

AGREEMENT REGARDING CONNECTION TO EL-KRETSEN'S COLLECTION SYSTEM

1. BACKGROUND

- 1.1 According to the Swedish ordinance (2014:1075) on producer responsibility for electronic equipment (with the amendments arising from the Swedish ordinance (2014:1078) regarding amendments in the said ordinance) (the "**Ordinance**") and the Swedish ordinance (2000:208) on producers responsibility for light bulbs and certain light fixtures ("the **Ordinances**") and the general recommendations of the Swedish Environment Protection Agency (Sw. *Naturvårdsverkets allmänna råd*), those who, *inter alia*, produce, import and sell electrical equipment and, electrical and electronic products in Sweden (a "**Producer**") have a responsibility to ensure that such products are collected and taken care of ("**Producer Responsibility**").
- 1.2 El-Kretsen i Sverige AB, reg. no 556552-7487, ("**El-Kretsen**"), a non-profit organization, organizes a nationwide system for collection, pre-treatment and recycling of electrical equipment etc. El-Kretsen has a permission from the Swedish Environment Protection Agency to manage such collection system referred to in the Ordinance. When a Producer has entered into a connection agreement with El-Kretsen, El-Kretsen provides their services to the Producer (the "**Connected Company**") and the Connected Company shall pay the fees in accordance with this Agreement (the "**Agreement**") and El-Kretsen's form time to time applicable Product list and fees.
- 1.3 There are other measures that the Connected Company must take in
- 1.4 In addition to the services El-Kretsen provides under this Agreement, there are other measures the Connected Company must take in order to fulfill its obligations under the Ordinances. El-Kretsen may provide information of what other measures the Connected Company needs to take, if separately agreed between the parties

2. EL-KRETSEN'S OBLIGATIONS

2.1 Receipt of consumer electrical equipment

- 2.1.1 During the term of this Agreement, El-Kretsen undertakes, at the collection places which from time to time are part of El-Kretsen's collection system, in accordance with section 40 of the Ordinance, to take care of the Connected Company's
 - (i) Consumer electrical equipment, made available on the Swedish market, when the equipment becomes waste,
 - (ii) share of historical consumer electrical waste which arises in Sweden and which corresponds to the Connected Company's share of the market for consumer electrical equipment in Sweden.

2.2 Receipt of electrical equipment which is not consumer electrical equipment

2.2.1 In addition to what is stated in section 2.1 above, El-Kretsen undertakes, during the term of this Agreement, to, on behalf of the Connected Company, on at least one collection place per municipality, free of charge for those who want to leave such equipment, receive electrical equipment, which is not consumer electrical equipment, made available on the Swedish market by the Connected Company. However, the limitations regarding size set forth in El-Kretsen's from time to time applicable Product list and fees shall apply.

2.3 Receipt of electrical and electronic products covered by the Swedish ordinance on producer's responsibility for light bulb etc.

Furthermore, El-Kretsen undertakes to, on behalf of Connected Company, at the collection places which from time to time are part of El-Kretsen's collection system, receive the Connected Company's electrical and electronic products covered by the Swedish ordinance on producers responsibility for light bulb etc. and ensure that the products which have been received on behalf of the Connected Company are reused, recycled or disposed in such a manner as provided for in the Swedish ordinance on producers responsibility for light bulb etc.

2.4 Limitations of El-Kretsen's obligations

Notwithstanding what is stated section 2.1-2.3 above, the services of El-Kretsen shall always be limited to the product groups which are set forth in El-Kretsen's from time to time applicable Product list and fees.

3. CONNECTED COMPANY'S OBLIGATIONS

3.1 Reporting obligation and Connection fee at subscription

3.1.1 A Producer who has not previously been bound by this Agreement or has had a similar contractual relationship with El-Kretsen, shall upon subscription of this Agreement specify the time period for its business and the extent and nature of its products which have been released on the Swedish market.

3.1.2 Upon subscription, El-Kretsen is entitled to charge the Connected Company a connection fee in accordance with El-Kretsen's from time to time applicable Product list and fees.

3.2 Reporting of sold electrical equipment

3.2.1 For the calculation of the fees which the Connected Company shall pay under this Agreement, the Connected Company shall submit to El-Kretsen a report on their sales in Sweden of the products covered by this Agreement. The product groups covered by this Agreement, how the reports shall be made and what time periods shall apply are stated in El-Kretsen's from time to time applicable Product list and fees.

3.2.2 It is noted that it is possible for the Connected Company to submit such reports through a web-portal administered by Weee-Europe AG under a separate agreement with Weee-Europe AG.

