

Collective Compliance Contract
On the Basis of the Law on Packaging and Packaging Waste
No. _____

Concluded in Belgrade on _____.____.2012, between:

Organization for packaging waste management SEKOPAK DOO Belgrade, with registered seat on 136 B Milutina Milankovića Street, 11070 Belgrade, Registration number: 20221780, Tax Registration number: 104723366, legally represented by Miloš Uzelac, General Manager, hereinafter referred to as "Operator" or "Contracting Party":

and

Title: _____

Registered seat: _____

Registration number: _____

Tax Registration number: _____

Current account no(s). _____

Authorized person(s): _____

hereinafter referred to as "Client" or "Contracting Party"

When the Operator and the Client in this Contract are referred together, then they are referred to as "Contracting Parties".

Preamble

I

The contracting parties hereby agree and mutually accept that the legal framework for this Contract and its implementation is rooted in the following positive regulations of the Republic of Serbia:

- Law on Waste Management (Official Gazette – OG of the Republic of Serbia No. 36/09, dated May 15, 2009)

- Law on Packaging and Packaging Waste (OG of the Republic of Serbia No. 36/09, dated May 15, 2009)

II

The contracting parties agree:

- That the Operator has obtained, in statutory term, the Operator's licence dated 21.05.2010. for packaging waste management from the Ministry of Environment and Spatial Planning of the Republic of Serbia (licence registration no. 001), whereby it has obtained the status of an Operator as related to the Law on packaging and packaging waste and to this Contract;
- The Client has the status of a producer and/or an importer and/or a packer/a filler and/or a distributor as defined by the provisions of the Law on Packaging and Packaging Waste and, with this Contract, the Client transfers its obligation of packaging waste management to SEKOPAK, in accordance with Article 24 of the Law on Packaging and Packaging Waste
- In the performance of this Contract, the contracting parties will be guided with the following general objectives: natural resources protection; environment and health protection; development of modern packaging production technology; establishment of an optimal system of packaging and packaging waste management according to the principle of division of responsibilities; the functioning of the market in the Republic of Serbia, prevention of trade obstacles, avoiding of any type of disorder and limitations in market competition.
- The contracting parties in this Contract will be guided by the National Plan for packaging waste reduction, for the period of time from 2010 to 2014, as well as by specific national targets related to the structure of packaging waste, determined for the period of time from 2012 to 2014.
- Sekopak has obtained from the Serbian Commission for the Protection of Competition on the 15th July 2010. the Commission's resolution whereby the founding act of SEKOPAK d.o.o. is exempted from being prohibited;
- SEKOPAK has decided to conduct its business as an Operator in accordance with the following principles:
 - a) Fulfilment of the Packaging Ordinance with greatest possible ecological benefit and minimum economic investment;
 - b) Conduct of business based on actual costs and not on subsidizing materials;
 - c) Transparent and confidential operation;
 - d) Equal treatment of clients;
 - e) Cooperation with relevant Government Ministry and local authorities / communities based on partnership and goodwill.

Following the above mentioned, Contractual parties agree as follows:

THE SUBJECT OF THE CONTRACT

Article 1

This Contract regulates the Client's and the Operator's mutual rights and obligations in the process of packaging waste management. Through this contract, the Operator assumes / undertakes the Client's obligation of packaging waste management prescribed by the Law on Packaging and Packaging Waste Management.

"Packaging waste management", for the purposes of this Contract, has the following meaning: Organisation of activities on collection, sorting, transport and treatment of packaging waste which is the subject of this Contract, at least in the amounts required for fulfilment of the National Targets in accordance with the Bylaw (Ordinance) on the plan of reducing packaging waste, and on maintaining the status of Operator.

Article 2

In the terms of this Contract's provisions, the packaging waste management is related to the following types of packaging;

- (1) Paper/cardboard
- (2) Plastic
- (3) Glass
- (4) Metal
- (5) Wood

All packaging made of composite materials, according to this Contract's provisions, will be treated as the packaging made of that material which is predominant in the content of composite packaging, as defined by the nomenclature provided by the National Plan.

Article 3

The packaging waste management, the rights and obligations of the contracting parties respectively, in terms of this Contract's provisions - related to planning and organizing activities concerning collecting, transport, warehousing, treatment and packaging waste disposal, including the supervision over those activities and care over waste management plants - relates to the relevant market according to the Law, the market of the Republic of Serbia.

