53.31.13 of the Act;
- f) “costs of RECYC-QUÉBEC”: the management costs and other expenses of RECYC-QUÉBEC incidental to the compensation regime and payable to RECYC-QUÉBEC by RecycleMédias under section 53.31.18 of the Act and section 8.14 of the Regulation;
- g) “digital products”: websites (including portals) and other digital products devoted primarily to current events, that are owned by the prescribed person or another member of the person’s corporate group, and through which a contribution in ad placements may be made;
- h) “distinguishing guise”: the format of a newspaper, the appearance of which is used by a person for the purpose of distinguishing, or so as to distinguish, newspapers marketed by the person from newspapers marketed by others;
- i) “first supplier”: a person who is domiciled or has an establishment in Québec and who is the first to take title, possession or control, in Québec, of a newspaper covered by the Schedule;
- j) “foreign publication”: a newspaper that markets less than 25% of its total materials in Québec;
- k) “materials”: paper and other cellulosic fibres belonging to the class of newspapers, as well as the containers and packaging used to deliver newspapers directly to the ultimate consumer or recipient. Quantities of marketed materials are measured in metric tons;
- l) “name”: the name under which any business is carried on, whether or not it is the name of a legal person, a partnership or an individual;
- m) “newspapers”: as set forth in section 2 of the Regulation, this class includes paper and other cellulosic fibres used as a medium for written current affairs periodicals published on newsprint, particularly dailies and weeklies, as well as containers and packaging used to deliver newspapers

directly to the ultimate consumer or recipient (particularly bags and elastic bands);

- n) “prescribed person”: a person subject to the compensation regime, as designated in chapter 3 of the Schedule;
- o) “RecycleMédias”: an organization accredited by RECYC-QUÉBEC that represents newspapers;
- p) “RECYC-QUÉBEC”: the Société québécoise de récupération et de recyclage, as designated in section 1 of the Act respecting the Société québécoise de récupération et de recyclage, chapter S-22.01;
- q) “the Act”: the Environment Quality Act, chapter Q-2, as amended from time to time;
- r) “the Regulation”: the Regulation respecting compensation for municipal services provided to recover and reclaim residual materials, chapter Q-2, r. 10, as amended from time to time;
- s) “the Schedule”: the present Schedule, including its appendices.

2. Interpretation

2.1. Explanatory notice

2.1.1. RecycleMédias may publish an explanatory notice or interpretation guide on its website at www.recyclemedias.com to explain its interpretation of the Schedule and how it will be administered.

2.2. Continuance of the Schedule

2.2.1. If any provision of the Schedule is deemed invalid or unenforceable by a competent court or for any other reason, it shall not affect the validity of the other provisions of the Schedule, which shall be interpreted as if the invalid provision were omitted.

3. Designation of prescribed persons

3.1. Prescribed persons

3.1.1. Only the person who is the owner of the brand, name or distinguishing guise that identifies a material subject to contributions under the Schedule shall be required to pay a contribution with regard to that material.

3.1.2. However, if the owner has neither a domicile nor an establishment in Québec, payment of contributions may be required of the first supplier in Québec, whether or not it is the importer of that material.

3.1.3. Any person who marketed materials during 2019 remains fully responsible for such materials, and shall pay, according to the terms provided in the Schedule, any contribution and other amounts provided under the Schedule in respect of these materials, notwithstanding the fact that at the time the Schedule came into force or thereafter (a) the person is no longer the owner of the brand, name or distinguishing guise that identifies a material subject to contributions under the Schedule, or (b) the person no longer markets materials, or (c) the person no longer is the first supplier of this material in Quebec. Such a person is considered to be a prescribed person for the purposes of the Schedule.

3.2. Exempted persons

3.2.1. Prescribed persons who demonstrate to RecycleMédias that the contributions prescribed in chapters 5 and 6 of the Schedule have been paid in full, on their

behalf, by a third party recognized by RecycleMédias as a voluntary contributor under section 3.3, are exempted from those contributions.

3.2.2. In order to promote freedom of the press and lighten the administrative burden of RecycleMédias, prescribed persons who own the brand, name or distinguishing guise which identifies a material subject to contributions pursuant to the Schedule and who, in 2019, marketed materials weighing less than a total of fifteen (15) metric tons, are also exempted from the contributions prescribed in chapters 5 and 6 of the Schedule.

