

Affiliation Agreement A14

The following agreement has been entered into by, on the one hand, REPAREGISTRET AB, corporate reg. no. 556483-6400, hereinafter referred to as REPA, jointly with the following companies: RK Returkartong AB, corporate reg. no. 556483-8828, Plastkretsen (PK) AB, corporate reg. no. 556488-4640, and Svenska Metallkretsen AB, corporate reg. no. 556487-0037, hereinafter jointly referred to as the Material companies, and, on the other hand, the affiliated company, hereinafter referred to as the Producer.

1. Background

According to chapter 15 of the Environmental Code and Ordinance (SFS 2006:1273), producer responsibility for packaging applies in Sweden. Through contractors, the Material companies conduct operations involving the collection, removal and handling of used and sorted packaging made from the materials represented by the individual Material companies. However, Metallkretsen's and Plastkretsen's operations do not encompass beverage containers that are handled within the framework of deposit systems. Each Material company undertakes to perform, on behalf of the Producer, the functions described below that are required in order for the Producer to fulfil the producer responsibility obligations for each type of material.

2. The Material companies' obligations and rights

Each Material company undertakes, in regard to its respective type of material, and in accordance with the provisions contained in the Ordinance (2006:1273) on Producer Responsibility for Packaging:

- (i) to ensure that there are suitable collection systems for the Producer's packaging,
- (ii) to inform of these systems,
- (iii) to remove and, in an environmentally acceptable manner, handle returned packaging materials,
- (iv) to report and provide statistics to the Swedish Environmental Protection Agency relating to sections i - iii above, and
- (v) to assist with the municipalities involved concerning the manner in which the collection process is handled.

The undertakings under sections i - v above do not include any responsibility for handling packaging materials, which, by law or decision of an authority, are exempted from producer responsibility. The Material companies shall, upon request, provide a register of such packaging materials. Further, the undertakings under sections i - v above do not encompass packaging materials or containers that have contained products subject to compulsory marking with a skull and crossbones (T, T+) or risk category R50/53.

Each Material company is hereby authorised to represent the Producer before authorities, courts, and in relation to third parties, in all issues relating to the performance of the above-mentioned duties and to the rights pursuant to the producer responsibility legislation.

3. The Producer's obligations

3.1 Affiliation, fees and reporting of packaging

The Producer shall pay fees etc. in accordance with Appendix 1. Unless otherwise agreed, the Producer is affiliated on an ongoing basis in regard to all the types of materials used by the Producer and covered by this agreement. The Producer shall provide a running report of the packaging materials placed on the Swedish market, and in this connection the Producer shall take note of what is stated in Appendix 1 and REPA's Instructions. However, this does not apply to a Producer

who, pursuant to the directions in Appendix 1 or after negotiating a special agreement, pays a standard fee.

The accounting requirement comes into effect when a filled packaging is sold for the first time or, in regard to imported packaging that is not passed on for sale, at the time when it is imported, with the exceptions stated below. (For the purpose of this agreement the term "import" includes imports from other EU countries.) Packaging that is filled but not passed on for sale (internal consumption) shall be reported when the packaging is filled. The packaging fee for so-called "service packaging" shall be paid by the actual producer or importer of the packaging (unless agreed otherwise). The same applies to fruit and vegetable packaging made from materials other than corrugated board. Fruit and vegetable packaging made from corrugated board must be reported by the filler in accordance with the main rule stated above.

The Producer shall not report packaging in respect of which the Producer can verify that the fees have been paid at an earlier stage in accordance with Appendix 1. Furthermore, the Producer shall not report packaging materials that, according to law or decision by an authority, are exempt from producer responsibility.

Further, the Producer shall not report packaging materials that are encompassed by returnable packaging systems that are reported separately to the Swedish Environmental Protection Agency. In cases where the Producer intends to handle portions of the producer responsibility in some other manner than according to this agreement, the Producer must reach a separate agreement to this effect with REPA.

Further, the Producer shall not report on packaging materials or containers that have contained products subject to compulsory marking with a skull and crossbones (T, T+) or risk category R50/53. Other packaging materials or containers that have contained substances classified, for disposal purposes, as hazardous waste are not encompassed by this exemption.

