

**CONTRACT FOR ORGANISING THE COLLECTION AND RECOVERY OF  
PACKAGINGS AND PACKAGING WASTE**

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**STANDARD TERMS**

*Wording is effective from 1 September 2016*

**1. OBJECT OF THE CONTRACT**

These Standard Terms set out the standard terms of Non-Returnable Packaging Contracts and Common-Use Packaging Contracts.

**2. DEFINITIONS**

The definitions used in the Contract have the following meaning:

**2.1. Alcoholic Beverages**

Beer, alcoholic beverages with low ethanol content, cider or perry products as defined in the Alcohol Act.

**2.2. EPP Label**

EPP deposit label established with a regulation adopted on the basis of the Packaging Act, which the Packaging Act sets out as obligatory to be used by packaging companies having transferred their obligations to a recovery organization, or another label used by EPP to mark the Packaging concerning which EPP is providing services to the Packaging Company and concerning which EPP has informed the Packaging Company pursuant to Article 5.4.1 that it shall be used.

**2.3. EPP Handbook**

Current wording of the EPP Handbook (with future amendments and supplements) which is available on the EPP Internet homepage (<http://www.eestipandipakend.ee/kasiraamat/>) which forms a part to the Contract and which, *inter alia*, establishes the requirements and specifications for the Packagings (including the identification requirements) and for the use of the EPP Label.

**2.4. EPP Packaging Register**

An electronic register kept by EPP on the Packaging Articles concerning which EPP provides a Packaging Company the services agreed in the Contract.

<b>2.5. EPP Deposit System</b>	EPP's system covering the whole Republic of Estonia for the provision of services related to the collection and recovery of Non-Returnable Packagings and Common-Use Packagings.
<b>2.6. Special Packagings</b>	Packagings of goods placed on the market by a Packaging Company, which do not comply with the specification of Packagings prescribed by the applicable law or the EPP Handbook but which EPP nevertheless agrees to register in the EPP Packaging Register and concerning which EPP agrees to provide services to the Packaging company.
<b>2.7. Retailer</b>	A person who sells the goods packaged in the Packagings to end users and consumers and delivers the used Non-Returnable Packagings taken back from end users and consumers to EPP and Common-Use Packagings to the Packaging Company.
<b>2.8. Handling Fee</b>	The fee provided for in Article 8.2.1.
<b>2.9. Rate of the Handling Fee</b>	The rate provided for in Annex 1.
<b>2.10. Contract</b>	Non-Returnable Packaging Contract and/or Common-Use Packaging Contract together with these Standard Terms and annexes to the aforementioned documents.
<b>2.11. Accession Fee</b>	The fee provided for in Article 8.5.
<b>2.12. Sales Report</b>	The report provided for in Article 7.2.1.
<b>2.13. Packaging Article</b>	The registration of a Packaging in the EPP Packaging Register, having the following properties differentiating that Packaging Article from other Packaging Articles: <ul style="list-style-type: none"> <li>• shape;</li> <li>• volume;</li> <li>• material;</li> <li>• bar code.</li> </ul>
<b>2.14. Packagings</b>	Packagings as defined in the Packaging Act: <ul style="list-style-type: none"> <li>• being subject to a Deposit pursuant to the applicable law; and</li> <li>• complying with the specification of Non-Returnable Packagings or Common-Use Packagings provided for in the EPP Handbook; and</li> </ul>

- the packaging Article of which is properly registered in the EPP Packaging Register.

**2.15. Packaging Company**

Contract party not being EPP.

**2.16. Deposit**

A deposit established on the basis of the applicable law for Packagings placed on the market in the Republic of Estonia.

**2.17. Party**

EPP or the Packaging Company being a party to the Contract.

**2.18. Forecast Invoice**

An invoice defined in Article 8.3.

**2.19. International Bar Code**

A Bar Code marked on a Packaging placed on the market in both Estonia and outside Estonia.

**2.20. Registration Fee**

The fee provided for in Article 8.6.

**2.21. National Bar Code**

A Bar Code marked on a Packaging placed on the market in Estonia alone.

**2.22. Service Charge**

A charge paid by a Packaging Company to EPP with respect to Common-Use Packagings for the provision of services agreed in the Contract.

**2.23. Rate of Service Charge**

The rate provided for in Annex 1.

**2.24. Additional Reports**

Reports provided for in Article 7.2.3.

**2.25. Standard Terms**

These standard terms of the Contract for Organising the Collection and Recovery of Packagings and Packaging Waste.

**2.26. Bar Code**

A unique GTIN/EAN bar code registered with the organisation GS1, including any local offices of GS1, including MTÜ GS1 Estonia (registry code: 80004087), marked on the Packaging and identifying the product.

**2.27. Non-Returnable Packagings**

The Packaging of goods placed on the market by a Packaging Company, being non-returnable packagings pursuant to the applicable law, including any non-returnable packagings being considered packaging waste pursuant to the applicable law.

**2.28. Non-Returnable Packaging Contract**

The Contract for Organising the Collection and Recovery of Packagings and Packaging Waste, signed between EPP and a Packaging Company

for the provision of services concerning Non-Returnable Packagings.

### **2.29. Common-Use Packaging**

The Packagings of goods placed on the market by a Packaging Company:

- which are reusable packagings pursuant to the applicable law;
- which are in common use by several Packaging Companies; and
- which do not have any specific design elements or other additional elements referring to a specific manufacturer or product, making it essentially impossible or improper for other packaging companies to use the Common-Use Packaging to package their own products.

### **2.30. Common-Use Packaging Contract**

The Contract for Organising the Collection and Recovery of Packagings and Packaging Waste, signed between EPP and a Packaging Company for the provision of services concerning Common-Use Packagings.

## **3. CONFIRMATIONS OF THE PACKAGING COMPANY**

The Packaging Company hereby confirms that:

- 3.1.** The Packaging Company is a packaging company that places the goods packaged in the Packagings on the market in the Republic of Estonia (in the meaning of the Packaging Act);
- 3.2.** The Packaging Company is a payer of excise duty pursuant to the Packaging Excise Duty Act;
- 3.3.** The Packaging Company has the right pursuant to the Packaging Act and the Packaging Excise Duty Act to transfer the Packaging Company's obligations provided for in the within-named acts to EPP;
- 3.4.** Packagings placed on the market by the Packaging Company in the Republic of Estonia fully comply with all requirements provided for in the applicable law and the Contract for the Packagings of the corresponding class and material.

## **4. EPP PACKAGING REGISTER**

### **4.1. General provisions**

4.1.1. EPP shall provide services to a Packaging Company under the Contract concerning only packagings complying with the following:

- 4.1.1.1. the definition of Packaging provided for in Article 2.14; or
- 4.1.1.2. the definition of Special Packaging provided for in Article 2.6.

4.1.2. The Contract's provisions applicable to Packagings shall also correspondingly apply to Special Packagings.

#### **4.2. registering a new Packaging Article in the EPP Packaging Register**

4.2.1. For the registration of a new packaging article in the EPP Packaging Register, the Packaging Company has to submit EPP an application in format reproducible in writing, using the EPP online environment.

4.2.2. EPP shall not register the new packaging article in the EPP Packaging Register if:

- 4.2.2.1. the application submitted by the Packaging Company to register a new packaging article does not comply with the requirements provided for in the Contract and the EPP Handbook;
- 4.2.2.2. the packaging corresponding to the packaging article being registered does not comply with the requirements provided for the Packaging in the Contract and the EPP Handbook;
- 4.2.2.3. the Packaging Company has not paid the Accession fee provided for in Article 8.5 and the Registration fee provided for in Article 8.6 to EPP; or
- 4.2.2.4. the Bar Code of the packaging article being registered is already registered in the EPP Packaging Register or has been registered there and deleted from there, except in the provided for in Article 14.3.2.2;
- 4.2.2.5. the Bar Code of the packaging article of an Alcoholic Beverage being registered is not a National Bar Code.

4.2.3. EPP has the right to refuse to register the Packaging Article in the EPP Packaging Register if:

- 4.2.3.1. the Packaging Company is indebted towards EPP;
- 4.2.3.2. the Packaging Company is violating any contract signed with EPP;
- 4.2.3.3. earlier frauds concerning the packaging article being registered have occurred in the EPP Deposit System; or
- 4.2.3.4. EPP has information that the sales of goods packaged into packaging corresponding to the packaging article being registered have ceased.