3.3. Voluntary contributor

3.3.1. A third party whose domicile or establishment is outside of Québec, and who is the owner of a brand, name or distinguishing guise, may be accepted by RecycleMédias as a voluntary contributor, notably if the person satisfies the conditions stipulated below.

3.3.2. A voluntary contributor may only act to fulfill the obligations that, under the Schedule, would be the responsibility of the first supplier of materials identified by a brand, name or distinguishing guise that is owned by the voluntary contributor. The latter may not act to fulfill the obligations of prescribed persons under section 3.1.1.

3.3.3. A third party may be recognized as a voluntary contributor if it concludes an agreement to that effect with RecycleMédias, which agreement shall include the following provisions:

- that it agrees to fulfill the obligations related to contribution in ad placements under the Schedule;
- that it agrees to pay the cash contribution under the Schedule;
- that it agrees to produce the reports required in chapter 7 of the Schedule, under the terms set out in that chapter;
- that it agrees to the foregoing with regard to all of its first suppliers in Québec;
- that it agrees to respect the laws of Québec, and accepts that any legal proceedings will take place in Québec, under the laws of Québec.

A third party recognized as a voluntary contributor thus becomes a prescribed person with respect to both cash contribution and contribution in ad placements.

3.3.4. RecycleMédias may decide to conclude an agreement such as that described in section 3.3.3 with a third party whose domicile or establishment is in Canada but outside of Québec, and who, without being the owner of a brand, name or distinguishing guise, is its principal distributor in Québec. Section 3.3.2 also applies to such a third party, who, for the purposes of the Schedule, is considered as a voluntary contributor.

3.3.5. The first supplier and the voluntary contributor are solidarily liable for their obligations under the Schedule.

3.4. Publication of the names of prescribed persons

3.4.1. RecycleMédias may publish on its website the name of any person that, in RecycleMédias' view, meets the criteria for a prescribed person in section 3.1 of the Schedule.

4. Compensation regime

4.1. Annual compensation payable

For the year covered by the Schedule, the amount of the annual compensation payable for the class "newspapers", under the Act and the Regulation, will be \$12,239,876. This amount will be paid through contributions in ad placements in the amount of \$3,800,000 and cash contributions in the amount of \$ 8,439,876. The contributions in ad placements made by any prescribed person under RecycleMédias' 2019 Schedule in excess of the amount of \$3,800,000 as determined in section 4.1 of the said 2019 Schedule may, at RecycleMédias' discretion, be applied as contributions in ad placements made under the Schedule, thereby reducing the new contributions in ad placements required to be made under the Schedule by the same amount.

4.2. Costs

As well, the amounts corresponding to the costs of RECYC-QUÉBEC and the costs of RecycleMédias will be paid by the prescribed persons through cash contributions.

4.3. Environmental consequences

4.3.1. In order to make the prescribed persons accountable for the environmental consequences of the marketing of newspapers, and to promote the adoption of responsible behavior, each prescribed person who is the owner of the brand, name or distinguishing guise which identifies the materials that are subject to contributions under this Schedule, and who marketed materials in 2019 with a total weight equal to or greater than fifteen (15) metric tons, must show that it has and offers one or more digital products throughout 2020. If a prescribed person fails to do so, an amount equal to 5% of the contribution in ad placements of such prescribed person shall be converted into an additional cash contribution. The payment rules established for the cash contribution in chapter 6 of the Schedule shall apply to such additional cash contribution, subject to the necessary adjustments.

5. Contribution in ad placements

5.1. Determination of contribution in ad placements

5.1.1. For 2020, the contribution in ad placements by a prescribed person corresponds to the quantity of materials marketed by that person in 2019 multiplied by the applicable rate, i.e. \$116.84 per metric ton.

5.2. Foreign publication

5.2.1. For newspapers qualified as foreign publications, the contribution in ad placements is converted into a cash contribution that is additional to that provided in chapter 6. This additional cash contribution is paid to RECYC-QUÉBEC as partial payment of the compensation due to the municipalities under the Regulation by prescribed persons in the "newspaper" class.

5.2.2. The payment rules for cash contributions set out in chapter 6 of the Schedule also apply, with the necessary modifications, to the additional cash contribution.