The Operator's obligations

Article 4

The Operator is obligated on behalf of the Client to ensure regular takeover, collection, recovery, recycling or disposal of packaging waste, according to the Law.

The Operator through this contract takes over only those obligations of the Client for packaging waste management which are stated in the Article 24 of the Law on Packaging and Packaging Waste Management, while all other obligations of the Client according to the same Law remain the obligations of the Client as the subject of packaging and packaging waste management, as, for example, is the obligation of reporting defined by Article 39 of the Law on Packaging and Packaging Waste.

Article 5

The Operator is obligated to inform the public and final users on purpose, targets, manner and place of the packaging collection, as well as the possibilities of recovery and recycling of the packaging material using the Internet or mass media, i.e. in the usual local manner.

Article 6

The Operator is obligated, no later than by the end of February of the current year, to inform the Client on the amount and type of recovered or disposed packaging waste in the previous calendar year, for each method of using or disposing separately, as well as on the amount of the waste recycled in the previous calendar year, for each type of waste separately, for which the Client has paid fees to the Operator.

The Operator is obligated to provide the Report on Packaging and Packaging Waste Management, for which the fees have been paid by the Client, to the Agency for Environmental Protection with the content and in terms laid down by the Law.

The Operator is obligated, in case of an inspection by the authorized Ministry of the Republic of Serbia, to deliver to the Client all data stated in the Article 48, Par 1, Sub-par 7, 8, and 9 of the Law on Packaging and Packaging Waste, within the deadline set by the order of duly empowered inspector.

Article 7

Operator is obligated to issue to the Client in good time the valid Price List for specific types of packaging, stated in the Article 2 of this Contract.

The electronically published pricelist in force (valid pricelist published on the Operator's Internet / web page) is attached herewith as Enclosure / Attachment 1 to this Contract

Operator is obligated, no later than the end of November of the current year, to deliver to the Client the valid Price List for the following calendar year.

The Price List shall be formed once a year, unless special circumstances demand otherwise. Operator reserves the right, in case circumstances change on the market or other changes occur which have direct or indirect influence on Operator's activities, to change the Price List unilaterally. The new Price List becomes valid for the Client within 60 days of the day of informing, where the day of informing is considered to be the day of electronic publishing or delivering the written documents to this effect to the post or courier service.

Operator reserves the right, while assembling the Price List, to change the structure of the Price List in terms of grouping or its dividing into different types of packaging.

For the purposes of determining the adequate price for the composite packaging (the packaging containing two or more types of packaging materials) that are not specifically determined within the Price List, the price of the predominant material in the subject-composite packaging will be taken as the valid price.

The Client's obligations

Article 8

The Client is obligated to provide written Monthly Report to the Operator, which is related to:

- a) Name, address, activity and activity code number of the producer, importer, packer/filler, distributor and end user;
- b) Amounts and types of the packaging that the subjects from this Article have placed on the market, imported or exported to another state;
- c) Other prescribed data.

The Monthly Report from this Article has to contain the correct data, sorted by the types of packaging and amounts stated in kilograms and it has to be delivered to the Operator no later than the first day of the month for the month preceding the previous one (for example, the Client is obligated no later than March 01 to submit to the Operator the Monthly Report on packaging placed onto the relevant market during January). If the Client doesn't provide the Monthly Report to the Operator up to the 10th day of the current month for the month preceding the previous month, the Operator must perform its obligation stated in the Article 4 of this Contract, in amounts and according to validity stated in the previous Monthly Report delivered by the Client, as well as to issue an appropriate invoice for an appropriate amount to the Client. This Contract will be considered terminated due to the Client's failure to fulfill its obligations, with no obligation for the Operator to report its termination to the Client in any manner. The termination period expires on the last day of the month in which the Client was obligated to provide its Monthly Report.