- 3.2.3 The Connected Company is entitled to rectify submitted reports of their sales in Sweden if the rectification is made within one year from the end of the financial year the submitted report regards and the determined Variable Fee is more than ten (10) percent higher than the fee would be after rectification. Rectification of submitted reports for previous years is only permitted if El-Kretsen ought to have understood that the reports contained inaccuracies. In such cases, rectifications may be made for the three preceding years.

3.3 Reconciliation and Review

- 3.3.1 During the term of the Agreement, the Connected Company and El-Kretsen shall continuously and jointly reconcile the accuracy of the submitted reports. Normally, such reconciliation shall be made every second or every third year at which El-Kretsen through visit or other appropriate means, informs itself of the basics for the report and, to the extent required, reviews the Connected Company's accounts.
- 3.3.2 If deemed necessary by El-Kretsen, El-Kretsen may further request that the accuracy of the Connected Company's report is confirmed by the Connected Company's auditor.
- 3.3.3 Should the parties disagree on the outcome of El-Kretsen's review, the parties shall jointly appoint a certified auditor to perform a second review. The cost for such review shall be borne by the party whose opinion was deemed incorrect.

3.4 Fees

- 3.4.1 The Connected Company shall pay a variable fee, determined on the basis of the Connected Company's submitted report and El-Kretsen's applicable fees per product/product group (the "**Variable Fee**"). The fees per product/product group are set forth in El-Kretsen's from time to time applicable Product list and fees.
- 3.4.2 Should not the Connected Company submit the report within prescribed time, El-Kretsen is entitled to charge the Connected Company an estimated fee. When determining such fee, El-Kretsen may take into account various factors such as assumptions regarding the Connected Company's business, the applicable industry etc. When the Connected Company subsequently has submitted the report for the applicable period, the difference between the estimated fee and the determined Variable Fee shall be settled.
- 3.4.3 In addition to the Variable Fee, the Connected Company shall pay a fixed annual fee (the "**Fixed Fee**") set forth in El-Kretsen's from time to time applicable Product list and fees.
- 3.4.4 In connection with the Connected Company entering into this Agreement, El-Kretsen is entitled to, in addition to the Variable Fee and the Fixed Fee, charge a connection fee in accordance with El-Kretsen's from time to time applicable Product list and fees.
- 3.4.5 The Connected Company is entitled to an adjustment of the fees under this Agreement for such products, covered by this Agreement, which the Connected Company has brought out of Sweden, collected, pre-treated and recycled in-house. Such adjustment shall correspond to El-Kretsen's reduced expenses. The terms and conditions regarding when compensation to the Connected Company for in-house recycling or export of electrical waste shall be paid, is available on the Declaration Portal on El-Kretsen's web site.

- 3.4.6 The Fixed Fee and the Variable Fee (and where applicable, estimated fee) shall be invoiced the Connected Company. Payment shall be due 30 days from the date of the invoice.
- 3.4.7 El-Kretsen is entitled to continuously adjust the Product list and fees. Adjustments of the Product list and fees shall enter into force, to the extent the adjustment concerns an increase of the fees, 60 (sixty) days after the adjustment has been notified to the Connected Company. However, El-Kretsen shall not be obligated to notify editorial adjustments.
- 3.4.8 Upon expiration of this Agreement, the Connected Company shall pay a settlement fee in accordance with section 12 below. Certain additional fees may be imposed for breaches of this Agreement in accordance with what is set forth in section 4 below.
- 3.4.9 Should the parties jointly confirm that the Connected Company has paid too much for the services set forth in section 2 above, El-Kretsen shall repay the excess funds to the Connected Company.

4. ADDITIONAL FEES ETC.

- 4.1 Upon late reporting under section 3.1 above, a delayed payment fee is charged in accordance with El-Kretsen's from time to time applicable Product list and fees.
- 4.2 If the Connected Company intentionally or by negligence has submitted an incorrect report and El-Kretsen consequently has not received agreed fees, El-Kretsen shall be entitled to charge the Connected Company an additional fee. The additional fee shall correspond to the withheld fees. In addition to the additional fee, the withheld fees shall be paid.
- 4.3 If payment of the invoice is not made on due time, El-Kretsen shall be entitled to charge a fee for written reminders. Upon debt collection, collection expenses will be charged in accordance with law.
- 4.4 Interest on late payments will be charged in accordance with to the Swedish Interest Act (*Sw. räntelagen (1975:635)*)

5. ADJUSTMENT OF FEES

Adjustment of fees shall be made by entering the adjustment in El-Kretsen's Product list and fees. Increase of a fee shall enter into force not earlier than two (2) months after the Connected Company was notified of the increase.