5.3. Terms and conditions

- 5.3.1. Ad placements for a maximum value corresponding to the amount of each prescribed person's contribution in ad placements will be requested from such prescribed person by no later than February 28, 2021 for publication by no later than June 30, 2021 in respect of contributions in ad placements for 2020.
- 5.3.2. To determine the value of each ad placement and the terms and conditions under which it is provided, the customary government rate card (or national rate card) of each prescribed person (or member of the person's corporate group, as the case may be) shall be applied to the ad placements made. Furthermore, in order to avoid the conversion of part of its contribution in ad placements into an additional cash contribution as provided under section 5.4 of the Schedule, a prescribed person may choose to make a contribution in ad placements for a value higher than the required value. In such case, the prescribed person will not be entitled to any credit for the additional value thus contributed.
- 5.3.3. It is agreed that it is up to RECYC-QUÉBEC or its advertising agency to ensure that any advertising campaign delivered complies with the rate cards and the other standard terms and conditions of each prescribed person, including the deadlines. RecycleMédias will then require the contributions in ad placements from the prescribed persons in accordance with the terms, conditions and specifications provided by RECYC-QUÉBEC or its advertising agency.
- 5.3.4. For the purpose of making its contribution in ad placements, each prescribed person must collaborate with RecycleMédias, RECYC-QUÉBEC and any advertising agency retained by RECYC-QUÉBEC. RECYC-QUÉBEC and any advertising agency it retains must provide RecycleMédias with the information required for RecycleMédias to ensure that the contributions in ad placements payable pursuant to the Schedule are made according to the terms of the Schedule, including by providing RecycleMédias, by no later than July 31, 2021, with a detailed report indicating, for each prescribed person required to make a contribution in ad placements, the total value of the contribution in ad placements made by such person as of June 30, 2021.
- 5.3.5. Overall, the contributions in ad placements provided by the prescribed persons under this Schedule shall enable the dissemination of information, awareness and educational messages and favour messages on environmental matters and favour messages intended to promote the recovery and reclamation of residual materials in all the regions of the province of Quebec, based on a distribution (in quantity of materials and as indicated in section 5.1.1 of this Schedule) which is similar to the distribution of the population over the territory of Quebec.
- 5.3.6. Cities do not have individual access to advertising spaces, since the compensation in goods and services under the program is managed on a province-wide basis.
- 5.3.7. The distribution of the contributions in ad placements is proportional to the quantity of materials marketed by the prescribed persons per territory. No later than the one hundred and twentieth (120th) day after the Schedule comes into force, RecycleMédias shall submit to RECYC-QUÉBEC a notice of the amount of the contribution in ad placements for each prescribed person, as well as a list of the newspapers and digital products controlled by each prescribed person.
- 5.3.8. RECYC-QUÉBEC establishes an Implementation Committee for the compensation regime for the selective collection, coordinates its activities and accompanies its members in discussions regarding the criteria for distribution to municipalities, and regarding the application of such regime.

5.4. Conversion into additional cash contribution

5.4.1. A prescribed person who has not fulfilled the contribution in ad placements, in whole or in part, by the date set in this Schedule, will be liable to pay an additional cash contribution in an amount equal to the value of the contribution in ad placements payable, or the balance thereof, as applicable.

5.4.2. The payment rules for the cash contribution set out chapter 6 also apply, with the necessary modifications, to the additional cash contribution.

6. Cash contribution

6.1. Determination of cash contribution

6.1.1. For 2020, the cash contribution by a prescribed person corresponds to the quantity of materials marketed by that person in 2019 multiplied by the applicable rate, i.e. \$274.58 per metric ton.

6.2. Date, place and form of payment

6.2.1. The cash contribution must be paid to RecycleMédias within ninety (90) days after the invoice is received. Unless otherwise decided by RecycleMédias, payment must be in full, in a single instalment.

6.2.2. RecycleMédias may specify a different deadline for payment of the cash contribution.

6.3. Penalties, interest and recovery

6.3.1. Cash contributions that are due and unpaid to RecycleMédias bear interest as set out in section 53.31.16 of the Act, i.e. at the rate determined under the first paragraph of section 28 of the Tax Administration Act, chapter A-6.002. Such interest will be calculated daily on the unpaid amount of the cash contribution, starting from the date when the cash contribution became due and ending on the date of payment, at the rate mentioned above. Any change to that rate automatically changes the interest rate applying under the present section.