Packaging that is part of returnable packaging systems other than those mentioned above is deemed to have entered the Swedish market when sold for the first time. Accordingly, fees are not payable for deliveries of return packaging to be reused.

Fees shall be established by each Material company.

Any changes to Appendix 1 will be announced not later than two months prior to the date when they first come into force.

Directions regarding the application of this section are contained in "REPA's Instructions."

3.2 Control measures

Material companies are entitled to request that the accuracy of the Producer's reporting be verified by the Producer's auditor, and to determine on their own initiative, by visiting the Producer's premises and/or in any other suitable manner, the grounds on which the reporting is based.

Each Material company is further entitled, through a qualified auditor appointed by the Material company, to examine the Producer's reporting to the extent necessary to ascertain the accuracy of the reports submitted. The cost of the auditor's work shall be borne by the Material company that has requested verification by an auditor or the opportunity to examine the Producer's reports. However, in the event that such

verification or examination reveals that the reporting has been incorrect, the Material company shall be entitled to compensation from the Producer for the cost of the auditor's work.

3.3 Information to end users in certain cases

In cases where it is required by law or by direction of an authority that a product information sheet shall be attached to a chemical product, the product information sheet shall provide emptying instructions or similar, informing the end-user how to handle the packaging in order that the packaging can be accepted for recycling. (REPA can provide examples of such instructions upon request, see www.repa.se.)

4. Preliminary charging of packaging fees

If the Producer does not submit a packaging report in accordance with section 6, REPA will invoice a preliminary packaging fee to the Producer for the period in question. This fee may amount to at most two times the average packaging fees that the Producer has reported for the four immediately preceding reporting periods. If the Producer has not reported for four periods, the fee may instead be based on the average of the reports that have been submitted. If the Producer has not submitted any report, the fee may be determined on the basis of what is known to REPA regarding the volume of the Producer's packaging materials. If a packaging report is not received within 30 days from the invoice date for preliminary fees, the preliminary fees will be regarded as the final packaging fees for the period in question. If a packaging report is received within the specified period, the preliminary fee will be credited.

5. Increased fees

If a Producer, deliberately or through negligence, has provided incorrect reports and has consequently withheld fees payable to the Material company, the latter is entitled to demand double the amount of the payments withheld.

6. Confidentiality

The Material companies and REPA undertake to treat all information provided by the Producers in their declarations in strict confidence. Such information constitutes each Producer's business secret. The Material companies and REPA further undertake not to use such information in any other manner than for the fulfilment of the terms of this agreement. The Material companies and/or REPA shall, however, have the right to provide information as to whether the Producer is affiliated to REPA. The Material companies and/or REPA are further entitled, when appropriate, to provide information as to whether the Producer is exercising its producer responsibility otherwise than through the agency of the Material companies. However, in the event that the Producer has neglected its obligations under this agreement and has therefore been deregistered, the reason for deregistration shall not be protected by confidentiality in accordance with this provision.

This provision shall apply both during the agreement term and after the expiration of the agreement.

7. Liability

The Material companies and/or REPA shall not be liable for indirect damage, such as loss of profit or similar damage, incurred as a consequence of a Material company's and/or REPA's non-fulfilment of its obligations under the terms of this agreement, unless the Material company and/or REPA has been guilty of gross negligence.

8. Administration of affiliation, fees, etc.

The Material companies' administration relating to affiliation, fees, etc., is performed by REPA. Further, REPA is the licensor of the trademark as described in section 9 below.

9. Use of REPA's logotype

(Relates to REPA's logo with or without the name of the company.) Any Producer that is an affiliate under the terms of this agreement may use REPA's logotype in accordance with the directions issued by REPA. These directions will be provided by REPA upon request.

10. Use of the Green Dot symbol

The Producer may use the Green Dot symbol in accordance with REPA's conditions for its use.

Permission to use the symbol is free of charge, but may be revoked by REPA if the symbol is used in violation of REPA's rules.

11. Term of the agreement

This agreement enters into force on the day on which the Producer becomes registered with the Material companies.

