

REGULATIONS
Consorzio ERP Italia

ARTICLE 1

Subject

These Regulations govern, under art. 21 of the Articles of Association of Consorzio ERP Italia (hereafter referred to as "Consortium" or "ERP Italia"), the Consortium's technical, administrative and sanctioning arm.

The Regulations are binding for all Consortium Members and form an integral part of the consortium contract.

For the purposes of these Regulations, the same definitions as those set out in the Consortium Articles of Association shall apply.

ARTICLE 2

Membership fees

Each new EEE Producer Consortium Member must pay a Membership fee based on its last financial statement's electrical and electronic equipment turnover ("EEE Turnover") as detailed in the following table (Table 1).

EEE turnover (€)	Membership fee for EEE Producers (€)
Up to 25 million	€ 10
More than 25 and up to 50 million	€ 50
More than 50 and up to 250 million	€ 250
More than 250 and up to 500 million	€ 500
More than 500 million	€ 1,000

Table 1

Without prejudice to the provisions of art. 4 paragraph 6 of the Articles of Association, each new Batteries and Accumulators Producer Consortium Member must pay a Membership fee based on its last financial statement's Batteries and Accumulators turnover ("BA Turnover") as detailed in the following table (Table 2).

BA turnover (€)	Membership fee for Batteries Accumulators Producers (€)
Up to 25 million	€ 10
More than 25 and up to 50 million	€ 50
More than 50 and up to 250 million	€ 250
More than 250 and up to 500 million	€ 500
More than 500 million	€ 1,000

Table 2

Each new EEE and Batteries and Accumulators Producer Consortium Member must pay a membership fee based on its last financial statement's EEE and Batteries and Accumulators turnover ("EEE + BA turnover") as detailed in the following table (Table 3).

EEE + BA turnover (€)	Membership fee for EEE and Batteries Accumulators Producers (€)
Up to 25 million	€ 10
More than 25 and up to 50 million	€ 50
More than 50 and up to 250 million	€ 250
More than 250 and up to 500 million	€ 500
More than 500 million	€ 1,000

Table 3

EEE and/or Batteries and Accumulators Producers with an active Compliance Scheme membership agreement(s) when ERP Italia S.c. a r.l. changed into a Consortium will have a membership fee set at € 10 (ten Euro) regardless of their EEE and/or Batteries and Accumulators turnover.

The Founding Consortium Members, i.e. the members of ERP Italia S.c. a r.l. at the time it changed into a Consortium, shall pay the same Consortium membership fee as indicated below: ERP SAS 231,332.67, Procter & Gamble S.r.l. 2,706.70, Sony Europe Limited 2,706.70, Hewlett-Packard Italiana S.r.l. 2,706.70, Topengi Italia S.r.l. 29,980.54.

Each new non-EEE and non-Batteries and Accumulators Producer Consortium Member, listed in the categories referred to in Article 4 paragraph 4, must pay a membership fee of € 1,000 (one thousand Euro).

The membership fees paid by Members increase the consortium fund as described in article 6, paragraph 1, letter a) of the Articles of Association and determine the shares referred to in articles 9, paragraph 1 and 10, paragraph 7.

ARTICLE 3

Consortium Member Admission

Applications for admission must be signed by the applicant legal representative. They must be forwarded to the Consortium for the attention of the Board of Directors, by registered letter with return receipt or certified email, attaching the following documentation:

- a) A completed Consortium membership Application form detailing the registration category (EEE Producer, Batteries and Accumulators Producer, EEE and Batteries and Accumulators Producer, or Other - categories as per article 4 paragraph 4 of the Articles of Association);
- b) updated chamber of commerce certificate;
- c) the last registered financial statements (only for EEE or Batteries and Accumulator Producers who are not Compliance Scheme Customers at the time of the reorganisation into a consortium);
- d) only for EEE Producers already established on the national market, a document certifying the registration in the Register of entities obliged to finance WEEE treatment;
- e) only for EEE Producers, declaration of EEE placed on the market or a forecast in the case of a new Producer;
- f) the document certifying the registration in the Batteries and Accumulators Register (only for Batteries and Accumulators Producers already present on the national market);

- g) a declaration of Batteries and Accumulators placed on the market or a forecast if a new Producer (only for Batteries and Accumulators Producers);
- h) the earlier EEE and/or Batteries and Accumulators compliance Scheme and self-certification confirming the fulfilment of its obligations;
- i) Contract referred to in art. 4 paragraph 6 of the signed Articles of Association;
- j) an anti-mafia declaration;
- k) beneficial owner declaration according to the anti-money laundering legislation;
- l) a certificate of tax compliance under article 14 of Legislative Decree no. 472/97 for new Consortium candidates which are non-EEE and non-Batteries and Accumulators Producers;
- m) single insurance contribution payment certificate (DURC) for new Consortium candidates which are non-EEE and non-Batteries and Accumulators Producers.