6. REPORTING TO THE REGULATORY AUTHORITY

The Connected Company shall ensure that required reporting and registration to the regulatory authority (EE-register) is performed. El-Kretsen may as an additional service ensure reporting of the amount of electrical equipment made available on the Swedish market by the Connected Company during the previous calendar year, if the parties enters into an separate agreement thereof.

7. CONFIDENTIALITY

- 7.1 El-Kretsen undertakes, during the term of this Agreement and thereafter, to treat all information received from the Connected Company in the Connected Company's reports or

other information disclosed by the Connected Company during El-Kretsen's reviews or otherwise received in contacts with the Connected Company, in strict confidence.

7.2 Such Confidential Information may not be used for other purposes than the fulfilment of this Agreement. However, El-Kretsen shall always be entitled to provide information to a third party that this Agreement is in force and also the basis for termination of this Agreement.

7.3 Should the Connected Company choose to connect to Weee-Europe's reporting system, the Connected Company hereby approves that confidential information regarding the Connected Company is sent between Weee-Europe and El-Kretsen to the extent required for the Connected Company and El-Kretsen to fulfill their obligations under this Agreement.

8. LIMITATION OF LIABILITY

Except in event of gross negligence by El-Kretsen, El-Kretsen shall not be liable for loss in production or other damages, whether direct or indirect, loss of profit or other inconvenience caused by or as a consequence of El-Kretsen's performance of its rights and obligations under this Agreement.

9. SUBCONTRACTORS

El-Kretsen is, for the performance of the services stated in section 2 above, entitled to engage subcontractors. El-Kretsen is responsible for the subcontractors work as for its own work.

10. USE OF EL-KRETSEN'S MARK

The Connected Company is entitled to use El-Kretsen's mark in accordance with El-Kretsen's from time to time applicable terms thereof. Upon termination of this Agreement Connected Company undertakes, in accordance with El-Kretsen's instructions, to return or destroy all such material which carries El-Kretsen's mark.

11. TERM AND TERMINATION

11.1 Commencement upon subscription

This Agreement shall enter into force the day El-Kretsen confirms that this Agreement has entered into force or, where applicable, the day the Connected Company pays the connection fee.

11.2 Commencement upon previous contractual relationships

In the event the Connected Company previously has entered into a connection agreement or has a corresponding contractual relationship with El-Kretsen, this Agreement shall as from the day El-Kretsen confirms that this Agreement has entered into force, replace all previous oral or written agreements, undertakings or promises between the parties regarding the subject matter of this Agreement. To avoid any misunderstandings, it is noted that any matters between the parties relating to the period up and until the day of this Agreement shall be governed by such previous agreement.

11.3 Terms and termination

This agreement is valid until further notice and may be terminated by either party to expire at the end of the calendar year which falls one year from notice. Each Party is entitled to terminate this Agreement with immediate effect, if the other Party commits a breach of this Agreement which is not of minor significance.

12. SETTLEMENT FEE

12.1 Upon expiration of this Agreement, the parties shall carry out a settlement calculation and the Connected Company shall pay a settlement fee ("**Settlement Fee**") in accordance with the following.

12.2 The Settlement Fee shall correspond to the costs for taking care of the electrical equipment which the Connected Company, up and until the end date of this Agreement (the "**Accounting day**"), has made available on the Swedish market and which have not yet been taken care of as electrical waste. That amount shall be reduced with an amount corresponding to the costs for taking care of the electrical waste which the Connected Company can prove that it will take care of by itself.

12.3 The Connected Company shall pay the Settlement Fee no later than one month from the date the Settlement Fee was determined by El-Kretsen. This applies regardless if whether the Settlement Fee is subject to dispute between the parties under section 13 below. However, in such case El-Kretsen shall deposit the disputed amount on an escrow account.

13. DISPUTE

13.1 Any dispute regarding the interpretation and application of this Agreement shall be settled by the Stockholm District Court as exclusive first instance except in the following situation.

13.2 Any dispute regarding the Settlement Fee shall be settled in accordance with the Swedish (1999:116) arbitration act. The dispute shall be settled by one arbitrator. The arbitrator shall have specific knowledge in financing and accounting, and shall be appointed by the Federation of Authorized Public Accountants (*Sw. Föreningen Auktoriserade Revisorer*), unless the parties agree otherwise.

14. AMENDMENTS OF TERMS AND CONDITIONS

14.1 El-Kretsen shall be entitled to make minor amendments or additions to this Agreement caused by amendments or additions in the Ordinances or other applicable legislation. Notices of such amendments or additions shall be made to the Connected Company no later than one month prior to such amendments or additions enters into force.
