

Agreement on the Provision of Collective Performance

Agreement number 201x/...../.....

RETELA, s.r.o.

With its registered seat Neklanova 152/44, 128 00 Praha 2, Czech Republic

Incorporated in the Commercial Registry Section C, folio 107158

Identification number: 27243753

TaxID: CZ27243753

Banking information: Komerční banka, č.ú. 35-5564370237/0100

Represented by ing. Jaroslav Vladík, CSc. Registered Representative

(hereinafter referred to as "RETELA" or the "operator of the take-back scheme")

and

COMPANY

With its registered seat

Incorporated

Identification number

TaxID

Banking information:

Represented by

(hereinafter referred to as the "Producer")

Conclude on this day, month and year, the following Agreement on the Provision of Collective Performance, pursuant to Sec. 37 (1) (c) of Act no. 185/2001 Coll., on waste, as amended, and pursuant to the implementation regulations related to the Act (hereinafter referred to as the "Agreement").

Article I

Introductory Provisions

1. Act no. 185/2001 Coll., on waste, as amended (hereinafter referred to as the "Act on Waste" or the "Act") imposes on persons who are Producers within the meaning of that act (see par. 4, below), the obligation to ensure the taking back, separate collection, treatment, use, and removal of electrical edevices and electrical waste.
2. Českomoravská elektrotechnická asociace (the Czech and Moravian Electrical and Electronic Association "CMEEA"), aware of its responsibility to defend the interest of employers (especially from the electro-technical industry), has established the subsidiary RETELA, s.r.o.
3. RETELA, s.r.o. is the operator of a collective take-back scheme ensuring, in line with the provisions of Sec. 37h (1) (c) and 37n (3) of the Act on Waste, the joint performance of the obligations of Producers to take-back, separately collect, process, use, and remove electrical devices and electrical waste (hereinafter referred to as the "system RETELA" or "take-back scheme RETELA"), in general, for the following groups of electrical devices:
 - Group 1 Large household appliances
 - Group 2 Small household appliances
 - Group 3 Information technology devices and telecommunication devices
 - Group 4 Consumer device and photovoltaic panels
 - Group 5 Lighting devices
 - Group 6 Electric and electronic tools (with the exception of large stationary industrial tools)
 - Group 7 Toys, leisure-time and sports equipment
 - Group 8 Medical devices (with the exception of all implanted and infected products)
 - Group 9 Monitoring and control devices
 - Group 10 Vending machines
4. The Producer is a "Producer" within the meaning of Sec. 37g (e) of the Act on Waste, which is subject to the conditions of Part 8 of the Act on Waste, for groups of electrical equipment specified by Producer in the completed form upon example in Appendix 3. Provisions concerning electric waste consider a producer to also include a business (legal entity or natural person) under Sec. 4 (p) of the Act.
5. By signing this Agreement, the Producer becomes a party to the RETELA take-back scheme.

Article II.
Subject of the Agreement

1. The subject of this Agreement is the transfer of the obligations of the Producer to the operator of the take-back scheme, pursuant to Part 8 of the Act on Waste, with the exception of those obligations which have to be performed individually. By virtue of this Agreement, RETELA accepts the statutory obligations of the Producer and shall, in the take-back scheme it operates, ensure organisationally and technically compliance with those conditions on behalf of the Producer, in line with the Act on Waste and related regulations, subject to the conditions stipulated below.
2. The RETELA take-back scheme represents a system pursuant to Sec. 371 (1) and pursuant to Sec. 37m (1) of the Act, as a network collecting electrical waste, the place for taking back electrical equipment and devices for treatment, use, and removal of electric waste and electric and electronic equipment, and the contractual relations among its operators and the Producers of electrical devices, whose aim is to ensure the treatment and recover of electric and electronic equipment taken back and separately collected electric waste.
3. The system consists in the following parts:
 - a) System of collections points
 - b) System of transport
 - c) System of treatment and recycling
 - d) System of evidence
 - e) Information system
 - f) System of waste funds administration
 - g) Control system
 - h) Business system

Article III
Rights and Obligations of the Operator of the RETELA take-back scheme

1. RETELA hereby undertakes:
 - a) To comply with its obligations concerning the taking back, separate collection, treatment, and recovery of electric and electronic equipment and electric waste, arising for the Producer from the Act on Waste, and its implementation regulations, with the exception of its duties under Sec. 37j (1) and (2) and Sec. 37k (2) of the Act on Waste, which the Producer must perform himself
 - b) To ensure the filing of an application for putting in the List of Producers of electric and electronic equipment pursuant to Sec. 37i of the Act on Waste (hereinafter referred to as the "List of Producers") for the group of electric and electronic equipment under Art. 1 (4);
 - c) To ensure a change in the putting in the List of Producers on the basis of a written notice by the Producer,
 - d) To keep a record of the Producer in the List of Producers of the RETELA take-back scheme, and issue to the Producer a confirmation of its participation in the RETELA take-back scheme,
 - d) To include the Producer in the database of Producers participating in the RETELA take-back scheme in a publicly accessible information database,
 - e) To inform the Producer, by the end of the 1st quarter of the following year, about the percentage share of the Producer in the overall amount of the contribution charged by the RETELA take-back scheme for the previous year, separately for each group and selected subgroups of electric and electronic equipment,
 - f) To elaborate an annual report pursuant to Sec. 37h (2) of the Waste Act in a due form and time, and to submit this report to the Ministry of the Environment.
2. Furthermore, RETELA undertakes to provide current information about changes in legislation to the Producer concerning the taking back, separate collection, treatment, recovery, and disposal of electric devices and electric waste.
3. RETELA shall be entitled:
 - a) To procure from the Producer, in a timely and complete manner, all information specified in this Agreement and the General Commercial Terms and Conditions (hereinafter called "General Trading Terms");
 - b) To invoice, with time-periods and at amounts specified in this Agreement and the General Trading Terms contractual payments, interest, and any contractual penalty;
 - c) To check, according to the provisions of the General Trading Terms, the performance which the Producer undertook to perform by signing this Agreement;

- d) To use the producers logo for the term of this Agreement, but only for the purpose of informing third parties of the participation of the producers in the RETELA take-back scheme and in accordance with conditions of recovery submitted by Producer, which will create integral part of this Agreement;
- e) To select suitable representatives for the Council of Waste Funds (hereinafter referred to as "ROF" or "CoWF") from amongst waste and electric device specialists and persons proposed by the producers participating in the RETELA system;
- f) To authorize third persons to perform certain activities under this Agreement; in this case these persons shall bound in the same way as RETELA is.

Article IV
Rights and Obligations of the Producer

1. The Producer hereby undertakes:

- a) To grant to the operator of the take-back scheme, for the purposes of filing an application for the inscription of the Producer in the Lost of Producers, a written authorisation in line with the example in Appendix 4 to this Agreement, and to provide the operator with properly completed form upon example in Appendix 4 to this Agreement; these obligations must be performed by Producer within 10 calendar days from the signing of this Agreement; if these documents are delivered after the date set by the legislation, the Producer will be responsible for any consequences arising from delay with term specified in Sec. 37i (2) of the Act,
- b) To inform without delay the take-back scheme operator about any change in the registered data, on the prescribed form,
- c) To send, after the end of each quarter, to the take-back scheme operator, on the prescribed form, a true and complete report on the number and weight of electrical devices introduced to the market in the Czech Republic in that time-frame by the Producer (hereinafter referred to as the "*Report*"), always within 30 calendar days after the end of the given calendar quarter; the form of the report shall correspond to the example in Appendix 3 to this Agreement,
- d) To provide the take-back scheme operator with any and all information required for the treatment and recovery of taken back electric and electronic equipment and separately collected electric waste, primarily information about any dangerous substances contained, about the possibility of reuse the electrical device and the materials in the electric waste, or about the manner of their removal; the list of substances and the conditions under which the Producers of an electric device is not subject to sec. 37j (3) are specified in the respective Appendix of the Regulation about the handling of electric and electronic equipment and electric waste,
- e) To provide to the take-back scheme operator reasonable co-operation in order for it to comply with its obligations under this Agreement, the Act on Waste, and related regulations, including enabling the take-back scheme operator to check the data reported by it, in line with the General Trading Terms,
- f) To fulfill, in a due and timely fashion, its financial obligations under this Agreement,
- g) To inform consumers or end users about its participation in the RETELA take-back scheme, about collection points (in accordance with Art. I of General Trading Terms), and about the role of the consumer or end user in the re-use of the electric device or the use of electric waste material or other use of electric waste, primarily by stating these in the accompanying documents provided with the electric device supplied to the Czech market, with a reference to the RETELA web pages or by other suitable means,
- h) To hand over, no later than at the signing of this Agreement, to the operator of the collective system, an original excerpt from the commercial registry, or its officially verified copy, not older than two months.

