

TRANSFER OF PRODUCER RESPONSIBILITY TO RECSEY OY – TERMS AND CONDITIONS OF AGREEMENT 21 FEBRUARY 2023**1 DEFINITIONS**

The following concepts are used in this Agreement, as defined under this section:

“Producer” refers to a natural or legal person who regardless of the method of sales professionally places batteries or accumulators on the Finnish market for the first time or distance sells batteries or accumulators directly to users in Finland, including batteries and accumulators contained in electric and electronic devices or vehicles. (Waste Act, Section 48).

“A portable battery or accumulator” refers to a battery, accumulator or battery unit that is sealed, can be carried manually and is not an industrial or automotive battery or accumulator (Section 2(1)(4) of the Battery Decree).

“A portable industrial battery or accumulator” refers to an industrial battery or accumulator (as defined in Section 2(1)(7) of the Battery Decree) other than a lead-acid battery or accumulator, the size of which allows for manual carrying. Portable industrial batteries and accumulators include those designed exclusively for industrial and professional use, as well as batteries sold to consumers, such as those used in electric vehicles. In other words, portable industrial accumulators include accumulators used in electric means of transportation, such as electric bicycles (excluding the traction batteries of electric motorbikes), as well as those accumulators that weigh under 25 kilos and are intended for storing energy and leisure use.

“A portable lithium automotive battery or accumulator” refers to a lithium-based battery or accumulator (as defined in Section 2(1)(6) of the Battery Decree) that is sealed and the size of which allows for manual carrying. Automotive batteries and accumulators include those used for vehicle starters, lighting or ignition power. As such, portable lithium automotive accumulators include accumulators used as starter batteries in mopeds, motorbikes, quad bikes, scooters, cars and ride-on mowers.

“A large industrial battery or accumulator” refers to an industrial battery or accumulator designed exclusively for industrial or professional use (as defined in Section 2(1)(7) of the Battery Decree) other than a lead-acid battery or accumulator, the size of which does not allow for easy manual carrying. In this context, large industrial batteries and accumulators do not refer to the accumulators of electric vehicles, such as electric and hybrid cars or electric motorbikes, in which the accumulator is integrated into the device and not intended for the end user to remove at any point.

2 TRANSFER OF PRODUCER RESPONSIBILITY

Producer responsibility is transferred to the Producer Organisation to the extent defined in these terms and conditions of agreement upon the signing of this Agreement. The Producer Organisation shall report this Agreement between the Parties to the competent authority for the purpose of registering the Producer in the producer database. Producer responsibility for portable batteries and accumulators, portable industrial batteries and accumulators, and portable lithium automotive batteries and accumulators, is transferred to Recsey Oy in its entirety. Partial transfers are not possible. As regards large industrial accumulators, producer responsibility is partially transferred to the Producer Organisation, covering the fulfilment of registration and reporting obligations. The Producer remains responsible for organising the reception of large industrial accumulators and other waste management.

3 FULFILMENT OF PRODUCER RESPONSIBILITY AND RECSEY OY'S OBLIGATIONS

Recsey Oy shall bear the Producer's producer responsibility as referenced in this Agreement, taking into account the requirements laid down in legislation, decrees and regulations issued by the authorities and the operating principles confirmed by Recsey Oy. The Producer Organisation shall process all information received from the Producer as confidential, taking into account the requirements imposed by valid competition legislation. The information received may only be used for the fulfilment of reporting obligations and for the calculation of recycling fees and compensations in accordance with the polluter-pays principle.

4 THE PRODUCER'S OBLIGATIONS**4.1 Payment of registration, annual and recycling fees**

4.1.1 The Producer agrees to pay the registration and annual fees confirmed by the Board of Recsey Oy. As regards portable batteries and accumulators, portable industrial batteries and accumulators, and portable lithium automotive accumulators, the Producer also agrees to pay the recycling fee, which is determined based on the volume of the batteries and accumulators that the Producer has placed on the Finnish market. Recsey Oy may issue invoices or credit notes. The Producer agrees to provide Recsey Oy with a recycling fee report for each reporting period on all batteries and accumulators that have been placed on the market, as agreed between the Parties, as well as the annual reports required by the authorities; the former are due within 45 days of the predetermined date of submission and the latter within 90 days of the end of the calendar year.

4.1.2 Should the Producer fail to submit its report to Recsey Oy within the agreed upon time period, the Producer accepts that it will be charged 1) according to an estimate and 2) €150 in administrative costs per estimated invoice. Settling the estimated invoice does not free the Producer from its obligation to submit a report on the batteries and accumulators that it has placed on the market during the reporting period.

4.1.3 If the Producer repeatedly neglects its obligation to submit the report on time, as specified in section 4.1.1, or to pay sent invoices that are issued based on the obligations specified in sections 4.1.1 or 4.1.2 above, it will be charged €150 in administrative costs per invoice sent. In addition, a failure to settle an invoice and/or submit a report may result in the termination of the Agreement.

4.1.4 Special conditions pertaining to the retroactive implementation of this Agreement

If this Agreement enters into effect according to section 7.1, the accumulated retroactive recycling fees will be calculated on the basis of the volumes of batteries and accumulators placed on the market during the relevant reporting period(s).

4.2 Credit note and exemption

4.2.1 Producers that have placed batteries and accumulators on the market and 1) paid their recycling fees and 2) whose products have been taken outside Finland are entitled to a credit note for the relevant recycling fees, provided that the debtor is the Producer.

4.2.2 If the Producer recalls products after they have been placed on the market and issues a credit note to the customer in return, the Producer is exempt from payment of the recycling fee, provided that payment has not already been made, or entitled to compensation in accordance with section 4.2.1.

4.2.3 Companies are charged €150 for the administrative costs resulting from the processing and payment of each credit note issued.

4.3 Disputing a payment

Unless disputed within seven (7) calendar days of receipt, all invoices issued by Recser Oy to the Producer shall be paid within thirty (30) days of the date of issue of the invoice. The Producer is obliged to pay interest on overdue payments in accordance with Finnish legislation. If an invoice is disputed, the Producer is obliged to pay all undisputed parts of the invoice and submit a detailed claim to Recser Oy, including justifications, by the due date of the invoice.

4.4 Right of inspection

Recser Oy shall have the right to inspect the reports at any given time. Recser Oy is liable for any costs incurred by inspections carried out at the initiative of Recser Oy. In the event that omissions or shortcomings are discovered in the reporting, the inspection costs shall be charged to the company.

5 DISCLOSURE OBLIGATION AND REPORTS

The Producer shall inform Recser Oy of all necessary contact information and changes thereto or any other changes that have an effect on the implementation of this Agreement without delay and no later than within one month of the change taking effect. Unless otherwise stipulated elsewhere, all reports required under this Agreement may be submitted in writing or via e-mail.

6 TRANSFER OF OBLIGATIONS

6.1 The Producer may not transfer any of its obligations under this Agreement or relevant legislation to a third party, nor may it receive such obligations from a third party.

6.2 Recser Oy has the right to transfer this Agreement to a third party, provided that the recipient is approved or will be approved as a producer Organisation of batteries and accumulators, as defined in the Waste Act.

7 THE AGREEMENT'S ENTRY INTO EFFECT AND SIGNATURES

7.1 This Agreement shall enter into effect retroactively from the beginning of the year in which the agreement is made, unless the Producer provides Recser Oy with a sufficient account showing that the Producer has independently met the requirements of relevant producer responsibility regulations in the period from the first day of the year until the signing of the Agreement.

7.2 This Agreement shall remain in effect until further notice, starting from the date on which it is signed.

7.3 Copies of the Agreement that are signed electronically are equally valid to copies signed in writing.

8 AMENDMENTS

8.1 The Board of Recser Oy shall have the right to decide on changes to the amounts, calculation methods and subjects of the registration, annual and recycling fees. Such changes shall be communicated to the Producer in writing beforehand and enter into effect without further negotiations at the beginning of the next reporting period in accordance with the Board's decision. Changes to the obligations specified in section 4 are not considered to be significant amendments to the Agreement, nor do they justify the termination of the Agreement.

8.2 Through a decision of its Board, Recser Oy has the right to unilaterally amend the Agreement to ensure its compliance with currently valid legislation or requirements based thereon issued by the authorities to Recser Oy, even when such amendments have substantial implications for the Producer's obligations.

8.3 The Producer shall be informed of any changes to fees or amendments to the terms and conditions of this Agreement at least 30 days prior to their entry into effect.

9 TERMINATION OF THE AGREEMENT

9.1 Termination without cause

The Producer may terminate this Agreement at the end of the calendar year by giving notice six months in advance. Either Party may unilaterally terminate this Agreement by giving notice in the event that the Producer is relieved of producer responsibility or a competent authority overturns the decision of the Pirkanmaa ELY Centre to approve Recser Oy as a producer Organisation.

9.2 Termination due to Producer's breach

Recser Oy may unilaterally terminate this Agreement by giving notice in the event that it discovers continuous shortcomings in the Producer's reports or that the Producer does not fulfil its obligations under this Agreement and does not remedy its breach within thirty (30) days of receiving a threat of termination.

9.3 Termination due to Recser Oy's breach

The Producer may unilaterally terminate this Agreement by giving notice in the event that Recser Oy does not fulfil its obligations under this Agreement and does not remedy its breach within thirty (30) days of receiving a threat of termination from the Producer.

10 DISPUTE SETTLEMENT

In the event of a dispute regarding the validity, interpretation or fulfilment of the obligations of this Agreement, the Parties shall seek a mutual agreement through negotiations. If the matter cannot be otherwise resolved, it will be settled in an arbitration proceeding in Helsinki involving one or more arbitrators and following the arbitration rules of the Central Chamber of Commerce. Legal proceedings concerning unsettled recycling fees or other fees based on this Agreement may also be instituted and related claims may be investigated in the District Court of Helsinki.