While making and submitting the Monthly Report, the Client is obligated to use forms, programs and electronic standards prescribed and/or provided by the Operator, at no additional charges to the Client. The form of the Monthly Report is presented in Enclosure / Attachment 2 of this Contract. The Client is obligated to use the "username" and "password" provided by the Operator while creating and submitting the Monthly Report. The Client is not obligated to submit monthly reports in writing (by mail) if and when they have been submitted electronically. The Client through this Contract identifies the following person as the responsible person whose obligation is to communicate the Monthly Report with the Operator on behalf of the Client:

Name: _____

Surname: _____

Contact details: _____

The Client is also obligated, according to the request and discretion of the Operator, for the purposes of fulfilling the Operator's obligations towards the relevant Ministry or other (state) organ, to provide to the Operator in suitable timeframe necessary for the fulfilment of such obligations to the Ministry or other (state) organ, other data/information relevant for the fulfilment of rights and obligations based on this Contract.

According to the demand and to the discretion of the Operator, the Client is obligated to enable an authorised independent auditor, chosen by the Operator, to conduct the audit of data/information

contained in the Monthly Reports of the Client. The Client is obligated to provide, for the purposes of the audit, the submission to the auditor of all required relevant data and/or documents.

If the independent audit result determines any discrepancy in data contained in the Monthly Report with the results of the independent audit, the Client shall pay all engagement costs and costs of the independent auditor's work; if the data from the independent auditor's result completely match the data from the Monthly Reports, the Operator shall pay all engagement costs and costs of the independent auditor's work. If the independent auditor is not provided with an insight in required data and/or documents, the data from the audit will be considered as not matching the Monthly Reports and the Client shall pay all engagement costs and the costs of the auditor's work.

The contracting party, in whose favour any discrepancy in the data is identified, is obligated to transfer the corresponding value to the other contracting party in the manner of decreasing or increasing the next monthly invoice of the Operator by the value of identified discrepancy.

At this Contract's conclusion, The Client is obligated to submit to the Operator the Cumulative Monthly Report for the entire period starting from January 1, 2012 until the last day of the month preceding the month in which this Contract was concluded. The Client is obligated to pay the fee according to this Contract for all packaging quantities submitted in the Cumulative Monthly Report, according to the Article 10 of this Contract. The Operator undertakes fulfillment of legal obligation of the Client for waste management of packaging reported by the Cumulative Monthly Report.

Article 9

The Client is obligated to pay fees to the Operator for the packaging waste management services, as it is stated in the article 4, 5, and 6 of this Contract, according to the valid Price List, in the manner and in the terms that are laid down by this Contract.

Fees

Article 10

The remuneration from the Article 9 of this Contract is calculated and invoiced to the Client, according to the valid Price List. The Operator shall, immediately after receiving the Monthly Report, make an invoice to the Client in the amount suitable to the amounts and types of packaging stated in the Monthly Report, multiplied with prices of the valid Price List.

The contracting parties agree that the deadline for each individual invoice payment shall be thirty (30) calendar days, counting from the day of receipt.

In the case that Client is late in paying the invoiced amount, the Client is additionally obligated to pay interest to the Operator in the amount of the official monthly index of interest on arrears ("zatezna kamata").

In case that the Client doesn't pay any of the monthly invoices during the calendar year, apart from other remedies envisaged in this Contract or the Law, the Operator shall not be obligated to perform its obligation, stated in the Article 6 of this Contract for the subject year, and shall be authorized to keep all payments made by the Client.

Should the Operator fail to fulfill national targets given in the Decree on criteria for calculation of fees for packaging and packed product, the Client will be obligated to pay the decreed fee up to the level of 80% of determined amount, proportional to the packaging quantities that the Client has put on the market.

Trade Mark "Der grüne Punkt"
(Of "The Green Dot")

Article 11

The contracting parties agree that the trademark "**Der grüne Punkt**" confirms that all companies which have the same trademark on their products take part in funding the System for Packaging Waste Management, which is organized according to the principles and meet targets stated in the EU Commission Directive No. 94/62 EC on Packaging and Packaging Waste at the date of December 20, 1994 ("National Targets").

The contracting parties mutually agree that the Operator is exclusively authorized to provide the trademark "**Der grüne Punkt**" on the territory of the Republic of Serbia to all subjects which fulfill their legal obligations related to packaging waste management and the National Targets in this regard.

The contracting parties agree that, after a six (6) months period of timely and orderly carrying out of all obligations of this Contract by the Client, the Client shall have the opportunity to conclude a separate contract on using the trademark "**Der grüne Punkt**" with the Operator and that shall be considered as the only valid legal basis for using the trademark "**Der grüne Punkt**" on the territory of Serbia.