2. The Producer further undertakes:

- a) To ensure, in case it makes a decision in line with Sec. 37n (3) to report the costs of taking back, treatment, and removal of historical electric and electronic equipment separately, that each vendor in performing sale in the course of its business also state the costs in that manner,
- b) To ensure independently that electric and electronic equipment which he sells and places to the Czech market, to which this Agreement applies, comply with the requirements of Sec. 37j (1) and (3) of the Act on Waste, and that electric and electronic equipment which was placed to the market after 13 August 2005 were labeled as stipulated by Sec. 37j (2) and 37k (2) of the Act on Waste and its implementation regulations; to that end, it shall fill out the form in Appendix 6 to this Agreement,
- c) To send reports in an electronic form, unless the contractual parties have agreed otherwise in the specific case. If the Producer subsequently finds out that the data stated therein do not correspond to reality or are imprecise or incomplete, it can remedy the situation by sending a correction report.

3. The Producer shall be responsible for the accuracy, completeness, and truthfulness of the data provided. The Producer acknowledges that if it has obligations under the Act on Waste with respect to groups of electric and electronic equipment other than those specified in Art. I of this Agreement, it shall, as the Producer, register these different groups itself, separately for each group or subgroup of these other electric and electronic equipment,
4. The Producer shall be entitled:
 - a) To propose as a candidate for the Council of Waste Funds, pursuant to the General Trading Terms, one representative for each group of waste in which it participates in the RETELA take-back scheme;
 - b) To use, in line with the General Trading Terms, the logo of the RETELA take-back scheme;
 - c) To obtain aggregate information which is not subject to trade secret, primarily from the sphere of country quotas and its percentage market share in those quotas;
 - d) To obtain a confirmation of its participation (or the continuation of its participation) in the RETELA take-back scheme
 - e) To consult documents related to providing of separate collection, transportation, and treatment of electric waste, with the exception of documents related to statements concerning other producers.The Producer shall comply with its duty to inform in a manner and form prescribed by the take-back scheme operator, within 6 months of placing the electronic equipment to the market, and with respect to historic electronic equipment, this duty shall arise as of 13 February 2006.

Article V
Handing Over of Information and Authorised Persons

1. Communication between contractual parties shall be written, with messages transported by mail, courier, or in person. Following an over-the-phone agreement of the contact persons, messages may be sent to the addressee by fax or e-mail. All documents shall be deemed delivered:
 - a) In the case of delivery by post, courier, or in person - at the moment of their acceptance by the addressee,
 - b) In the case of fax transmission at the moment when the sender has received a confirmation or report of the transmission confirming that the fax message was sent in full to the fax number specified by the addresses in this Agreement,
 - c) In the case of an e-mail, once the sender receives a confirmation of delivery from the addressee.
2. Aside from the above-mentioned statutory bodies of the contractual parties, the contact and authorised persons specified in the Appendix 5 to this Agreement shall be entitled to hand over information and documents. The contact persons and authorized persons specified in Appendix 5 to this Agreement may be replaced by the contractual parties in the form of a notice of that fact signed by the statutory body of the contractual party, and in accordance with Par. 1 of this Article of this Agreement.

Article VI
Term of the Agreement

1. This Agreement shall become valid on the date of its signing by both contractual parties, and effective on the day of the payment of the first installment on the recycling fee.
2. This Agreement shall be concluded for indefinite period, each of contractual parties will be entitled to terminate this Agreement in convenience in any time. The agreement will be terminated by 3 months prior notice and termination will become effective always last day of calendar quarter, in which the notice was delivered to the other party.
3. The Producer may withdraw from this Agreement, if the assets of the RETELA take-back scheme operator are declared bankrupt, or if an application for the declaration of bankruptcy on the assets of the take-back scheme operator was rejected due to insufficient assets or if another material circumstance occurred on the part of the RETELA take-back scheme operator, which demonstrably justifies the conclusion that the RETELA system operator is no longer able to perform the obligations of the Producer which it has assumed on the basis of this Agreement, or if the Ministry of Environment has taken away its evidentiary number of a take-back scheme operator.
4. The take-back scheme operator may withdraw from this Agreement, if after an application for the declaration of bankruptcy on the assets of the Producer this application was rejected due to insufficient assets or if the Producer is at default for more than 3 months with the presentation of the reports required under this Agreement, or at default for more than 3 months with any payment, or if the Producer foils the performance of a control audit by not complying with its obligations under Art. III of the General Trading Terms or if the Producer fails to provide co-operation to the take-back scheme operator in spite of its written notice, which co-operation the operator needs in order to perform its obligations under this Agreement, and which the Producer has undertaken to provide in this Agreement.

5. In the case of a breach of the contractual obligations under points 3 and 4 above, a party may validly withdraw from the Agreement only provided that the contractual party which has breached its obligation, has been notified in writing with respect to its breach and the withdrawing party has provided it a time-period one month for the performance of the obligation, if applicable.
6. Withdrawal from the Agreement shall become effective upon the delivery of a written notice to the other contractual party. Withdrawal from the Agreement shall not prejudice the right of the withdrawing party to a contractual penalty, damages or other rights which arose for it from this Agreement.
7. Agreement termination and withdrawal shall be delivered by post, in the form of a registered letter. If the addressee fails to accept or pick up the mailing within the period provided for its depositing, it shall be deemed delivered on the last day of the depositing period.

VII Temporary Provisions

This Agreement shall cease to be valid should the Producer fail to comply with its obligations under this Agreement and should it not be registered in the list of Producers.

VIII Closing Provisions

1. This Agreement has been made in four counterparts valid as the original, two for each of the contractual parties. Each Party shall obtain one counterpart of all Appendices.
2. Any relations not regulated by this Agreement shall be governed by the general provisions of the Commercial Code and other generally binding regulations valid in the Czech Republic.
3. Should any of the provisions of this Agreement become invalid or ineffective, this shall not prejudice the validity and effectiveness of any other provisions of this Agreement, unless they are mutually connected. In that case, the invalid or ineffective provisions shall be replaced without an undue delay with provisions which are as close to the original purpose of these invalid or ineffective provisions as possible.
4. Upon the termination of this Agreement, the Contractual Parties shall perform a mutual settlement of their obligations under this Agreement and under the General Trading Terms.
5. The Producer takes into account and agrees that all Appendixes to this Agreement may be unilaterally changed by the RETELA collective take-back scheme operator, reflecting changes in legislation and the current situation in the taking back, separate collection, treatment, recovery and removal of electric and electronic equipment and electric waste provided by the take-back scheme operator. Changes in the Appendixes No 2-8 must be announced in advance to the Producer, with reasons provided.

Any changes of Appendix 1 to this Agreement - General Trading Terms – will be accomplished by publishing on the web pages of RETELA take-back scheme. In case of disagreement with the given change, producer can withdraw from the Agreement under conditions similar to those in Art. VI, point 5.

6. The Agreement has the following Appendixes creating integral part of the Agreement:
 - Appendix 1: General Commercial Terms and Conditions of RETELA take-back scheme
 - Appendix 2: Example price list (valid current price list are published at www.retela.cz)
 - Appendix 3: Example of the Form according to the Regulation on the Handling of Electric and electronic equipment and Electric Waste
 - Appendix 4: Example of Power of Attorney for RETELA
 - Appendix 5: Contact and entitled persons
 - Appendix 6: Example of Form for Product Labeling
 - Appendix 7: Logo of RETELA take-back scheme
 - Appendix 8: Example of Consent with RETELA take-back scheme
7. The Producer shall only be liable for provable damage caused directly and by its own fault to the take-back scheme operator, and only up to the amount of the aggregate of all monetary performances paid by the Producer to the take-back scheme operator on the basis of this Agreement up to the occurrence of the damage.

8. Should there be a change in the legal regulation, primarily in the Waste Act and regulations implementing the Act, and should this change necessitate a change in this Agreement or General Trading Terms, the contractual parties undertake to bring this Agreement or General Trading terms in line with the new legal regulation, within one month from the effective date of the change.
9. The Agreement may be changed or supplemented only by written amendments signed by both contractual parties. By signing this Agreement, the contractual parties confirm that they have become familiar with its contents, that it fully expresses their true and free will, and that they have no reservations as to the contents of the Agreement.

In Prague, dated

In , dated .

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On behalf of RETELA, s.r.o.
Authorized person signature

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On behalf of the Producer
Authorized person signature