6.3.2. In addition to the interest payable under section 6.3.1, a prescribed person who has not paid the cash contribution within two hundred and ten (210) days after receipt of the invoice in respect of the contribution for 2020, will be liable to a penalty equal to 10% of the cash contributions owing.

6.3.3. Pursuant to section 53.31.16 of the Act, when RecycleMédias exercises a remedy to claim a sum that it is owed, a penalty equal to 20% of the amount of the cash contribution will be applied.

6.4. Form of payment

6.4.1. Payment of cash contributions under chapter 6 of the Schedule must be made in the legal tender of Canada.

7. Registration and reporting by prescribed persons

7.1. Registration of prescribed persons

7.1.1. All prescribed persons (including any prescribed person exempted from contributions under section 3.2.2 of the Schedule) must register with RecycleMédias by sending it the information specified in Appendix A of the Schedule by no later than the thirtieth (30th) day after the prescribed person becomes subject to the Schedule.

7.2. Reporting of materials

7.2.1. All prescribed persons (including any prescribed person exempted from contributions under section 3.2.2 of the Schedule) must produce a report on the materials marketed by sending to RecycleMédias the information specified in Appendix B of the Schedule, notably:

- a) A list of the brands, names and distinguishing guises covered by the materials report;
- b) A list and description of any excluded materials that were omitted from the materials report;
- c) A statement certifying that the content of the materials report is true and accurate;
- d) A list of digital products that the prescribed person has and offers throughout 2020.

7.2.2. Prescribed persons must submit their materials report for 2020 by the latest of the following dates, either March 31, 2021 or the fifteenth (15th) day following the date on which the Schedule comes into force.

7.3. Changes and amendments

7.3.1. Any change in the content of documents submitted by a prescribed person, including any change to the information provided pursuant to Appendix A, must be reported in a modification notice sent to RecycleMédias no later than the thirtieth (30th) day after the change occurs.

7.4. Transmission medium and format

7.4.1. Documents and modification notices must be transmitted to RecycleMédias using digital media. They must be submitted using the forms provided on the website of RecycleMédias, using the procedure described on the site.

7.5. Billing

7.5.1. RecycleMédias sends each prescribed person a statement setting out the contribution in ad placements and an invoice for the cash contribution owing (and additional cash contribution, if any).

7.5.2. If a person fails to register under section 7.1 of the Schedule, or fails to send to RecycleMédias a materials report required under section 7.2 of the Schedule, the amounts of the contribution in ad placements, the cash contribution and the additional cash contribution, if any, will then be determined and billed based on an estimate by RecycleMédias.

7.6. Verification of reports

7.6.1. Besides the information and documents that the prescribed person must submit for the purposes of Appendix B of the Schedule, RecycleMédias reserves the right to ask for additional information, such as tables of data, audit reports, or any other information used by the prescribed person in preparing the reports.

7.6.2. RecycleMédias may review the materials report submitted by the prescribed person and require that corrections be made by the prescribed person. RecycleMédias may also choose to make the necessary corrections itself, after notifying the prescribed person. Following such corrections, the prescribed person will be sent a revised statement adjusting the contribution in ad placements and a revised invoice adjusting the cash contribution and, where applicable, the additional cash contribution.

- 7.6.3. A prescribed person that has not followed through on an adjusted contribution in ad placements, in whole or in part, or that has not concluded an agreement with RecycleMédias within sixty (60) days after the revised statement was issued, will be liable to a penalty, payable in cash, of an amount corresponding to the value of the unpaid contributions in ad placements.

The payment rules for the cash contribution set out in chapter 6 of the Schedule also apply, with the necessary modifications, to such penalties. In the case of a credit, RecycleMédias will apply the value of the credit to the next statement.

- 7.6.4. An adjustment made to the cash contribution must be paid by the prescribed person in full, in a single instalment, to RecycleMédias within thirty (30) days after the revised invoice is issued. In the case of a credit, RecycleMédias will apply the value of the credit to the next invoice.

The payment rules for the cash contribution set out in chapter 6 of the Schedule also apply, with the necessary modifications, to such adjustments.