4.2.4. Upon registering a new packaging article, the Packaging Company shall confirm in a format reproducible in writing, using the EPP online environment, whether the Bar Code of the Packaging Article being registered is a National Bar Code or an International Bar Code i.e. whether the packagings corresponding to the packaging article being registered will be placed on the market in Estonia alone or outside Estonia as well.

4.2.5. If the Packaging Company's application to register a new Packaging Article in the EPP Packaging Register complies with the requirements provided for in the Contract and the EPP Handbook, EPP shall register the Packaging Article in the EPP Packaging Register within 3 (three) weeks after the receipt of the Packaging Company's application, at the latest.

4.2.6. If the Packaging Company wishes to register the Packaging Article in the EPP Packaging Register more quickly than the period provided for in Article 4.2.5, EPP may register the Packaging Article in the EPP Packaging Register more quickly than the period provided for in Article 4.2.5, on the prerequisite that the Packaging Company pays EPP 2,000 (two thousand) euros to cover the expenses of the relevant extraordinary procedure.

### **4.3. Registering a Packaging Article of an existing Non-returnable Packaging**

- 4.3.1. If the Packaging Company has submitted EPP an application to register a Packaging Article of Non-Returnable Packaging in the EPP Packaging Register but that Packaging Article is already registered in the EPP Packaging Register then EPP shall not register that Packaging Article as a new Packaging Article in the EPP Packaging Register and shall instead register the Packaging Company as a joint user of the relevant existing Packaging Article of the Non-Returnable Packaging.
- 4.3.2. Registering the Packaging Company as a joint user of the relevant existing Packaging Article of the Non-Returnable Packaging shall not relieve the Packaging Company from the obligation to pay the Accession fee provided for in Article 8.5 and the Registration fee provided for in Article 8.6 to EPP.
- 4.3.3. EPP has the right to inform all packaging companies using the relevant Non-Returnable Packaging about the adding of the Packaging Company into the EPP Packaging Register as a joint user of the Packaging Article of the Non-Returnable Packaging.
- 4.3.4. A Packaging Company using a Non-Returnable Packaging shall be responsible for the fulfilment of the obligations related the relevant Non-Returnable Packaging proportionally to the ratio of the number of relevant Non-Returnable Packagings placed on the market in the Republic of Estonia during the relevant period by the Packaging Company, to the number of Non-Returnable Packagings placed on the market in the Republic of Estonia during the relevant period by all packaging companies.

### **4.4. Changing the data in the EPP Packaging Register**

- 4.4.1. The Packaging Company shall guarantee the authenticity of information entered in the EPP Packaging Register concerning the Packaging Articles during the whole time when the Packaging Article is registered in the EPP Packaging Register.
- 4.4.2. If the Packaging Company wishes to change the data entered into the EPP Packaging Register about the Packaging Article, the Packaging Company shall submit EPP an application in a format reproducible in writing. The changing of the data entered into the EPP Packaging Register about the Packaging Article shall be subject to the provisions applicable to the registration of a new packaging article in the EPP Packaging Register, including Article 4.2.6. If the change of data applied for by the Packaging Company is too extensive by EPP's assessment, EPP may refuse change the data in the EPP Packaging Register and may demand the registration of a new packaging article instead.

### **4.5. Deleting a Packaging Article from the EPP Packaging Register**

- 4.5.1. The Packaging Company must immediately inform EPP about the Packaging Company's ceasing to place the goods in the relevant Packaging corresponding to the Packaging Article on the market.
- 4.5.2. If the Packaging Company has ceased to place the goods in the relevant Packaging corresponding to the Packaging Article on the market, the Packaging Company must immediately cease the use of the Bar Code corresponding to that Packaging Article.

- 4.5.3. If there are no more valid Contracts concerning the Packagings related to the Packaging Article or if no Packagings related to the Packaging Article have been placed on the market in the past 24 (twenty four) calendar months by any packaging company, EPP shall have the right to delete the relevant Packaging Article from the EPP Packaging Register.
- 4.5.4. EPP shall have the right to delete the Packaging Article from the EPP Packaging Register pursuant to the procedure provided for by EPP if the Packaging Article registered in the EPP Packaging Register does not comply with the requirements provided for the Packaging Article in the Contract and the EPP Handbook. In that case, EPP shall provide for the more detailed procedure for the deletion of the Packaging Article from the EPP Packaging Register on the basis of principle that the deletion of the Packaging Article would disturb the functioning of the EPP Deposit System as little as possible.
- 4.5.5. The procedure for the registration and deletion of Packaging Articles from the EPP Packaging Register shall be provided for in the EPP Handbook.

## **5. REQUIREMENTS FOR PACKAGINGS**

### **5.1. General provisions**

- 5.1.1. The Packaging Company shall ensure the compliance of the Packaging's with all requirements provided for in the Contract, the EPP Handbook and the applicable law, including the requirements for the Packagings' material, shape, dimensions and marking.

### **5.2. Identical or misleadingly similar packaging articles**

- 5.2.1. The shape of the packaging article of a Non-Returnable Packaging being registered in the EPP Packaging Register must be clearly differentiable by observation from the Packaging Articles of the Common-Use Packagings already registered in the EPP Packaging Register and *vice versa* – the shape of the packaging article of a Common-Use Packaging being registered in the EPP Packaging Register must be clearly differentiable by observation from the Packaging Articles of the Non-Returnable Packagings already registered in the EPP Packaging Register. This Article 5.2.1 shall not be considered violated if the similarity between the packaging article being registered and the registered Packaging Article is only in the material or label of the packaging articles.

- 5.2.2. EPP-I shall have the right to refuse to register a packaging article not compliant with Article 5.2.1 in the EPP Packaging Register. If the Packaging Article already registered in the EPP Packaging Register does not comply with the requirements provided for in Article 5.2.1 then EPP shall have the right to delete the relevant Packaging Article from the EPP Packaging Register at any time.

- 5.2.3. If the Packaging Company wishes to register a new packaging article in the EPP Packaging Register and the new packaging article does not comply with the requirements provided for in Article 5.2.1 then EPP may register such new packaging article in the EPP Packaging Register on the prerequisite that together with the application to register the new packaging article, an application is submitted to EPP to delete from the EPP Packaging Register the Packaging Article already registered in the EPP Packaging Register and having caused the violation provided for in Article 5.2.1. The application to delete from the EPP Packaging

Register a Packaging Article already registered there must be undersigned by all packaging companies using the relevant Packaging Article. The applications to register a new packaging article and to delete an existing Packaging Article may be submitted retroactively for a delay period of up to 1 (one) year so that the applicants will apply for the registration of new packaging article and for the deletion of the existing Packaging Article at the future dates set out in the applications, but not later than 1 (one) year after the submission date of the application.

5.2.4. If a Packaging Article is registered in the EPP Packaging Register at the moment of the entry into force of this edition of the Standard Terms and does not comply with the requirements provided for in Article 5.2.1, while that Packaging Article registered for that Packaging Company is registered in the EPP Packaging Register later than the other Packaging Article registered in the EPP Packaging Register and not compliant with the requirements for the Packaging Article provided for in Article 5.2.1, EPP shall delete such Packaging Article registered later for the Packaging Company from the EPP Packaging Register after 1 (one) year from the date of entry into force of this edition of the Standard Terms.

### **5.3. Marking with a bar code**

5.3.1. The Packaging Company shall mark every Packaging with a Bar Code which complies with the requirements provided for in the Contract and the EPP Handbook and provided for by GS1 Estonia MTÜ (or some other person, institution or organization starting to perform the corresponding obligations). A specific procedure and instructions for marking the Packagings with the Bar Code have been provided for in the EPP Handbook.

5.3.2. It is prohibited for the Packaging Company to mark and/or place on the market any packagings with the Bar Code registered in the EPP Packaging Register which do not belong to the Deposit System, including such packagings which, according to the applicable law, are exempt from the Deposit.

5.3.3. The Packaging Company may mark the Packagings of Alcoholic Beverages only with a National Bar Code. It is prohibited for the Packaging Company to mark and/or place on the market any Packagings of Alcoholic Beverages with an International Bar Code. Upon violation of the prohibition provided for in this Article 5.3.3, EPP shall have the right to demand that the Packaging Company:

5.3.3.1. pay a contract penalty of up to 15,000 (fifteen thousand) euros per each Packaging Article violating the prohibition provided for in this Article 5.3.3; and

5.3.3.2. pay the handling fee and the Deposit for each Packaging Article violating the prohibition provided for in this Article 5.3.3.

5.3.4. The Packaging Company shall be obligated to ensure that the Packaging Company itself and any person related to the Packaging Company will not place on the market outside Estonia any Alcoholic Beverages in packagings bearing the National Bar Code used by the Packaging Company and/or the EPP Label.

5.3.5. As an exception from the provisions of Articles 5.3.3 and 5.3.4, EPP may permit the Packaging Company to place Packagings of Alcoholic Beverages with National Bar Code on the market outside Estonia if the risk of the relevant Packagings being returned into the EPP Deposit System or the damage caused to EPP from that risk is estimated by EPP to be little. In order to apply for the permission provided for in this Article 5.3.5, the



Packaging Company shall submit EPP the relevant application in a format reproducible in writing. EPP shall inform the Packaging Company about the granting or denying of the permission provided for in this Article 5.3.5 in a format reproducible in writing. It is prohibited for the Packaging Company to place on the market outside Estonia any Packagings of Alcoholic Beverages with a National Bar Code before the Packaging Company has received EPP's permission in a format reproducible in writing. Upon granting and denying the permissions provided for in this Article 5.3.5, EPP shall treat equally all packaging companies applying for the permission.

- 5.3.6. Packagings with International Bar Code may be marked and/or placed on the market by the Packaging Company with an International Bar Code registered in the EPP Packaging Register, but only with the permission of EPP. For that, the Packaging Company shall submit EPP a releasing application in a format reproducible in writing, using the EPP online environment. Upon submission of the application, EPP shall have the right to demand that the Packaging Company provide additional information about the quantities of Packaging with International Bar Code placed on the market outside Estonia.
- 5.3.7. Packagings with National Bar Code compliant with Packaging Articles may be marked and/or placed on the market by the Packaging Company with a National Bar Code registered in the EPP Packaging Register, but only if they are subject to it pursuant to the applicable law.
- 5.3.8. It is prohibited for the Packaging Company to mark Packagings with a National Bar Code if those Packagings are placed on the market outside Estonia by the Packaging Company or a third party, except in the extent provided for in Article 5.3.9.
- 5.3.9. As an exception from the provisions of Article 5.3.8, a Packaging Company may place Packagings with National Bar Code on the market outside Estonia within a period of up to 12 (twelve) consecutive calendar months in a volume not exceeding 3% (three percent) of that Packaging Company's volume of Packagings with National Bar Code placed on the Estonian market within the preceding 12 (twelve) consecutive calendar months. The exception provided for in this Article 5.3.9 shall not apply to Packagings of Alcoholic Beverages.
- 5.3.10. If the Packaging Company has placed Packagings with National Bar Code that are not Packagings of Alcoholic Beverages on the market outside Estonia in a volume exceeding the volume permitted by Article 5.3.9, EPP shall have the right:
  - 5.3.10.1. to subject all Packagings with that National Bar Code to the provisions applicable to Packagings with an International Bar Code, incl. the charges provided for concerning the handling of Packagings with an International Bar Code; and
  - 5.3.10.2. to demand that the Packaging Company pay a contract penalty of up to 6,000 (six thousand) euros per each relevant Packaging Article.
- 5.3.11. If the Packaging Company wishes to re-register a Packaging Article with a National Bar Code into a Packaging Article with an International Bar Code or *vice versa*, it shall submit EPP a relevant application in a format reproducible in writing. The Packaging Company shall enclose to the application the written consent of all packaging companies using that Packaging, with which the packaging companies approve the re-registration of the Packaging Article and the Packaging Company's application. If all packaging

companies using the relevant Packaging Article do not grant their consent for the application then EPP shall not satisfy the Packaging Company's application and shall not re-register the Packaging Article with a National Bar Code into a Packaging Article with an International Bar Code or *vice versa*. In that case, the Packaging Company shall have the opportunity to register a new Packaging Article in the EPP Packaging Register, pursuant to the requirements provided for in these Standard Terms. EPP shall have the right to refuse to re-register the Packaging Article if it was already re-registered at least once within the 12 (twelve) calendar months preceding the submission of the Packaging Company's application.

#### **5.4. Marking with the EPP Label**

5.4.1. The Packaging Company is required to mark every Packaging with the special EPP Label. The EPP emblem marked on the packaging, its location and size shall comply with the requirements provided for in the EPP Handbook and/or the applicable law. If the EPP emblem changes, the Packaging Company undertakes to put only the new EPP emblem on the Packagings from the date designated by EPP. At least 6 (six) calendar months shall remain between the within-named date and the corresponding EPP Notice, unless the applicable law prescribes otherwise, in which case the date provided for in law shall apply.

5.4.2. It is prohibited for the Packaging Company to mark with EPP Label any packagings which do not belong to the Deposit System, including such packagings which, according to the applicable law, are exempt from the Deposit.

5.4.3. The Packaging Company may mark Packagings with International Bar Code with EPP label only with the permission of EPP. For that, the Packaging Company shall submit EPP the relevant application in a format reproducible in writing. In addition to the Packaging Company's application, EPP shall have the right to request that the Packaging Company provide additional information about the volumes of Packagings with International Bar Code placed on the market outside Estonia.

### **6. LIABILITY**

6.1. The Packaging Company is required to compensate EPP for all damages which have been caused to EPP by the non-conformity of the Packagings to the requirements provided for in the Contracts, the EPP Handbook and/or the applicable law.

6.2. Should EPP ascertain in any manner the packagings of goods which have been placed on the market by the Packaging Company, the relevant packaging article of which is not registered in the EPP Packaging Register but on which the EPP label has been marked, or packagings on which the Bar Code registered in the EPP Packaging Register has been marked contrary to the terms of the Contract or the EPP Handbook, the Packaging Company is required to:

6.2.1. Pay EPP the Deposit and the Handling Fee for every such packaging; and

6.2.2. Apply for the registration of the packaging article of the packaging in the EPP Packaging Register in accordance with [4](#) (if a Deposit has been established for the packaging); and

6.2.3. Pay EPP at the request of EPP contractual penalty for every such packaging amounting up to 3,000 (three thousand) euros.

**6.3.** If the Packaging Company does not fulfil its obligations provided for in Article 6.2, the Packaging Company is required to remove from the market immediately all packagings defined in Article 6.2.

**6.4.** Article 6.2.2 does not apply to the packaging for which the Deposit has not been established, or the Packaging with International Bar Code.

## **7. PACKAGING COMPANY'S REPORTING AND EPP INSPECTION**

### **7.1. EPP Reporting**

7.1.1. EPP shall keep Packaging-related accounts as prescribed in the applicable law, shall submit reports and shall inform the public in the maximum extent that EPP is enabled and obligated by the applicable law to do, considering the handover of the Packaging Company's obligations to EPP.

### **7.2. Packaging company's reporting**

7.2.1. The Packaging Company shall submit EPP the Sales Report for every calendar month which sets out the quantity of Packagings for the goods in Packagings which have been placed on the market by the Packaging Company in the Republic of Estonia during the previous calendar month (indicating separately the quantities by separate Packaging Articles together with the Bar Code corresponding to every Packaging Article) ("**Sales report**"). The Sales Report shall also contain information on such goods in Packagings which the Packaging Company has written off, which have exceeded the shelf-life, which the Packaging Company has used for its own purposes or for advertising purposes, or as a gift. The format of the Sales Report and procedure for submission to EPP is provided for in the EPP Handbook.

7.2.2. The Packaging Company shall submit EPP the Sales Report at the latest by the 7th (seventh) day of every calendar month.

7.2.3. In addition to the Sales Report, EPP shall have the right to demand that the Packaging Company submit EPP separate reports, if this is necessary for EPP to fulfil its obligations arising from the Contract or the applicable law or to inspect the fulfilment of the Packaging Company's obligations arising from the Contract or the applicable law ("**Additional Reports** "). *Inter alia*, EPP shall have the right to demand that the Packaging Company submit:

7.2.3.1. copies of the reporting overlapping with the whole object of the Reports (including partially) that the Packaging Company submits to public authorities pursuant to the applicable law (to the extent allowed by the applicable law);

7.2.3.2. a report of all packagings not in the EPP Deposit system that the Packaging Company placed on the market in the Republic of Estonia, by calendar months for up to 12 (twelve) preceding calendar months;

7.2.3.3. any documents and data necessary for EPP to determine the additional Deposit, Handling Fee and Service Charge (if applicable) provided for in

Article 8.4.1 and the proportional part payable by the Packaging Company as provided in article 8.4.2.

7.2.4. Hereby, the Packaging Company grants EPP its termless and irrevocable consent that EPP may make on its own additional queries also to relevant public authorities and the contracting parties of the Packaging Company, and agrees to this that such information will be forwarded to EPP. The Packaging Company shall co-operate in every way, so that EPP would get a reply to its query from the public authority or the contracting party of the Packaging Company.

### **7.3. Inaccurate reporting**

7.3.1. The Packaging Company shall guarantee the accuracy and authenticity of the information contained in the Additional Reports. Should any inaccuracy or incorrectness of information become evident in the Sales Report and/or Additional Reports, the Packaging Company is required to submit EPP immediately the corrected Sales Reports and/or Additional Reports together with explanations concerning the reasons for the inaccuracy or incorrectness.

7.3.2. In case of any inaccuracy or incorrectness of the Sales Reports and/or Additional Reports which has become apparent, also submitting the Sales Report not on time, the Packaging Company is required, in addition to the performance of obligation provided for in Article 7.3.1 to pay EPP at the request of EPP contractual penalty for every such packaging amounting to 3,000 (three thousand) euros compensate EPP for all caused damages in the amount exceeding the contractual penalty (and pay the fees (including the Deposit) provided for in the Contract for Packagings which have not been declared to EPP and for the packagings which are not included in the Deposit System together with the fine for delay provided for in Article 8.9).

### **7.4. Packaging audit**

7.4.1. If EPP doubts the authenticity of the Sales Report and/or Additional Reports submitted by the Packaging Company to EPP, the Packaging Company is immediately required to submit EPP at the latter's request all information related to the preparation of the Sales Report or Additional Reports, including the Packaging Company's accounting documents. At EPP's request, the Packaging Company shall be obligated to allow EPP to audit the relevant data and documentation in the location thereof. EPP is entitled to perform the audit provided for in this Article 7.4.1 with the help of an independent third party, incl. via a company providing the corresponding auditing service.

7.4.2. If, as a result of the audit described in Article 7.4.1, extensive violations are identified in submitting the information related to the Sales Report and/or additional reports, EPP has in addition the right to request from the Packaging Company the covering of expenses related to the relevant audit.

7.4.3. If the Packaging Company violates the obligations provided for in Article 7.4.1 and has not eliminated the corresponding violation within 7 (seven) working days from the receipt of corresponding written notice from EPP, EPP shall have the right to claim from the Packaging Company upon every violation performed by the Packaging Company contractual penalty up to 6 000 (six thousand) euros according to EPP's claim. In the

extent exceeding the contract penalty, EPP shall have the right to demand that the Packaging Company compensate the damage caused by the violation. The provisions of this Article shall not restrict the right of EPP to use also other legal remedies against the Packaging Company.

7.4.4. A Packaging Company shall organise and present EPP with the following no later than by 1 August (the first of August) of every year:

7.4.4.1. a report of the quantity of Packaging placed on the market in Estonia during the previous calendar year (as numbers of Packaging items and kilograms, stating separate quantities for each Packaging Article used by the Packaging Company);

7.4.4.2. other reports required by the law;

7.4.4.3. an independent sworn auditor's confirmation of correctness of the Reports presented by the Packaging Company to EPP for the previous calendar year, as a limited audit assurance service report of an independent sworn auditor in the meaning of the Auditors Activities Act;

7.4.5. The Packaging Company does not have to submit EPP the confirmation provided for in Article 7.4.4.3 if it is not obligatory for the Packaging Company pursuant to § 24<sup>1</sup> (4) of the Packaging Act or on other grounds arising from the Packaging Act.

## **8. DEPOSIT AND FEES; PROCEDURE FOR PAYMENT**

### **8.1. Deposit**

8.1.1. The Packaging Company shall pay EPP every month the Deposit for all Packagings in which the goods in Packagings were placed on the market by the Packaging Company during the previous calendar month. Provided that the Packaging Company will duly perform the obligations provided for in Articles 5.3.6 and 5.4.2 of the Contract, the Packaging Company shall not pay EPP the Deposit for International Packagings exempt from the Deposit pursuant to the applicable law. As an exception, the Packaging Company is not required to pay the Deposit for such Packagings of goods (which are placed on the market by the Packaging Company) and the packagings which the Packaging Company has written off, or which have exceeded the shelf-life, if the Packaging Company proves in a reliable manner that the corresponding Packagings and packaging have already been reused by a company holding a relevant waste permit.

8.1.2. The monthly amount of the Deposit subject to payment by the Packaging Company to EPP will be calculated by multiplying the number of the Packagings placed on the market by the Packaging Company in the preceding calendar month with by the Deposit rate established for the relevant Packagings. The number of the Packagings placed on the market by the Packaging Company will be determined on the basis of accurate and authentic Reports and pursuant to the procedure provided for in Article 7.

8.1.3. If the Packaging Company has placed on the market packagings not in the EPP Deposit System but marked with the EPP Label or a Bar Code registered in the EPP Packaging Register, the Packaging Company shall undertake to pay EPP the Deposit for all such packagings. The exercise of the right provided for in this Article 8.1.3 shall under no circumstances mean the taking over of the Packaging Company's obligation by EPP for the corresponding packagings or accepting such packagings as belonging to the Deposit

System. The purpose of the right provided for in this Article 8.1.3 is to enable EPP to pay Retailers the Deposit for the packagings returned to EPP in a situation where EPP cannot differentiate packages outside the EPP Deposit System from Packagings in the EPP Deposit System.

## **8.2. Handling Fee**

8.2.1. The Packaging Company shall pay EPP as a fee for the performance of EPP's obligations arising from the Contract (including the right to put the EPP Label on the Packagings) a monthly Handling Fee for all the Packagings placed on the market by the Packaging Company during the previous month. The Packaging Company shall also pay EPP a monthly Handling Fee for the packagings not included in the Deposit System placed on the market by the Packaging Company during the previous month on which the EPP Label or the Bar Code registered in the EPP Packaging Register was put. Provided that the Packaging Company will duly perform the obligations provided for in Articles 5.3.6 and 5.4.2, the Packaging Company shall not pay EPP the Deposit for the International Packagings exempt from the Deposit pursuant to the applicable law. As an exception, the Packaging Company is not required to pay the Handling Fee for such packagings of goods (which are placed on the market by the Packaging Company) that the Packaging Company has written off, or that have exceeded the shelf-life, if the Packaging Company proves in a reliable manner that the corresponding Packagings and packaging have already been reused.

8.2.2. The total monthly amount of the Handling Fee subject to payment by the Packaging Company will be calculated on the basis of different Rates of the Handling Fee established for the Packagings of different types of materials and with different volume (and for the remaining packagings) multiplying the different Rates of the Handling Fee established for the Packagings of different type of materials and with different volume (and for the remaining packagings) by a number for which the Packaging Company shall pay EPP the Handling Fee according to Article 8.2.1. The number of the Packagings will be determined on the basis of accurate and authentic Reports and pursuant to the procedure provided for in Article 7. The Rates of the Handling Fee are provided for in Annex 1.

8.2.3. EPP's request to pay the Handling Fee or the receipt of the Handling Fee by EPP for the goods in packagings not included in the Deposit System referred to in Article 8.2.1 shall under no circumstances mean the taking over of the Packaging Company's obligations by EPP for the corresponding packagings or accepting such packagings as belonging to the Deposit System. The Handling Fee required and accepted by EPP in such a manner is necessary for EPP in order to cover the costs related to the handling of such packagings in a situation in which EPP cannot differentiate the packagings not included in the Deposit System from the Packagings included in the Deposit System.

8.2.4. EPP shall establish the Rate of Handling Fee for every group of Packagings (taking into consideration the type of material of packagings and the volume of Packagings) according to the following principles:

8.2.4.1. The Rate of the Handling Fee has to be on the lowest possible level, which shall ensure that EPP will be able to provide the services related to the Packagings of different type of materials and with different volume according to the principle of recovery of costs;

8.2.4.2. The Rate of the Handling Fee is based on actually incurred expenses and actually received income in connection with the Packagings of corresponding type of materials and volume. These actual expenses also contain EPP's administrative expenses, the capital expenditure and other overhead costs related to the EPP Deposit System, provided that these expenses are distributed between Packagings of different type of materials and volume on equal grounds.

8.2.5. EPP shall have the right to change unilaterally the Rate of the Handling Fee pursuant to the procedure provided for in Article 10.1 (in accordance with the principles provided for in Article 8.2.4) notifying the Packaging Company thereof at least 2 (two) calendar months in advance. If changing the Handling Fee is caused by an amendment to the applicable law, EPP shall have the right to change unilaterally the Rate of the Handling Fee with a shorter term for advance notice, keeping in mind that the change would enter into force simultaneously with the amendment to the applicable law and EPP shall notify the Packaging Company of the change in advance as early as possible.

### **8.3. Forecast Invoice**

8.3.1. If the Packaging Company has failed to submit EPP the Sales Report in due time, EPP shall have the right to issue the Packaging Company a Forecast Invoice for the Deposit, the Handling Fee and the Service Charge (if applicable) for the Packaging placed on the market in Estonia by the Packaging Company in the preceding calendar month; the Forecast Invoice shall be based on the number of Packagings placed on the market in Estonia during the reporting month on the basis of the latest Sales Report submitted by the Packaging Company ("**Forecast Invoice**").

8.3.2. The Deposit and the Handling Fee (and the Service Charge if applicable) on the Forecast Invoice shall be multiplied by the coefficient of 1.5 multiples (one point five multiples). This means that the Deposit and the Handling Fee (and the Service Charge if applicable) payable per Packaging on the basis of the Forecast Invoice is 1.5 (one point five) times higher than with an ordinary invoice in case of a Sales Report submitted in due time. The Forecast Invoice is obligatory for the Packaging Company to pay.

8.3.3. The payment of the Forecast Invoice shall not relieve the Packaging Company from the obligation to submit the Sales Report. If the Packaging Company has failed to submit the Sales Report in due time, a Forecast Invoice has been issued to the Packaging Company and the Packaging Company has paid the Forecast Invoice then the Packaging Company has the duty to submit the missing Sales Report retroactively.

8.3.4. If the Packaging Company submits the missing Sales Report to EPP after paying the Forecast Invoice and the relevant Sales Report indicates that the amount payable by the Packaging Company upon timely submission of the Sales Invoice would have been less than the amount paid on the basis of the Forecast Invoice then EPP shall return to the Packaging Company the excess amount paid on the basis of the Forecast Invoice. The amount returnable to the Packaging Company shall be offset with all amounts payable by the Packaging Company to EPP under the Contract, including delay penalties and contract penalties.

### **8.4. Additional Deposit and fee**

- 8.4.1. If Packagings corresponding to the Packaging Article used by the Packaging Company are returned to EPP during 12 (twelve) consecutive calendar months in higher quantity than the number of the relevant Packagings placed on the market in Estonia during the same period by all packaging companies using that Packaging Article, the Packaging Company shall undertake to pay EPP additional Deposit, Handling Fee and Service Charge (if applicable) for every such excess returned Packaging.
- 8.4.2. If the Packaging Article defined in Article 8.4.1 was used in the period defined in Article 8.4.1 by some other packaging company besides the Packaging Company (including if the data of some other packaging company in addition to the Packaging Company were added to the Packaging Article's data in the EPP Packaging Register), the Packaging Company shall be obligated to pay EPP the additional Deposit, Handling Fee and Service Charge (if applicable) pursuant to Article 8.4.1 proportionally to the ratio of the number of the relevant Packagings placed on the market in Estonia in the period defined in Article 8.4.1 by the Packaging Company to the number of the relevant Packagings placed on the market in Estonia in the period defined in Article 8.4.1 by all packaging companies using that Packaging Article in the aforementioned period.

**Example: If:**

- one and the same Packaging Article was used by three packaging companies in the period defined in Article;
  - those three packaging companies have placed on the market in Estonia a total of 6,000 (six thousand) Packagings corresponding to the relevant Packaging Article in the period defined in Article 8.4.1, of which:
    - o 1,000 (one thousand) Packagings were placed on the market in Estonia by the packaging company A;
    - o 2,000 (two thousand) Packagings were placed on the market in Estonia by the packaging company B; and
    - o 3,000 (three thousand) Packagings were placed on the market in Estonia by the packaging company C; and
  - a total of 9,000 (nine thousand) Packagings were returned to EPP in the relevant period, i.e. 3,000 (three thousand) Packagings more than the Packagings placed on the market in Estonia in the period defined in Article 8.4.1 by the packaging companies using the relevant Packaging Article, so the packaging companies pay EPP the additional Deposit, Handling Fee and Service Charge (if applicable) pursuant to Article 8.4.1 as follows:
    - o packaging company A pays EPP additionally:
      - for  $1,000 / 6,000 \times (9,000 - 6,000) = 500$  Packagings;
    - o packaging company B pays EPP additionally:
      - for  $2,000 / 6,000 \times (9,000 - 6,000) = 1,000$  Packagings;
    - o packaging company C pays EPP additionally:
      - for  $3,000 / 6,000 \times (9,000 - 6,000) = 1,500$  Packagings;
- 8.4.3. The additional Deposit, Handling Fee and Service Charge (if applicable) defined in Article 8.4.1 and the relevant proportional part payable by the Packaging Company as defined in Article 8.4.2 are determined on the basis of the Sales Reports submitted to EPP by the Packaging Company and other packaging companies using the relevant Packaging Article. If some packaging company using the relevant Packaging Article has not submitted EPP all Sales Reports in due times during the period defined in Article 8.4.1



and that packaging company has been issued a Forecast Invoice for that period, the determination of the number of Packagings placed on the market in Estonia by that packaging company in the period defined in Article 8.4.1 and the proportional part payable by the Packaging Company as defined in Article 8.4.2 shall be based on the Sales Report being the basis for that Forecast Invoice.

8.4.4. The obligation to pay the additional Deposit, Handling Fee and Service Charge (if applicable) provided for in this Article 8.4 shall not be considered legal protection means and does not presume the Packaging Company's violation of the Contract. The obligation to pay the additional Deposit, Handling Fee and Service Charge (if applicable) provided for in this Article 8.4 constitutes an agreement between the Packaging Company and EPP for the purpose of placing the risk of additional costs arising from the situation described in Article 8.4.1 on the Packaging Company (and on other packaging companies using the relevant Packaging Article).

8.4.5. If the situation described in Article 8.4.1 occurs more than once with one and the same Packaging Article and the relevant Packaging Article is a Packaging with an International Bar Code, EPP shall have the right to re-register the relevant Packaging Article in the EPP Packaging Register as a Packaging Article with a National Bar Code and to subject the relevant Packagings to the provisions applicable to the Packaging with a National Bar Code.

#### **8.5. Accession Fee**

Upon entry into the Contract, the Packaging Company shall pay EPP a one-time non-returnable Accession Fee in the amount referred to in Annex 1 to these Standard Terms ("**Accession Fee**"). The Packaging Company shall pay EPP the Accession Fee within 5 (five) days after the date of preparing the invoice issued by EPP to the Packaging Company.

#### **8.6. Registration Fee**

The Packaging Company shall pay EPP for making any applied amendments to the EPP Packaging Register (including for the registration of a new packaging article, changing the data of an existing Packaging Article, etc.) a one-time non-returnable Registration Fee in the amount provided for in Annex 1 to these Standard Terms ("**Registration Fee**"). The Packaging Company shall pay EPP the Registration Fee within 5 (five) days after the date of preparing the invoice issued by EPP to the Packaging Company. The payment of the Registration Fee is the precondition for making the amendment applied for the packaging Company in the EPP Packaging Register.

#### **8.7. Other fees**

The Packaging Company is required to pay EPP the fees which have not been specified in Article 8 if additional services or materials are bought from EPP (e.g. EPP stickers). The Packaging Company shall pay EPP such additional fee in the amount of and pursuant to the procedure declared by EPP upon providing the relevant service or selling the relevant materials.

#### **8.8. General procedure for the payment of fees**

All payments made by one Party to the other Party on the basis of the Contract shall be made by forwarding the due amount to the other Party's bank account in the credit institution of the Republic of Estonia which is indicated on the Party's corresponding invoice. A payment is

deemed to have made at the moment when the bank account of the Party receiving the payment is credited by the amount subject to payment.

## **8.9. Payment deadline**

8.9.1. The Packaging Company undertakes to pay EPP the Deposit provided for in Article 8.1, the Handling Fee provided for in Article 8.2 and the Service Charge provided for in the Contract for Common-Use Packaging, doing so within 20 (twenty) days following the reporting month.

8.9.2. If the Packaging Company is late with the submission of a Sales Report to EPP, the Packaging Company shall undertake to pay EPP the Deposit provided for in Article 8.1, the Handling Fee provided for in Article 8.2 and the Service Charge provided for in the Contract for Common-Use Packaging (if the Contract for Common-Use Packaging has been signed), doing so:

8.9.2.1. within 3 (three) days starting with the date of the invoice issued by EPP to the Packaging Company, if the Packaging Company has delayed the submission of the Sales Report to EPP for more than 4 (four) days but not more than 12 (twelve) days;

8.9.2.2. on the date of the invoice issued by EPP to the Packaging Company if the Packaging Company has delayed the submission of the Sales Report to EPP for more than 12 (twelve) days.

## **8.10. Delays in payments**

8.10.1. If the Packaging Company delays the payment of any monetary obligation arising from the Contract, EPP shall have the right to refuse the registration of any new packagings of the Packaging Company in the EPP Packaging Register.

8.10.2. If the Packaging Company is late for more than 7 seven days with the performance of any two or more consecutive financial obligation arising from the Contract, EPP shall have the right to demand that the Packaging Company pay a delay penalty of 0.1% (nought point one percent) of the unpaid amount per each delayed day.

## **8.11. Repayment of excess amount to the Packaging Company**

Should it become evident that the Packaging Company has paid EPP fees in a larger amount than EPP has the right to claim, EPP shall immediately return the Packaging Company the excess amount together with the fine for delay in the amount provided for in Article 8.3.4. EPP is not required to pay the fine for delay, if the Packaging Company was submitted a bigger invoice than justified due to a fact for which the Packaging Company is responsible (including the submission of inaccurate reporting by the Packaging Company).

## **9. ADDITIONAL GUARANTEES**

### **9.1. Providing a guarantee**

In case of EPP's reasonable doubt before the signing of the Contract or during the Contract's validity period about whether the Packaging Company will be able to properly fulfil its obligations arising from the Contract, or if the Packaging Company violates any obligations arising from the Contract while the Contract is in force and has not terminated

the corresponding violation by the additional term granted by EPP, EPP shall be entitled to demand from the Packaging Company that the Packaging Company or a third party provide a guarantee to secure the fulfilment of the obligations, with EPP as the entitled party, or that a deposit be transferred to EPP's bank account in order to secure the Packaging Company's performance of its obligations.

## **9.2. Guarantee amount**

EPP shall determine the guarantee amount on the basis of the quantity of the Packagings placed on the market in the Republic of Estonia by the Packaging Company during the previous calendar year. If the Packaging Company has not placed any Packagings on the market in the Republic of Estonia throughout the previous calendar year or if it is impossible for EPP to determine the number of Packagings placed on the market in the Republic of Estonia by the Packaging Company in the previous year, EPP shall determine the relevant guarantee amount or deposit amount at its own discretion.

## **9.3. Secured claims**

EPP shall have the right to use the guarantee or the deposit amount, respectively, for the purpose of satisfying all its claims arising from the Contract against the Packaging Company and covering all costs incurred for the collection of those claims.

## **9.4. Renewing the collateral**

If EPP has satisfied its claim against the Packaging Company out of the guarantee or deposit, respectively, the Packaging Company is required to renew the guarantee or deposit, respectively, within 30 (thirty) days.

## **9.5. Additional provisions concerning the guarantee**

9.5.1. The guarantee established for the benefit of EPP must be unconditional and enforced at the first request, securing all the Packaging Company's obligations arising from the Contract and all costs incurred by EPP to collect those obligations. The Packaging Company shall ensure the validity of the guarantee for the Contract's entire period of validity or until EPP informs the Packaging Company in writing that it will not require the guarantee from the Packaging Company anymore.

9.5.2. EPP shall verify the compliance of the guarantee amount with the requirements provided for in Article 9.2, as needed. If the verification's results indicate that the guarantee amount does not comply with the requirements provided for in Article 9.2, the Packaging Company shall be obligated to increase the guarantee amount within 30 (thirty) days after receiving EPP's relevant request.

9.5.3. Upon establishing and renewing the guarantee, the Packaging Company shall undertake to present a letter of guarantee to EPP.

## **10. AMENDMENT AND TERMINATION OF THE CONTRACT**

### **10.1. Amending the Contract**

10.1.1. EPP may amend unilaterally the Contract, including these Standard Terms, the Non-Returnable Packaging Contract, Common-Use Packaging Contract, the EPP Handbook and the annexes to these Standard Terms (including the fees requested by EPP), notifying

the Packaging Company thereof by e-mail or in some other format reproducible in writing at least 2 (two) month in advance, unless otherwise expressly provided for in these Standard Terms, the Non-Returnable Packaging Contract, Common-Use Packaging Contract, an annex to these Standard Terms or the EPP Handbook in a part of some provision. If the amendment of Contract according to the procedure provided for in this Article is caused by an amendment to the applicable law, EPP is entitled to amend the Contract unilaterally with a shorter term for advance notice, keeping in mind that the amendment would enter into force simultaneously with the amendment of the applicable law and EPP shall notify the Packaging Company of the amendment in advance as early as possible.

10.1.2. All amendments to the Contract shall enter into force starting with the date stated in the notice sent to the Packaging Company. If no notice about amending the Contract has been sent to the Packaging Company then the amendments to the Contract shall be considered in force starting with the date published on EPP's website [www.eestipandipakend.ee](http://www.eestipandipakend.ee).

10.1.3. In case EPP amends the Contract pursuant to the procedure provided for in Article 10.1.1, the Packaging Company shall have the right to cancel the Contract notifying EPP thereof in writing within 30 (thirty) days after the Packaging Company received the EPP's notice concerning the amendment of the Contract but not later than on the day before entry into force of the amendment. In that case, the Contract shall terminate upon entry into force of amendments to the Contract which caused the cancellation of the Contract.

10.1.4. If the amendments made pursuant to the procedure provided for in Article 10.1.1 influence only a part of the Packaging Company's Packaging Articles, the Packaging Company may cancel the Contract made pursuant to the procedure provided for in Article 10.1.3 only in the extent of the Packaging Articles affected. In such case EPP will delete the corresponding Packaging Articles from the EPP packaging Register and the consequence provided for in Article 10.8.1 shall arrive with respect to relevant Packaging Articles.

10.1.5. The currently valid editions of the Contract and EPP's general documents related to its performance are published on EPP's website [www.eestipandipakend.ee](http://www.eestipandipakend.ee).

## **10.2. Termination of the Contract by agreement**

The Parties may agree to terminate the Contract at any time. The agreement of the Parties to terminate the Contract shall be entered into in writing.

## **10.3. Ordinary cancellation of the Contract**

Either Party may cancel the Contract notifying the other Party thereof in writing at the latest 6 (six) months in advance.

## **10.4. Extraordinary cancellation of the Contract by EPP**

In addition to the grounds provided for in the applicable law, EPP is entitled to cancel the Contract extraordinarily (without complying with the terms for advance notice) (either as a whole or concerning some relevant Packaging Article) submitting the Packaging Company a corresponding written cancellation notice, if:

10.4.1. EPP's accreditation decision is declared to be invalid;

- 10.4.2. The Packaging Company has violated any other financial obligation arising from the Contract and has not performed the corresponding financial obligation fully within 30 (thirty) days after receiving a corresponding written notice from EPP;
- 10.4.3. The Packaging Company has not renewed the guarantee pursuant to the procedure provided for in Article 8.10.5 and has not performed the corresponding obligation within 10 (ten) working days after receiving a corresponding written notice from EPP;
- 10.4.4. The Packaging Company has placed on the market a packaging that has been marked with the EPP label or a Bar Code registered in the EPP Packaging Register but which packaging article has not been registered in the EPP Packaging Register, or for which packaging no Deposit has been established (except a Packaging with an International Bar Code not subject to the Deposit pursuant to the applicable law and being exempt from the Deposit pursuant to the applicable law and concerning which the Packaging Company performs duly the obligations provided for in Articles 5.3.6 and 5.4.2);
- 10.4.5. The Packaging Company has placed Packagings with National Bar Code on a market outside Estonia in a larger quantity than the quantity permitted on the basis of Article 5.3.9;
- 10.4.6. Bankruptcy proceedings have been initiated against the Packaging Company or the Packaging Company has been declared bankrupt and the Packaging Company has not submitted EPP any adequate additional guarantees concerning the performance of the Contract as defined in Article 9;
- 10.4.7. Any confirmation given by the Packaging Company in Article 3 proves to be incorrect and the Packaging Company has not eliminated the corresponding violation within 5 (five) working days after receiving a corresponding written notice from EPP in a format reproducible in writing;
- 10.4.8. The Packaging Company has violated the obligation provided for in Article 13.6;
- 10.4.9. The Packaging Company does not enable EPP to carry out the verification provided for in Article 7.4 and has not commenced to perform the corresponding obligation within 5 (five) working days after receiving a corresponding written notice from EPP;
- 10.4.10. The Packaging Company has violated any other obligation arising from the Contract and has not performed the corresponding obligation fully within 30 (thirty) days after receiving a corresponding written notice from EPP. In the cases provided for in the applicable law, EPP may cancel the Contract also without granting the Packaging Company the additional term.

#### **10.5. Extraordinary cancellation of the Contract by the Packaging Company**

In addition to the grounds provided for in the applicable law, the Packaging Company is entitled to cancel the Contract extraordinarily (without complying with the term for advance notice) submitting EPP a corresponding written declaration of cancellation, if:

- 10.5.1. EPP's accreditation decision is declared to be invalid;

10.5.2. EPP has violated the obligation provided for in the Contract and as a result of such violation the obligations are created for the Packaging Company (these are transferred to the Packaging Company) on the basis of the applicable law, primarily the obligations arising from the Packaging Act and the Packaging Excise Duty Act and other legislation related to the within-named acts, including the obligation to pay fines for the violation of legislation, the penalty payment, the expenses related to substitutive enforcement, etc., and such obligations would have not been created (transferred to the Packaging Company), if EPP had duly performed the Contract;

10.5.3. Bankruptcy proceedings have been initiated against EPP or EPP has been declared bankrupt.

#### **10.6. Termination time of the Contract in the event of extraordinary cancellation**

If EPP or the Packaging Company cancels the Contract on the basis of Article 10.4 or 10.5 of the Contract, the Contract shall terminate at the time when the other Party received the cancellation notice, or the notice is deemed to have received pursuant to the applicable law, unless a later time has been specified in the notice.

#### **10.7. Restriction concerning the extraordinary cancellation of the Contract**

Either Party shall not have the right to cancel the Contract under any other grounds than expressly provided for in the Contract and under the imperative grounds provided for in the applicable law.

#### **10.8. Consequences of the termination of the Contract**

10.8.1. After the termination of the Contract, the Packaging Company's obligations transferred to EPP shall transfer back to the Packaging Company.

10.8.2. Upon the termination of the Contract, the Packaging Company shall retain all obligations provided for in the Contract and the EPP Handbook concerning those Packagings that the Packaging Company has placed on the market before the end of the Contract, until the relevant packagings have disappeared from the market.

10.8.3. After the termination of the Contract, the Packaging Company shall fulfil all the obligations of a packaging company as arising from the applicable law, except concerning those packagings that the Packaging Company has placed on the market before the end of the Contract and that are subject to the provisions of Article 10.8.2.

10.8.4. After the termination of the Contract, the Packaging Company shall not use on the packagings of goods placed by it on the market the EPP label or the Bar Codes registered (earlier) in the EPP Packaging Register (including, if the corresponding Packaging has been deleted from the EPP Packaging Register). If the Packaging Company violates the obligation provided for in this Article and has not eliminated the corresponding violation within 7 (seven) working days from the receipt of corresponding written Notice from EPP, EPP shall have the right to claim and the Packaging Company is required to pay EPP the contractual penalty amounting up to 6,000 (six thousand) euros for every case of violation (i.e. for 1 (one) packaging).

10.8.5. The termination of the Contract (whatever the grounds or manner) shall not effect any term of the Contract concerning the rights and obligations of the Parties after the

termination of the Contract, or which by its nature continues to be valid after the termination of the Contract. Among the rest, the rights and obligations of the Parties provided for in Articles 6 (Liability), 7 (Packaging Company's reporting and EPP inspection), 10.8 (Consequences of the termination of the Contract), 11 (Confidentiality), 12 (Applicable law and settlement of disputes), 13.1 (Exclusion of waiver), 13.2 (Contract penalties), 13.4 (Notices) and 13.5 (Notification obligation) shall remain in force upon the termination of the Contract.

## **11. CONFIDENTIALITY**

### **11.1. Confidential Information**

11.1.1. All information and data received by the Party upon entry into the Contract and in the performance of the Contract, including all historical data, strategies, plans, future perspectives and other Packaging Company's information related to the products, manufacture, customers, prices, marketing, sales and distribution and primarily all competition sensitive or market-sensitive information concerning the Packaging Company and its operation (**Confidential Information**) shall remain confidential and the Party shall not disclose any third persons the Confidential Information on the other Party without the other Party's prior written consent.

11.1.2. The Parties have agreed separately that EPP may use the Confidential Information concerning the Packaging Company only to the extent which is directly necessary for the performance of the Contract and the organization of the Deposit System (including concerning the Retailer and the operator of an automatic machine used in automated acceptance of Packagings) and EPP is not allowed to use the Confidential Information for any other purposes than for its own benefit or in the interests of another person, company or unit.

11.1.3. Upon mutual transfer and exchange of the Confidential Information in order to perform the Contract and receive, forward, preserve, systematize and archive the Confidential Information the Parties shall adopt the measures in order to guarantee that the Confidential Information would not become accessible or available by any third persons, especially by the competitors of the Packaging Company or a Retailer.

11.1.4. Articles 11.1.1 - 11.1.3 shall not prevent the Parties from disclosing the Confidential Information, if:

- 11.1.4.1. the relevant obligation of the Parties arises from the applicable law (adhering to the requirements of Article 11.1.6); or
- 11.1.4.2. the information is disclosed to the party's legal or financial advisers or employees who need unavoidably this information for the performance of their tasks and who are bound by the confidentiality obligation, provided that the Party shall adopt all measures in order to ensure that the relevant information would not be accessible by any other person; or
- 11.1.4.3. the information is generally known or has been made public in some other manner than by the violation of the confidentiality obligation by the Party provided for in Article 11.

11.1.5. Hereby, the Packaging Company expresses its consent that EPP may forward third persons (including the public authorities) any Confidential Information concerning the

Packaging Company, if this is necessary in order to identify a violation of the Contract by the Packaging Company provided that EPP has reasonable doubt concerning the violation of the Contract by the Packaging Company or that EPP has identified a violation of the Contract by the Packaging Company.

11.1.6. The Packaging Company is aware and agrees that after the submission of application for the registration of a packaging article in the EPP Packaging Register to EPP, EPP has the right to forward all data submitted concerning the packaging article in the registration application to the operators of automatic machines used in automated acceptance of Packaging and the Retailers.

11.1.7. If the Party is required in connection with the performance of the Contract or for some other reason to submit the Confidential Information to any public authority or any third person, the Party undertakes to submit the required information in such a manner, format and at such a generalisation level which is required for meeting the minimum requirements and which at the same time causes as little damage to the other Party's business interests and any other interests as possible and does not cause the prevention, restriction or distortion of competition. The Party shall, *inter alia*, mark all Confidential Information with a clear marking "*Confidential, contains business secrets*".

### **11.2. Period of validity of the confidentiality obligation**

The obligations provided for in Article 11.1 are binding for the Parties during the whole term of validity of the Contract and also during 3 (three) years after the termination of the Contract.

### **11.3. Liability**

A Party that has violated any obligations contained in Articles 11.1 and 11.2 shall pay the other Party a contractual penalty amounting to 30 000 (thirty thousand) euros.

## **12. APPLICABLE LAW AND SETTLEMENT OF DISPUTES**

### **12.1. Applicable law**

The law of the Republic of Estonia shall be applied to the Contract and regarding issues not provided for in the Contract.

### **12.2. Settlement of disputes**

The disputes arising from the Contract shall be settled by negotiations between the Parties. If the Parties fail to settle a dispute in course of negotiations, either Party shall have the right to recourse to the Harju County Court for the settlement of the dispute (agreement on jurisdiction).

## **13. OTHER TERMS**

### **13.1. Exclusion of waiver**

No delays in the performance of the obligation or in exercising the right arising from the Contract shall not constitute release from the corresponding obligation or right, neither does a separate or partial performance of an obligation or a separate or partial exercise of the right exclude the performance of such an obligation or the exercise of such a right in the future.