The Material companies have the right to deregister a Producer immediately, and thus cancel the agreement with immediate effect if the Producer neglects its obligations under the agreement. If this agreement is terminated, the Producer's rights concerning the Green Dot symbol, as described in section 9 above, also cease to apply.

The agreement in its entirety or with regard to certain material elements may be canceled with a mutual notification period of six months. The notice of cancellation must be submitted in writing.

12. Disputes

Any dispute concerning the inception, interpretation, application or validity of this agreement shall be settled by arbitrators in accordance with the Arbitration Act, with the chairman of the arbitration tribunal acting as a competent judge. The arbitration proceedings shall be held in Stockholm and the regulations of the Code of Judicial Procedure in regard to votes and the cost of the proceedings shall apply. The parties to this agreement acknowledge that several parties may simultaneously be involved in arbitration proceedings as plaintiffs or respondents. Therefore, the parties agree that any potential arbitration proceedings arising out of this agreement shall be settled in a single arbitration proceeding, or, in any case, by the same arbitration tribunal, and that the Material companies and REPA shall be deemed to constitute one party in the proceedings.



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Appendix 1 to Affiliation Agreement

The Producer shall pay fees in accordance with the procedures stated in this appendix. Fees shall be paid, and packaging reports forwarded, to REPA.

VAT is payable on all fees.

1. Affiliation fees

The affiliation fee is payable in accordance with REPA's Price List when a Producer concludes an affiliation agreement with REPA.

2. Packaging fees

Packaging fees are payable for each kilogram of packaging material reported that the Producer has placed on the Swedish market, in accordance with the conditions of the Affiliation Agreement.

3. Annual fee

The Producer shall pay an annual fee in accordance with the Price List.

4. Fixed standard fees

REPA may prescribe that the Producer is invoiced a fixed standard fee of SEK 1,000, 3,000 or 7,500 including the annual fee, without a specific reporting. In assessing which amount the Producer should pay, REPA refers to the Producer's previous reporting or other information from the Producer. The standard fee may be adjusted upward as a result of the Producer's sales trend and/or changes in packaging fees. Producers who manufacture, import or have assumed payment liability for service packaging and packaging used by fruit and vegetable growers are, however, not entitled to pay a standard fee as described in this section.

5. Variable standard fee

Packaging fees may – subject to a special agreement to this effect – be paid with the support of a variable standard in accordance with the Supplementary Agreement on Standard Fees. Fees are payable in accordance with REPA's Price List and are notified in accordance with section 9, below.

Producers who manufacture, import or have assumed payment liability for service packaging and packaging used by fruit and vegetable growers (see the agreement, section 3.1) are, however, not entitled to pay a standard fee as described in this section.

6. Reporting periods

The reporting period for Producers who do not report fees exceeding SEK 7,000 excluding the annual fee is the calendar year, unless agreed otherwise.

For other Producers, reports are to be submitted quarterly, unless agreed otherwise. Producers who manufacture, import or have assumed payment liability for service packaging (see the agreement, section 3.1) shall always submit reports quarterly.

Reports shall be submitted not later than the 25th day of the month following the expiration of the reporting period, in the manner directed by REPA.

For companies that are entitled to report annually, a weighted average of the packaging fees applies if the packaging fee(s) for one or more packaging materials have been changed during the year.

7. Invoicing

The Producer is invoiced annually or quarterly in arrears depending on reporting period (according to Appendix 1, pt 6). Producers who pay a fixed standard fee (according to Appendix 4, pt 4) are invoiced annually in the current year. Producers with variable standard fees (according to Appendix 1, pt 5) are invoiced in arrears quarterly or annually.

8. Delays, etc.

For any payments not made on time, the Material companies may charge interest on the overdue amount in accordance with the Interest Rate Act (1975:635).

For any reminders due to failure to submit reports, or due to incomplete rendering of reports or payments, the Material companies may charge a reminder fee not exceeding SEK 50.

9. Changes to this Appendix

Any changes to this Appendix will be notified not later than two months prior to the date on which such changes are to come into effect.

10. Adjustment of fees

The Material companies make reservation for any changes in fees that may have been decided prior to entering into this agreement. The current Price List may be obtained from REPA's customer service department.