8. Conservation of files

8.1. Conservation of files

- 8.1.1. All prescribed persons must retain all documents and other media used in preparing reports and all proofs of publication pertaining to its contributions in ad placements for a period of five (5) years after the reports were transmitted or from the date of publication, as the case may be. Such information must be made available for consultation and copying by RecycleMédias, during normal business hours, following prior notice to that effect by RecycleMédias.

8.2. Confidentiality

- 8.2.1. During the period in which RecycleMédias retains information it has received in connection with the compensation regime, RecycleMédias is bound to take appropriate measures to ensure the security, preserve the integrity and, where appropriate, protect the confidentiality thereof, and prohibit access thereto by any unauthorized person. RecycleMédias must also ensure the respect of all other obligations prescribed by law with respect to the conservation of such information.

9. Dispute resolution

9.1. Procedure

- 9.1.1. In the event of dispute between a prescribed person and RecycleMédias concerning the materials or quantity of materials covered by contributions, or concerning the value of ad placements made by a prescribed person, both parties shall attempt to resolve the dispute through discussions between their respective representatives within thirty (30) days after a written notice of the dispute is issued, or by mutual agreement, which will be consigned to writing.
- 9.1.2. If the dispute persists after the expiry of the period mentioned in section 9.1.1, it shall be definitively settled by arbitration, to the exclusion of the courts, pursuant to the provisions of the Code of Civil Procedure, chapter C-25.01.
- 9.1.3. Non-payment and failure by a prescribed person to submit a report are not matters subject to arbitration.

10. Adjustment

10.1. Adjustment clause

- 10.1.1. Amounts received as interest or penalties under the Schedule are applied to the costs of RECYC-QUÉBEC and the costs of RecycleMédias for the year after such amounts are received.
- 10.1.2. In the event that RecycleMédias, for 2020, collects an amount exceeding by 5% the amount necessary to pay a) the amount of the annual compensation set forth in section 4.1, including the applicable interest, administrative costs and penalties, if any, b) the costs of RECYC-QUÉBEC and c) the costs of RecycleMédias, RecycleMédias shall grant a credit to the prescribed persons who have paid their cash contributions for 2020. This credit shall correspond to the amount collected beyond the excess of 5% and shall be allocated *pro rata* to the cash contributions paid by the prescribed persons.
- 10.1.3. Notwithstanding the terms of section 6.1.1, in the event that RecycleMédias, for 2020, does not collect, or deems that it will not likely collect, the amount necessary to pay a) the amount of the annual compensation set forth in section 4.1, including the applicable interest, administrative costs and penalties, if any, b) the costs of RECYC-QUÉBEC and c) the costs of RecycleMédias, RecycleMédias may require from the prescribed persons the payment of the necessary amount to make up the shortfall. This amount shall be allocated *pro rata* to the cash contributions payable by each prescribed person. In such case, the prescribed persons shall pay the said amount to RecycleMédias within thirty (30) days following the submission of an invoice to them for this purpose by RecycleMédias. Chapter 6 of the Schedule shall be applicable to this amount, with the necessary adjustments.

11. Effective date and duration

11.1. Effective date

- 11.1.1. The Schedule shall come into force on the fifteenth (15th) day after its publication in the *Gazette officielle du Québec*.

11.2. Duration

- 11.2.1. The Schedule is valid for the obligation year 2020.

Appendix A

Registration of a Prescribed Person

Name of enterprise

Nature of obligation

Address of headquarters and phone number

If the headquarters are not in Québec, address and phone number of the domicile or an establishment in Quebec

Business website

Name and coordinates of the first respondent of the enterprise

Appendix B

Materials Report

Report year

Reference year

The quantity of newspapers marketed in Quebec, in metric tons (distinguishing between those subject to section 5.2 of the Schedule and those which are not, and also distinguishing between paper and other cellulosic fibers, on the one hand, and containers and packaging, on the other hand);

A list of the brands, names and distinguishing guises covered by the prescribed person's materials report;

A list and description of any excluded materials that were omitted from the prescribed person's materials report;

A statement certifying that the content of the prescribed person's materials report is true and accurate;

A list of the digital products that the prescribed person has and offers throughout 2020;

Notwithstanding the foregoing, as stipulated in section 7.6.1, RecycleMédias reserves the right to request that the prescribed person provide any additional information that was used by it in preparing its materials report.