Without prejudice to the existence of the above mentioned requirements and the completeness of the documentation, the Board of Directors or its representative decides on the admission of the new EEE and/or Batteries and Accumulators Producer Consortium candidates within 30 (thirty) days from the verification of the requirements. This is without prejudice to the provisions of article 4 paragraph 5 of the Articles of Association.

Without prejudice to the existence of the above mentioned requirements and the completeness of the documentation, the Members' Meeting decides on the admission of the new non-EEE and non-Batteries and Accumulators Producer Consortium candidates under article 4, paragraph 4 of the Articles of Association. This is based on the absence of an opposing vote cast by at least 15% (fifteen per cent) of the total votes held by the EEE Producer and Batteries and Accumulators Producer Members or the opposing vote of at least 15% (fifteen per cent) of the votes of the Consortium founder members.

The Consortium Member undertakes to keep information provided at the time of membership up-to-date.

ARTICLE 4

Breakdown of voting rights

Under article 9 paragraph 1 and article 10, paragraph 7 of the Articles of Association, the voting rights in the Members' Meeting are based on the following:

- The total number of votes is 250,000 (two hundred and fifty thousand) proportionally distributed among the Consortium Members according to their own consortium fund fees under article 6, paragraph 1, letter a) of the Articles of Association. This is without prejudice to any special voting rights under art. 10, paragraph 7 of the Articles of Association;
- if the votes of the Consortium Member are less than one, they will be assigned 1 (one) vote and the calculation of the total votes for Consortium Members will consequently be increased;
- if the votes of the Consortium Member are greater than the unit but are not a whole number, the Consortium Member will be assigned a number equal to the whole number immediately preceding, and the total votes for Consortium Members will consequently be reduced.

The number of votes allocated to each Consortium Member will be calculated at each Members' Meeting before resolving on the items on the agenda.

Without prejudice to the prohibition of a total or partial restitution by the Consortium of the Consortium Member fund fee (with consequent irrevocability of initial voting rights), an EEE and/or Batteries and Accumulators Producer Consortium Member whose turnover value is higher than what was declared when joining, pushing it into a higher turnover category based on the tables in article 2, can ask the Board of Directors to adjust its shares in the relevant turnover range by 31 January of the following year. This will be based on the table above and result in the corresponding votes in the Members' Meeting if the Member is up-to-date with membership payments, under Table 1 of Article 2. This request is optional for the Consortium Members and not an obligation and is without prejudice to the obligations to pay environmental contributions for the management of WEEE and/or WBA, and the provision of financial guarantees based on the quantities of products annually placed on the market, based on the Consortium rules and the relevant consortium bodies' resolutions.

ARTICLE 5

How to participate in the Compliance Scheme of Consortium Members and Associates

Without prejudice to the provisions of art. 4 paragraph 6 of the Articles of Association, EEE and/or Batteries and Accumulators Producers join the Compliance Scheme and become Consortium Members upon the Board of Directors or its delegate's acceptance of the membership application, and the Membership fee payment.

The membership effectiveness of a Consortium Member or Associate (under article 4 paragraph 6 of the Articles of Association) is subject to a contract between the applicant and the Consortium (hereafter "Contract") by which the Parties regulate the waste management (WEEE and WBA) methods entrusted to the Consortium. This contract regulates other aspects of their relationship in compliance with the legal and the Articles of Association provisions and these Consortium Regulations.

Non-EEE and non- Batteries and Accumulators Producers, belonging to the categories referred to in Article 4 paragraph 4 of the Articles of Association, join the Compliance Scheme and become Consortium Members upon acceptance of the membership application by the Ordinary Members' Meeting and the membership fee payment.

ARTICLE 6

Financial guarantees

Under article 25 paragraph 1 of Legislative Decree no. 49 of 2014, the Producer who places products on the EEE market is obliged to provide adequate financial guarantees.

This guarantee procedure and the calculation of payments are determined by Ministerial Decree of 9 March 2017, no. 68 for B2C WEEE, or the Contract for B2B WEEE.

ARTICLE 7

Withdrawal

Withdrawal may be exercised at any time and must be communicated to the Consortium Board

of Directors by registered letter with return receipt or certified email, with a 90 (ninety) days' notice. Under the notice terms, EEE and/or Batteries and Accumulators Producers' withdrawal will become effective at the end of the current EEE and/or Batteries and Accumulators operating year. The withdrawing Consortium Member must guarantee a pro rata payment of any additional investments and costs not covered by the ordinary periodic contributions incurred by the Consortium based on any resolution adopted by the Members' Meeting prior to the exercise of the right of withdrawal.

The voting rights of Consortium Member who has exercised the withdrawal or has been excluded will proportionately increase the voting rights of the remaining Consortium Members, for the purposes set out in articles 9, paragraph 1 and 10, paragraph 7 of the Articles of Association.

ARTICLE 8

Appointment of the Board of Directors

The Meeting establishes the Board of Directors members among the possible options (3, 5, 7, 9 members).

Once the number of members has been established, each Consortium Member can nominate several candidates from 1 (one) up to the number of directors to be elected.

Each Consortium Member can express several preferences from 1 (one) to the number of directors to be elected. The candidates with the most votes will be elected until the number of directors is reached. In case of a tie, the eldest candidate will be elected.

ARTICLE 9

Sanctions

If there is a failure by the Consortium Members to comply with the obligations deriving from the Articles of Association, Regulations, Membership Contract or deriving from the resolutions adopted by the Members' Meeting, the Board of Directors, as an assessment body, will impose a sanction between € 100 (one hundred Euro) and € 100,000 (one hundred thousand Euro), based on the severity of the infringement.

Specific sanctions will be imposed by the Board of Directors in the following cases:

- Delay in sending the declaration of products placed on the market. A delay of up to 10 (ten) calendar days is allowed from the expiry of the deadline for sending the declaration set by the Consortium. From the 11th (eleventh) to the 20th (twentieth) calendar day of delay a fine of € 50 (fifty Euro) per day of delay will be imposed. From the 21st (twenty-first) to the 25th (twenty-fifth) calendar day of delay a fine of € 100 (one hundred Euro) per day of delay will be imposed;
- Failure to send the declaration of products placed on the market means failure to receive the necessary documentation by the Consortium or failure to send the declaration with a delay of more than 25 (twenty-five) calendar days. The penalty imposed will be € 1,500 (one thousand five hundred Euro) plus € 2 (two Euro) for each ton of EEE and industrial and vehicle Accumulators, and plus € 25 (twenty-five Euro) for each ton of Portable Batteries and Accumulators resulting from the last declaration made available by the

Producer;

- Wrong declaration of products placed on the market. If after sending of the declaration, the Producer sends a correction of it within the 25th (twenty-fifth) day from the deadline communicated by the Consortium (usually the end of February), no penalties will be imposed. From the 26th (twenty-sixth) day onwards the following penalties will be applied, proportional to the deviations:
 - o Up to 1 (one) ton: € 100 (one hundred Euro);
 - o Deviation of less than 5% (five percent) and higher, in absolute value, than 1 (one) ton: € 200 (two hundred Euro) plus € 1 (one Euro) for each ton of EEE and Industrial and Vehicle Accumulators deviation, and plus € 15 (fifteen Euro) for each ton of Portable Batteries and Accumulators;
 - o Deviation from 5% (five percent) to 10% (ten percent) and higher, in absolute value, than 1 (one) ton: € 500 (five hundred Euro) plus € 1 (one Euro) for each ton of EEE and Industrial and Vehicle Accumulators deviation, and plus € 15 (fifteen Euro) for each ton of Portable Batteries and Accumulators;
 - o Deviation of more than 10% (ten percent) and higher, in absolute value, than 1 (one) ton: € 1000 (one thousand Euro) plus € 1 (one Euro) for each ton of EEE and Industrial and Vehicle Accumulators deviation, and plus € 15 (fifteen Euro) for each ton of Portable Batteries and Accumulators;

The Contract regulates the penalties applied in case of delayed or non-payment of the fees owed by the Consortium Member.

Sanctions established by the Board of Directors will be notified to the Consortium Member by registered letter with a return receipt or certified email within 2 (two) calendar days from the resolution. The Consortium Member has the right to present its observations within 3 (three) calendar days from the sending of the communication by the Board of Directors.

If the Consortium Member does not submit its observations within the established deadlines, the penalty will be applied. The payment of the related amount will be requested within 30 (thirty) days. If the Consortium Member submits observations, the Board of Directors may:

- Fully accept the observations. In this case the sanction lapses;
- Partially or totally reject the observations. In this case the reduced sanction will be applied because of partial acceptance.

The proceeds from the sanctions will increase the consortium fund.

ARTICLE 10

Consortium Trademark

The Consortium undertakes to comply with the "Trademark use policy" on the use of the trademark which is published on the Consortium website.