## **13.2. Contractual penalties**

- 13.2.1. If a Party is required to pay the other Party a contractual penalty pursuant to the Contract, the entitled Party may notify the other Party of demanding the contractual penalty within 3 (three) months after the day when the entitled Party became aware of its right to demand the payment of contractual penalty. The purpose of this provision is to agree on a reasonable period corresponding to the law, not shortening the limitation period for the claim.
- 13.2.2. A Party which is subject to pay a contractual penalty shall pay the contractual penalty within 14 (fourteen) days after the obligation to pay contractual penalty arises.
- 13.2.3. The objective to agree on the contractual penalties provided for in the Contract is to guarantee the performance of the Contract, not to replace the performance, unless otherwise expressly provided for in the Contract. The Party which has violated the Contract shall, in addition to the payment of contractual penalty, perform its due obligation and compensate the other Party for the all damage caused by the violation to the extent exceeding the amount of contractual penalty. The other Party shall have the right to use against the violating Party in addition to the legal remedies listed in this Article also all other legal remedies provided for in the applicable law.

## **13.3. Value added tax**

Any amounts stated in the Contract do not contain the value added tax (unless otherwise expressly noted at any specific amount). Therefore, value added tax shall be added to the within-named amounts in the cases and to the extent provided for in the applicable law.

## **13.4. Notices**

- 13.4.1. All applications and notices addressed to a Party to the Contract that are required to be made in a format reproducible in writing are deemed duly delivered or made if these have been sent to the e-mail address of the Party being the addressee that the Party being the addressee has duly stated to the Party issuing the application or notice.
- 13.4.2. All applications and notices addressed to a Party to the Contract that are required to be made in the EPP online environment are deemed duly delivered or made if these have been presented to the Party being the addressee through the EPP online environment:
- 13.4.2.1. in a format reproducible in writing; or
  - 13.4.2.2. digitally signed if the Contract or the EPP Handbook prescribes that the relevant notice or application must be presented in the EPP online environment as a digitally signed document.
- 13.4.3. All applications and notices addressed to a Party to the Contract that are required to be made in written form are deemed duly delivered or made if:
- 13.4.3.1. they have been sent as digitally signed files to the e-mail address of the Party being the addressee that the Party being the addressee has duly stated to the Party issuing the application or notice; or
  - 13.4.3.2. they have been sent in writing and signed, to the postage address of the Party being the addressee that the Party being the addressee has duly stated to the Party issuing the application or notice.

13.4.4. The procedure for the sending of certain types of applications and notices may be clarified in the EPP Handbook and in that case the Parties shall be guided by the EPP Handbook.

### **13.5. Notification obligation**

The Parties shall notify each other immediately of any circumstances related to the object of the Contract which has become known to them, in knowing which the other Party may have a reasonable interest.

### **13.6. Prohibition on transfer**

EPP has agreed to enter into the Contract with the Packaging Company provided that the Packaging Company is the Party to the Contract and not any third person. The Packaging Company shall not perform, without the EPP's prior written consent, any operation or transaction on the basis of which the Contract, any right or obligation provided for in it would transfer to any third person on the basis of the transaction or law.

### **13.7. Annexes**

These Standard Terms have the following annexes:

**Annex 1** The Rate of Handling Fee, the Rate of Service Charge, the rates of Accession Fee and Registration Fee

In the case provided for in Article 14.2.1, the Non-Returnable Packaging Contract published on EPP's website [www.eestipandipakend.ee](http://www.eestipandipakend.ee) shall also be deemed an annex to these Standard Terms.

## **14. FINAL PROVISIONS**

### **14.1. Transitional provisions**

14.1.1. Upon entry into force of a new wording of the Contract (including any document being part of the Standard Terms or the Contract), the new wording of the Contract (including any document being part of the Standard Terms or the Contract) shall apply to the relevant legal relationships between the Parties.

14.1.2. In the case provided for in Article 14.1.1, EPP shall retain the Packaging Articles registered in the EPP Packaging Register before the entry into force of the new wording of the Contract (including any document being part of the Standard Terms or the Contract) and the Packaging Company shall not have to pay EPP a new Accession Fee. If the new wording of the Contract (including any document being part of the Standard Terms or the Contract) requires a clarification of the registration, the Packaging Company shall be obligated to submit EPP all the data and documents needed for that within 7 (seven) days before the entry into force of the new wording of the Contract.

### **14.2. Provisions of transition to the system of Non-Returnable Packagings and Common-Use Packagings**

14.2.1. To ensure that the provisions concerning Non-Returnable Packaging included in the standard terms in force before the entry into force of the wording of these Standard Terms (in force starting with 1 September 2016) will remain valid after the entry into

force of these Standard Terms, without the Parties having to undersign a (new) Non-Returnable Packaging Contract, the Contracts for Organising the Collection and Recovery of Packagings and Packaging Waste signed before the entry into force of the wording of these Standard Terms shall be subject to the provisions of the Non-Returnable Packaging Contract published on EPP's website [www.eestipandipakend.ee](http://www.eestipandipakend.ee) in addition to these Standard Terms. For Contracts for Organising the Collection and Recovery of Packagings and Packaging Waste signed before the entry into force of these Standard Terms, the relevant Non-Returnable Packaging Contract provisions shall be deemed an annex to these Standard Terms.

14.2.2. In order to ensure smooth transition to the system of Non-Returnable and Common-Use Packagings entering into force together with the wording of these Standard Terms (in force starting with 1 September 2016), the provisions of these Standard Terms applicable to Common-Use Packagings shall be applied to the Packagings registered as "Reusable Packaging" (as defined in the standard terms in force before the entry into force of the wording of these Standard Terms) under the Contracts for Organising the Collection and Recovery of Packagings and Packaging Waste signed before the entry into force of the wording of these Standard Terms. Starting with the entry into force of these Standard Terms, EPP shall not register any new "Reusable Packagings" in the EPP Packaging Register and shall not provide services to the Packaging Company concerning the "Reusable Packagings" not registered in the EPP Packaging Register y the time of entry into force of these Standard Terms.

### **14.3. Provisions of transition to a National Bar Code for Packaging Articles of Alcoholic Beverages**

14.3.1. Articles 5.3.3 and 5.3.4 of these Standard Terms shall enter into force starting with 1 January 2017.

14.3.2. Until 1 January 2017, EPP shall enable the Packaging Company to perform the following actions in the EPP Packaging Register without taking an additional free from the Packaging Company:

14.3.2.1. re-registering a Packaging Article for Alcoholic Beverage bearing an International Bar Code, used by the Packaging Company, into a Packaging Article bearing a National Bar Code (retaining the same shape of the Bar Code); or

14.3.2.2. registering a Packaging Article for Alcoholic Beverage bearing an International Bar Code, used by the Packaging Company, as a new Packaging Article bearing a National Bar Code (using a new Bar Code).

14.3.3. In order to perform the registry actions provided for in Article 14.3.2, the Packaging Company shall submit EPP an application in a format reproducible in writing. In addition to the application, the Packaging Company shall send EPP via e-mail a separate notice about the changes applied for, in a format reproducible in writing.

14.3.4. If the Packaging Company has not applied for the registry actions provided for in Article 14.3.2 concerning some Packaging Article used by the Packaging Company and the deadline of 1 January 2017 has passed then EPP shall itself register the relevant Packaging Articles in the EPP Packaging Register as Packaging Articles bearing a National Bar Code (retaining the same shape of the Bar Code).

14.3.5. Starting with 1 January 2017, all Alcoholic Beverage Packagings used by the Packaging Company shall be deemed Packagings with a National Bar Code and subject to the provisions applicable to Packagings with a National Bar Code.

14.3.6. If the Packaging Company wishes to place on the market a new Packaging Article for an Alcoholic Beverage with an International Bar Code before these Standard Terms enter into force then EPP shall enable the Packaging Company to register such Packaging Articles for Alcoholic Beverages with International Bar Code in the EPP Packaging Register if the Packaging Company has submitted EPP a relevant application in a format reproducible in writing, doing so through the EPP online environment no later than on 31 December 2016. Regardless of the foregoing, the restrictions provided for in Articles 5.3.3 and 5.3.4 of these Standard Terms will apply to such Packaging Articles and the Packagings corresponding to such Packaging Articles starting with 1 January 2017. Also, the Packaging Company shall have all rights provided for in Article 14.3.2 concerning such Packaging Articles, until 1 January 2017.