Through the conclusion of this – the current Contract the Client has not obtained any right in any way to use the trademark "**Der grüne Punkt**", nor any of its derivatives.

Duration and termination

Article 12

This Contract is to be put into effect on the day when it is signed by authorized representatives of the contracting parties. The Contract is concluded for an indefinite period of time.

The contracting parties are authorized to terminate this Contract unilaterally, with no stated reasons only during December whereas the termination period expires on June 30 of the next year. Unilateral termination can be issued exclusively in written form, by registered letter through the post or courier service, directed to the address for receiving letters and as stated in this Contract.

The contracting parties are authorized to terminate this Contract unilaterally, as a result of other contracting party's failure to carry out all obligations envisaged by the provisions of this Contract. The unilateral termination, caused by failure to carry out obligations, can be communicated at any time, in written form, by registered letter through the post or courier service, directed to the address for receiving letters as stated in this Contract. In case of the termination caused by failure to carry out obligations, the termination period is 30 calendar days. Operator's obligation stated in Article 6 of this Contract is valid until the last day of the termination period and only in the case that the Client has paid the fee for the corresponding period in its entirety.

Obligations of the contracting parties established through this Contract remain valid until the last day of the termination period. After the expiration of the termination period, the Operator is obligated to provide the Client with all necessary data for continuing the fulfillment of the legislative obligations of the Client, which were fulfilled by the Operator on the Client's account, until the expiration of the termination period.

Confidentiality of information

Article 13

Relevant information related to this Contract obligations' carrying out shall be exchanged transparently and with no obstacles between the contracting parties. An exception will be information that can be viewed as business, state or military secret, as well as information that cannot be exchanged according to the rules on competition protection.

None of the information exchanged with the aim to fulfill this Contract shall be made available to third parties. Exchanged information can only be made available with a written consent of the Client. It is considered with the signing of this Contract that the Client has given written consent to the Operator that the information resulting from this Contract can be transferred to the authorized state bodies, in accordance with the valid legislation on packaging and packaging waste, and with the aim of fulfillment of the Operator's obligations stated in the Article 6 of this Contract.

The contracting parties are obligated to keep all commercially sensitive information, as well as all information that can be considered as a business, state or military secret, according to valid standards and/or with a good entrepreneur's attention.

After this Contract termination based on any ground, the provisions from the Article 13 of this Contract remain in force.

Rights of the industrial/intellectual property

Article 14

This Contract or any of its parts cannot be the ground for transposing or getting rights of the industrial /intellectual property of the contracting parties, whether the subject rights were or were not the subject of protection at the relevant institutions of Serbia or some third country.

All questions related to transposing of any rights of the industrial / intellectual property, in any type of form or range and that appear while this Contract is valid, will be regulated by a special contract.

Other

Article 15

The contracting parties guarantee to each other that all necessary internal decisions have been ensured according to internal rules and that both parties are completely authorized to sign this Contract.

All Annexes and amendments of this Contract, in order to have a binding character for both parties, must be made in written form and signed by authorized persons of the contracting parties.

In case that some provision of this Contract becomes invalid or is declared as invalid, it shall not have any influence on the rest of the provisions' validity. Instead of the invalid provision, the valid provision, whose sense is the closest to the sense of invalid provision and which mostly meets all requirements of the contracting parties, shall be added.

The contracting parties accept disagreements that can arise from this Contract to be settled peacefully and by agreement. If, because of any reason, some disagreements can't be settled by an agreement within the 30 days starting from the day when one of the contracting parties has informed the other accordingly, the disagreement shall be settled by the Commercial Court in Belgrade.

According to this Contract, all notifications that represent the beginning of some certain time limits or are connected with creation or termination of some right or obligation, have to be directed to another contracting party in written form, by registered letter or by courier service to the following addresses:

The Client: _____

The Operator: "SEKOPAK" doo Belgrade, 136 B Milutina Milankovića Street«

The contracting parties are obligated to inform each other of every change of above mentioned addresses, in the manner discussed in the Sub-paragraph 5 of this Contract.

The contracting parties are obligated to follow the positive legal regulations of the Republic of Serbia, as well as the best business practice.

This Contract is made out in 4 (four) identical and equally valid copies, of which two for each contracting party.

The contracting parties:

The Operator:

The Client:
