

MEMBERSHIP CONTRACT BETWEEN ÉCO-MOBILIER AND TRADERS

CONCLUDED WITH THE COMPANY: XXXXXXXXXXXXX

REGISTERED UNDER NO.: XXXXXXXX-0000

REMINDER OF THE LEGAL AND REGULATORY OBLIGATIONS CONTAINED IN THE FRENCH ENVIRONMENTAL CODE:

Art. L. 541-10-6. - Since 1 January 2012, all legal and natural persons manufacturing, importing or bringing to market furniture items are required to take charge of collecting and processing the waste generated by these items at the end of their life cycle, on their own initiative or by financially contributing to an accredited environmental organisation which handles these matters.

Also covered by the obligations imposed by the first paragraph of this article are all professional traders based outside France but operating within France, as per the terms of EC Regulation No. 44/2001 of 22 December 2000 on jurisdiction and the recognition and enforcement of judgements in civil and commercial matters, and selling furniture products directly to end users in France.

Since 1 January 2012, all legal and natural persons manufacturing, importing or bringing to market padded seating or bedding products are also covered by the obligations imposed by the first paragraph of this article.

Since our Accreditation came into force, by order of the ministries responsible for the environment and industry, the individual initiatives and environmental organisations named in the first paragraph of this article and up until 1 January 2021, the persons cited in the first paragraph of this article, as well as their successive buyers down to the final consumer, must clearly display on sale invoices for all items of furniture, in addition to the per-unit price of each product, the per-unit cost of managing the waste generated by furniture products put on the market before 1st January 2013. This per-unit cost must be strictly identical to the actual cost of managing the waste. Discounts are not permitted. Buyers must pass on this cost unchanged to the final consumer. The latter will be informed of it at the point of sale or, for catalogue and online sales, in an appropriate manner.

Art. R. 543-243. - Traders, distributors, stockists, local authorities and their subsidiaries as defined in Article L. 2224-13 of the «code général des collectivités territoriales» (local government code) will take, in line with their respective technical and economic capacities, the necessary preventive measures defined in Articles R. 543-248 and R. 543-249 and regarding efforts to reduce the quantity and harmfulness of furniture waste and promote the reuse of items whose functional and sanitary condition permits it, or else to recycle the corresponding waste.

Art. R. 543-244. - Traders, distributors, stockists, local authorities and their subsidiaries shall be responsible for taking, in line with their respective technical and economic capacities, the measures outlined in Articles R. 543-249 and R. 543-250 in order to reduce the quantity of furniture waste collected along with unsorted general waste.

BETWEEN THE UNDERSIGNED:

XXXXXXXXXXXX

Legal structure of the company

Share capital

Head office (town/city)

Address line 1

Address line 2

Postcode

SIRET

Represented by

Duly mandated to represent the company
in his/her capacity as

*Hereinafter referred to simply as the «**Member Trader**», on the one hand*

And

Éco-mobilier

Legal structure of the company

Simplified joint-stock company

Share capital

with a variable capital of €180,000

Head office (town/city)

Paris 12^{ème}

Address line 1

50 avenue Daumesnil

Address line 2

Postcode

75012

SIRET

538 495 870 00023

Represented by

Dominique Mignon

Duly mandated to represent the company
in her capacity as

Directrice générale

*Hereafter referred to simply as «**Éco-mobilier**», on the other hand.*

Comments: : the Member Trader and Éco-mobilier will hereinafter be referred to individually as a «**Party**» and collectively as the «**Parties**».

FOREWARD

The principle of **extended producer responsibility** aims to involve manufacturers, vendors and distributors of furniture items as defined in the Environmental Code (hereinafter referred to as «**Traders**») in the modernised national waste management strategy, conferring new responsibilities upon them in two main ways: making them responsible for the operational management of the waste generated by the products they sell, and passing on to them the financial cost of processing this waste.

Éco-mobilier was founded by a consortium of 24 French furniture manufacturers and distributors in order to offer a collective response to the regulations contained in the Environmental Code with regard to the management of furniture waste (hereinafter «**furniture waste**»), requiring Traders to manage or contribute to the management of the waste generated by the furniture they sell.

The objective set by the Environmental Code is to keep furniture waste out of landfill sites by increasing the proportion of this waste which is reused, re-purposed, recycled or recovered.

Éco-mobilier is an environmental organisation accredited by the French government, in accordance with the technical specifications attached to the ministerial order on the accreditation procedure, containing the specifications required for environmental organisations in the furniture waste sector (hereinafter the Accreditation). In this capacity Éco-mobilier forms membership agreements with Traders, enabling them to join a collective system which satisfies their regulatory obligations. As per the terms of its Accreditation, Éco-mobilier's activities are in the public interest and are intended to complement the public waste and business waste management services.

To this end, Éco-mobilier collects from its Member Traders the financial contributions payable by them under the terms of the Environmental Code and used to finance all furniture waste management operations (hereinafter referred to as «**Eco-fees**»).

By signing up to Éco-mobilier and paying these eco-fees, each Trader contributes financially to the collection, removal and processing of furniture waste, helping the sector to meet the collection and recycling targets set out in the Environmental Code.

With these goals in mind, the Parties have decided to conclude the present agreement (hereafter the «**Contract**») in order to clearly define the terms and conditions of Traders' membership of Éco-mobilier.

The following elements shall be considered integral components of this contract: all procedures involved in becoming a member, submitting declarations and paying sums owed to Éco-mobilier, along with declarations to the National Register of Traders and all data concerning Member Traders, managed electronically. The Member Trader explicitly accepts all of these procedures by electronically signing this Contract, and confirms full awareness of the procedures and their binding nature.

These conditions having been established, the following terms are agreed:

ARTICLE 1: PURPOSE

In order to meet the obligations contained in the Environmental Code, Member Traders confirm their membership of the collective system established by Éco-mobilier, for the purpose of collecting, removing and processing the furniture waste covered by its official Accreditation, and promise to pay the eco-fees defined in Article 6 hereunder, allowing Éco-mobilier to fulfil the responsibilities set out in the aforementioned Accreditation.

To this end, within the confines of the aforementioned Accreditation and the relevant provisions of the Environmental Code, Éco-mobilier supports, organises and funds preventive actions, collection, removal and processing of furniture waste, along with information and communication campaigns and research and development actions, thanks to the eco-fees collected from Traders.

Éco-mobilier guarantees that, for the duration of this Contract, provided that the necessary sales declarations are accurate and the eco-fees described in Article 6 hereunder are paid in full, membership of this programme constitutes sufficient proof for the competent authorities that the Member Trader is in compliance with all obligations imposed by the Environmental Code, within the scope of Article 2 below.

ARTICLE 2: HOW THE COLLECTIVE SYSTEM WORKS

In accordance with the terms of its Accreditation, Éco-mobilier manages a collective system in compliance with the Environmental Code.

As such, Éco-mobilier will add the Member Trader to the National Register of Traders, and provide the authority responsible for maintaining this register with all information required to complete the applicable legal and regulatory formalities.

On a more general level, Éco-mobilier's public-service responsibilities, within the framework and as per the conditions of the Accreditation, consist of:

- Conducting or commissioning, funding or contributing to the collection, removal and processing of furniture waste, on behalf of Traders, within the confines of the existing outlets;
- Paying the share of contributions owed to collection partners, notably local authorities, as per the furniture waste collection funding obligations and in its capacity of accredited organisation, in compliance with the agreements signed by Éco-mobilier with these partners;
- Complying with all current and future laws and regulations applicable to organisations accredited for the collection, removal and processing of furniture waste;
- Implementing actions designed to support and promote the prevention of furniture waste from the design phase onwards (upstream prevention) down to the end-of-life management of furniture products (downstream prevention), aimed at Traders and end users (hereinafter referred to as «eco-design»);
- Providing members with advice and a pricing scale for eco-fees, which vary on the basis of the eco-design criteria met by each item of furniture (hereinafter «eco-modulation»);

In accordance with the Environmental Code, this Contract requires Member Traders to:

- Declare to Éco-mobilier, within the contractually-stipulated deadlines (Appendix 1), and in the conditions defined in Article 6 of this Contract, the quantities of different furniture items which they have sold, in order to determine the total amount of eco-fees owed in accordance with this Contract;
- Pay the required eco-fees within the contractual deadlines, in accordance with the terms and conditions contained in Article 6 of this Contract;
- Make available to Éco-mobilier and/or to its service providers information relating to the nature of products and furniture waste management, including via electronic means of communication;
- Comply with documentary and on-site inspections of sales data, allowing Éco-mobilier to conduct the checks which it is obliged to perform under the terms of the Accreditation;
- Inform their group and/or parent company and/or subsidiaries and affiliates of the obligations stemming from this Contract, so that they might also meet their legal obligations as furniture Traders, in compliance with the Environmental Code;
- Provide Éco-mobilier with all of the information required to maintain the National Register of Traders, in accordance with Article 2 of this Contract;
- Comply with the obligation to provide information to Éco-mobilier, as specified in Article 3.4 of this Contract.

ARTICLE 3: SCOPE OF APPLICATION - AUTHORISED REPRESENTATIVES - INFORMATION PROVIDED TO ÉCO-MOBILIER

Article 3.1: Geographical scope of application

This contract applies throughout France, including the mainland and all overseas departments and territories («**DOM** and **COM**»), also covered by national regulations, in accordance with the obligations contained in Éco-mobilier's Accreditation decree.

Article 3.2: Scope of application with regard to items of furniture

This Contract applies to all items of furniture brought to market by Member Traders, within the scope of the Éco-mobilier Accreditation. Member Traders are thus duly informed that by signing this Contract they become answerable to Éco-mobilier for all furniture items which they manufacture, import, distribute and offer for sale, and do not have the option of joining another furniture waste environmental organisation concurrently with their membership of Éco-mobilier.

Eco-fees become payable as of the full and final completion of sales, with VAT charged at the applicable French rate.

Article 3.3: Contractual scope and terms

3.3.1 - The obligations contained in this Contract apply to the entity signing the Contract.

Signing up, declaration, invoicing and monitoring procedures are conducted via the Éco-mobilier extranet system. All information declared by the Member Trader via the Éco-mobilier extranet system, along with all appendices and procedures put into action via the same channel, are to be considered integral components of this Contract and explicitly accepted as such by the Member Trader, who confirms full awareness of these items.

As such, both Parties agree that the information contained in this Contract and the information declared by the Member Trader via the Extranet are fully contractually-binding.

3.3.2 - The Member Trader may commission a third party (hereinafter the «**Representative**») to take charge of the obligations relating to eco-fee declaration and payment procedures set out in Article 2 of this Contract.

In this case, the Member Trader must keep track of the procedures completed by their Representative on the Éco-mobilier extranet, and will be considered wholly responsible for all actions undertaken by the Representative. The representation agreement must cover all products brought to market by the Member Trader. The Member Trader and the Representative must be members of the same group of companies, or a network dedicated to furniture sales, purchasing or referencing, or else the Representative must be the Member Trader's duly designated Accountant. Member Traders will be held liable for all shortcomings of their Representatives in relation to Éco-mobilier.

This procedure is conducted via the extranet. The mandate granted to the Representative, via the extranet, does not constitute a transferral of the obligations contained in the Contract, which continue to apply to the Member Trader.

Article 3.4: Obligation to provide information

3.4.1 - Member Traders must inform Éco-mobilier - or, where possible, make the changes directly via the extranet - within a month of any significant change to their business and/or legal information (change of head office, representative, company structure, mergers and acquisitions, etc.)

3.4.2 - Member Traders operating franchise networks must, upon request by Éco-mobilier, provide a full list of all franchise-holders and their procurement methods (centralised purchasing and/or pooled purchase centres or other system), in order to allow Éco-mobilier to fulfil its responsibilities in relation to these companies, and determine whether or not they qualify as Traders.

ARTICLE 4: DATE THIS CONTRACT TAKES EFFECT

4.1 – If the Trader is a new Member

The Contract will come into effect immediately once signed by both Parties, subject to the provisions of Article 6.9.

4.2 – If the Trader was already an Éco-mobilier member on 1st January 2018

These contractual stipulations, taken from the new technical specifications, come into effect as of 1st January 2018, under the following conditions.

When declaring the quantity of furniture sold:

I) in Q4 2017, for those subject to quarterly declarations,

II) or for the whole year 2017, for those on the annual scheme,

with all declarations completed, in both cases, by 31st January 2018,

Traders must indicate, by clicking on the appropriate box in the extranet, whether or not they accept these contractual stipulations.

If they should decline:

- the contract with Éco-mobilier will be terminated as per the provisions of Article 8.2,
- Traders terminating their contracts in this manner must prove that they have entered into a contract with another accredited environmental organisation, or established an individual, accredited system of furniture waste management.

ARTICLE 5: DURATION OF THIS CONTRACT

The Contract will run for a whole calendar year.

If the Contract is signed during the year it shall remain in force for the rest of the calendar year until 31st December, or until the end of Éco-mobilier's period of Accreditation, whichever should come sooner.

It is then renewed by tacit agreement for each new calendar year, or until the end of Éco-mobilier's period of Accreditation, whichever should come sooner.

For the purposes of this article, Éco-mobilier's Accreditation expires when the Accreditation currently in place as of the date on which the Contract is signed:

- lapses without being renewed, or
- when there is an interim period between the end of one Accreditation period and its renewal or extension, or the signing of a new Accreditation agreement.

As such, if Éco-mobilier's Accreditation is renewed then the Contract will continue to apply, notwithstanding Éco-mobilier's right to propose modifications in order to better tailor the Contract to the requirements of the industry, and take into account the specific conditions of any new Accreditation agreement.

Member Traders may choose to terminate their Contract with Éco-mobilier no later than October of each year (Y), meaning that the Contract will not be tacitly renewed for the following year (Y+1). Notice of this termination must be given by recorded post with proof of delivery, sent to Éco-mobilier's head office.

ARTICLE 6: ECO-FEES

Article 6.1: General principles

6.1.1 - In order to enable Éco-mobilier to handle furniture waste, to cover the sums paid to local authorities and, where necessary, to manage the scheme's financial equilibrium and set aside provisions for future expenditure, Member Traders must pay, subject to the conditions set out hereunder, quarterly eco-fees.

These eco-fees are calculated using a pricing scale drawn up by Éco-mobilier, submitted to the government departments responsible for Accreditation for their approval, and put at the disposal of Member Traders (hereafter the «Pricing Scale»). The pricing scale is available online, on the Éco-mobilier website.

The Pricing scale may be adjusted based on the eco-design criteria for furniture.

6.1.2 - As an exception to the quarterly declaration schedule, Member Traders whose pre-tax turnover from furniture sales is below a threshold level specified in the Pricing scale may submit annual sales declarations and pay their eco-fees on an annual basis also (hereafter known as the «**Alternative schedule**»), upon request.

6.1.3 - In the event that the Contract should be terminated (cf. Article 8), the Member Trader shall no longer have any financial obligations to Éco-mobilier, with the exception of any outstanding obligations, calculated on a pro rata basis, for the remaining Contract period.

Article 6.2: Scope and applicability of eco-fees

As per the regulations in place, eco-fees are due for all items of furniture brought to market by Member Traders in France, as of 1st May 2013.

In application of this Contract, and in the case of late sign-up, eco-fees are payable for the last three calendar years preceding signature of the Contract, subject to the conditions set out in Articles 4 and 6 of the Contract. For contracts signed mid-year, eco-fees are also payable on furniture put on the market between 1st January and the date on which the Contract is signed.

The following items are excluded when calculating eco-fees payable: items of furniture sold in France and subsequently returned in exchange for credit, furniture sold to export and furniture re-exported by a customer of a Member Trader. For re-exported furniture items, Éco-mobilier has a contract allowing Member Traders' customers to claim reimbursement upon presentation of the appropriate supporting documents.

Article 6.3: Revision of the Pricing Scale

Éco-mobilier reserves the right to modify the Pricing Scale without consultation, including changing the value of eco-fees, no more than once annually, with the exception of unforeseen circumstances or re-assessments rendered necessary by the legal minima specified in the Accreditation agreement.

The new Pricing Scale will be approved by the Éco-Mobilier board of directors. The new Pricing Scale will then be submitted to the relevant public authorities and the accreditation committee, and Member Traders will be informed no less than six (6) months before it comes into force.

Member Traders implicitly accept this new Pricing Scale by continuing to honour this Contract.

Any modification to the contractual terms and conditions entitles Member Traders to terminate their contracts, according to the release clause detailed in Article 8.2.2 of the Contract.

Article 6.4: Declaration of sales and payment of eco-fees

6.4.1 - Eco-fees are paid by Member Traders to Éco-mobilier on the basis of the sales declarations submitted via the extranet at the end of each quarter (or year, for Member Traders with special dispensation). These eco-fees are calculated on the basis of actual quantities sold each quarter (or year).

Member Traders must connect to the extranet and fill in the declaration form with details of the quantities of furniture items sold. Member Traders hereby confirm that they understand the workings of the extranet service provided by Éco-mobilier for the purpose of making declarations. Declarations will only be considered as properly submitted (for the purposes of this Contract) once they have been confirmed by the Member Trader. Simply saving sales data without confirmation does not count as a valid declaration.

Once the declaration has been properly submitted, Éco-mobilier will draw up the corresponding invoice and send it to the Member Trader (sent directly to the designated invoicing contact or, if no such contact has been named, the signatory of this Contract), for payment within the deadline stipulated in **Appendix 1** of this Contract.

6.4.2 – Member Traders who neglect to declare the quantities of furniture items sold in a given period within the contractual deadlines set out in **Article 1** must contact Éco-mobilier and request the opening of a retroactive declaration session, enabling the late declaration to be completed.

6.4.3 – Unless alternative arrangements have been explicitly agreed by both Parties, payment is only accepted by standing order or bank transfer. Member Traders must provide Éco-mobilier with their bank details during the first declaration session. If they wish, they may establish a standing payment order. This process must be repeated every year at the start of the annual declaration period, via the extranet.

Article 6.5: Delays or failure to pay eco-fees

6.5.1. Eco-fees are paid by Member Traders to Éco-mobilier in the form of quarterly or annual payments (cf. Article 6.4 of this Contract). Late payment will result in the application of penalty charges, as per the conditions set out in Article 6.10 of this Contract, as well as a fixed recovery charge of 40 Euros.

6.5.2 - If a Trader should become aware of an error in a previous declaration, whether in their favour or in Éco-mobilier's favour, they should inform Éco-mobilier immediately via the extranet. Retrospective adjustments are calculated using the Pricing Scale in force at the time of the initial declaration, not the scale in force at the time of retrospective adjustment.

If Éco-mobilier should identify any such errors, particularly during inspections or audits, Éco-mobilier reserves the right to apply the penalty charges set out in Article 6.10 of this Contract, as well as a fixed recovery charge.

Article 6.6: Certification of sales

6.6.1 - The Member Trader certifies to Éco-mobilier, via the extranet, the veracity of their declarations, including all details of sales made in the last calendar year.

6.6.2 - Member Traders whose declarations exceed 200,000 Euros (excl. tax) must provide Éco-mobilier with a certifying document from a duly mandated auditor or accountant, confirming the accuracy of the declarations submitted by the Member Trader in question.

6.6.3 – In such cases, confirmation of the veracity of declarations (Art. 6.6.1) or the aforementioned certifying document (6.6.2) must be provided for each calendar year, no later than the end of March of the following year.

Éco-mobilier will pass on to the government agency for energy and the environment (hereinafter «**ADEME**») the information required by the register of producers and submitted by Member Traders.

Article 6.7: Audits

6.7.1 - Éco-mobilier will check the accuracy of the declarations submitted by Member Traders:

- With reference to the certifying document defined in Article 6.6 of this Contract,
- By conducting, directly or through a third party, documentary checks and/or on-site audits of Member Traders or their delegated Representatives (hereinafter referred to as «Audits»). Members explicitly accept these conditions. The Audit protocol is given as **Appendix 2** to this Contract.

6.7.2 - These Audits, which may pertain to one or several declarations, will be carried out at Éco-mobilier's behest as part of a general programme of monitoring, or in response to claims from Members or their representatives. The purpose of these audits is to ensure that the rules of declaration are respected, that eco-fees are calculated correctly and that the information provided in declarations is accurate and exhaustive.

In normal circumstances, audits may be conducted in the current year Y for the declarations submitted in previous years, Y-1 and/or Y-2 and/or Y-3.

For the eco-modulation scheme, audits may also be conducted for the current calendar year.

6.7.3 – If a Member Trader should submit a revised declaration leading to a credit for Éco-mobilier, due to the Trader having over-declared the volume of furniture sold, the Member Trader must provide supporting documentation proving the discrepancy between the initial declaration and the revised declaration. If the difference between the two values declared is substantial, an Audit may be required.

6.7.4 – Audits involve the drafting of an Audit report (the «**Audit Report**») by the expert commissioned for this purpose by Éco-mobilier, containing details of any anomalies observed.

The Audit Report will be sent to the Member Trader in question, who shall have twenty-one (21) days to submit any observations in writing to Éco-mobilier or directly to the author of the Audit Report, starting from the date on which the Audit Report is received. If the Member Trader subject to the Audit does not raise any objections within this designated response time, they will be considered to have accepted all findings of the Audit Report and any consequences these may entail.

Once this response period has passed, a final audit report containing binding conclusions (the «**Definitive Report**») will be sent, for information purposes, to the Member Trader in question.

At the end of this process, if discrepancies are still found to exist between one or more declarations (including with regard to the criteria of eco-modulation) and the Definitive Report, Éco-mobilier will invite the Member Trader to settle the problem by I) opening a retrospective declaration process within ten (10) days of a request to this effect by Éco-mobilier, and II) making the necessary corrective declarations within ten (10) days of this process being opened.

A corrective declaration is required, whatever the result of the Audit, if:

- the Member Trader is found to have over-declared with regard to the quantity of furniture actually sold to market («**Over-declared**»), requiring a credit note from Éco-mobilier;

- the Member Trader is found to have under-declared with regard to the quantity of furniture actually sold to market, including mistaken declarations («**Under-declared**» or «**Mistaken declaration**»).

If a corrective declaration is not made within the necessary deadline then the Member Trader in question will be required to accept the conclusions of the Definitive Report, which will be replace the corrective declaration for the purposes of establishing a new invoice from Éco-mobilier. The Pricing Scale used will be that which was in force at the time of the financial obligations in question, and the same principle applies to the penalties defined in Article 6.10 of this Contract.

6.7.5 - In cases where Members have over-declared, the credit notes issued by Éco-mobilier will be deducted from the declarations currently due and payable at the date on which the credit note or revised invoice is issued. Both Parties explicitly agree that, if a Member is found to have Over-declared, Éco-mobilier will not be liable for any penalty charge nor interest payment toward the Member Trader who made the erroneous declaration.

If there is still an outstanding balance in the Member Trader's favour, after the sums involved have been deducted from due and payable invoices, this balance will be deducted from the next invoice issued based on the next quarterly declaration, or else repaid to the Member Trader at their request.

For declarations found to be under-declared or erroneous, the next invoice issued (after the revision process set out above) must be paid immediately and in full by the Member Trader in question.

The Member Trader shall explicitly accept this invoice and recognise its validity and enforceability.

6.7.6 - In the event that the Definitive Report should identify an error in a previous financial year, for example due to the failure to include a specific product code, Éco-mobilier will be entitled to extend the Audit to the three preceding years, focusing on the specific infringement identified, in accordance with Article 6.7.2 of this Contract. The rules set out above shall apply to this new Audit.

Article 6.8: Sanctions

Member Traders who fail to declare their sales by the stipulated deadlines, who submit erroneous declarations or who fail to pay the eco-fees owed will be reported to the relevant government agency by Éco-mobilier, as per the terms of the Accreditation, and thus run the risk of administrative sanctions in addition to the recovery actions taken by Éco-mobilier, subject to the retroactive revision conditions outlined in Article 6.2.

Administrative sanctions shall not preclude the possibility of legal action if Éco-mobilier should deem such measures necessary, particularly in order to recover any unpaid eco-fees, nor the termination of the contract by Éco-Mobilier.

Article 6.9: Late sign-up

If a Trader should request to sign up to the Éco-mobilier scheme during the accreditation period, and in order to allow Éco-mobilier to check that the new Member Trader is in compliance with all obligations as of the date of registration, the latter must provide Éco-mobilier with sufficient proof that, prior to their membership, an individual waste management system was in place which met the requirements of the Environmental Code, or that they were a member of another accredited environmental organisation.

Failing this, the Member will be considered to have signed up to the scheme belatedly («**Late Sign-up**»).

In cases of Late Sign-up, signature of the Contract implies acceptance of retroactive eco-fees for all furniture items sold to market in the three (3) calendar years prior to signature of the Contract and for the months between 1st January of the current year and the date of signature, within the scope of Éco-mobilier's Accreditation.

As such, new Member Traders signing up belatedly to the scheme will have a period of twenty-one (21) days following signature of the Contract in which they must declare the quantity of furniture they have sold in (I) the three previous years (II) and, if the Contract is signed mid-year, during the period between 1st January of the current year and the date of signature, in accordance with Articles 4 and 6.2 of this Contract.

In such cases, the new Member Trader will pay all eco-fees due on these retroactive declarations, as and when the corresponding invoices are issued. These eco-fees shall be calculated using the Pricing scale in force as of the date on which the fees were incurred. In order to maintain the principle of equal treatment of all members,

new Member Traders found to be at fault will be liable for late payment penalties as defined in Article 6.10 of this Contract.

Article 6.10: Penalties

The penalty charges listed in Articles 6.5, 6.7.4 and 6.9 of this Contract will be applied as follows:

- Legal interest rate plus three percentage points (i.e. 300 base points),
- Calculated from the day after the contractual due date of the unpaid invoice.

For late declarations (whatever the reason for the delay) giving rise to retroactive invoices, the penalty charges will be calculated as of the date on which the invoice should have been paid if it had been drawn up within the correct contractual deadlines, based on a sales declaration made in keeping with the requirements of this Contract.

Example: Under the quarterly system, sales for the first quarter of 2017 must be declared no later than 30th April 2017, with the corresponding invoice issued on 15th May 2017.

If a Member Trader were to submit the sales declaration for Q1 belatedly, for example on 20th July 2017, the invoice corresponding to these sales would only be issued on or around 25th July. Nevertheless, the late payment penalties would be calculated from 16th May onwards, the day after the invoice should have been paid if the Member in question had abided by the contractual declaration deadlines.

Penalties will be applied in the same manner to retroactive payments required after Audit, due to erroneous or missing declarations by Member Traders, or in cases of Late sign-up.

If a declaration is made within the contractual deadlines but the corresponding invoice is not paid on time, penalties will be applied as of the day after which the invoice in question should have been paid.

ARTICLE 7: NON-TRANSFERABILITY OF THIS CONTRACT

Neither Party may, for any reason whatsoever, transfer or sell this Contract to any third party without the prior written consent of the other Party.

In accordance with Article 3.4.1. of this Contract, Member Traders must inform Éco-mobilier of any changes to their activities or legal structure, it being understood that notwithstanding the previous paragraph, the Contract shall be transferred to the buyer or new parent company if a Member Trader should be involved in a merger or acquisition. In such cases, the Member Trader must contact Éco-mobilier immediately in order to arrange the transferral of the Contract and to ensure that the obligations imposed by the Environmental Code are respected.

ARTICLE 8: TERMINATION AND SUSPENSION

Article 8.1: Justified termination by Éco-mobilier

8.1.1 - Éco-mobilier shall be fully entitled to terminate the contract without any legal action, subject to advance notice of one month, if the Member Trader should fail to fulfil any of the essential obligations defined in Articles 2, 6 and 13 of this Contract, and if the situation has not been rectified within thirty (30) days of a formal warning issued by Éco-mobilier in the terms set out in Article 8.3.

8.1.2 - The Contract can be terminated without notice and without legal action if Éco-mobilier's Accreditation should be withdrawn or not renewed, with no compensation owed to Member Traders.

Article 8.2: Release and Termination by Members

8.2.1 - As per the terms set out in Article 5 of this Contract, Member Traders may decide to put an end to the Contract no later than October of year Y, thus preventing the Contract from being renewed for year Y+1. Notice of this termination must be given by recorded post with proof of delivery, sent to Éco-mobilier's head office.

8.2.2 - Moreover, in the event that Éco-mobilier should modify the terms and conditions of this Contract, Member Traders are entitled to terminate their Contracts without notice and without penalty within a period of one month following the implementation of the modifications, unless the Member in question has already explicitly accepted the modifications.

8.2.3 - When notifying Éco-mobilier of their intention to be released from or terminate this Contract, Member Traders must provide proof that they are no longer subject to Article L. 541-10- 6 of the Environmental Code, or else that they shall continue to abide by the obligations imposed by this article following the expiry of the Contract by establishing their own individual waste management system or by signing up to another accredited environmental organisation. Éco-mobilier will inform the government departments responsible for its Accreditation, updating the information contained in the Register of Producers.

Article 8.3: Contract termination process

Notification of termination must be sent by recorded post with proof of delivery if the termination addressee is domiciled in France or, in other cases, in accordance with the applicable rules for contract termination in the country where the termination addressee is domiciled.

Article 8.4: Suspension

The Contract will be suspended without compensation for Member Traders if Éco-mobilier's Accreditation is suspended.

ARTICLE 9: FEES

Parties shall be responsible for their own costs and expenditure in relation to this Contract, including all fees, costs and expenditure on lawyers, consultants, accountants and any other professionals to whom they may have recourse.

ARTICLE 10: CONFIDENTIALITY

Both Parties undertake to:

- I) preserve the confidentiality of the terms and conditions of this Contract, along with all documents, information and data to which they are or may become privy by any means whatsoever in relation to this Contract;
- II) refrain from disclosing this information to any third parties, with the exception of their advisers, ADEME, the relevant public authorities and the government regulator who sits on the Board of Directors of Éco-mobilier, for specific information only, in accordance with the regulation, without the prior written consent of the other Party and subject to all other legal and regulatory obligations.

The previous paragraph notwithstanding, the Contract and any other document relevant to the relationship between the two Parties may be submitted in evidence by either Party in defence of their interests.

Both Parties undertake to strictly abide by this confidentiality obligation throughout the duration of the Contract and for a period of three (3) years following its termination, whatever the reason for this.

ARTICLE 11: RELEASE

If either Party should choose not to avail themselves of all or part of the rights, powers and privileges to which they are entitled under the terms of this Contract, this decision shall under no circumstances be interpreted as a permanent renunciation of these rights, powers and privileges, which may still be invoked at any time. Full renunciation of such rights, powers and privileges by either Party must, in order to be considered valid, be presented in writing to the other Party in accordance with the conditions set out herein.

ARTICLE 12: AUTONOMOUS APPLICABILITY OF CONTRACTUAL PROVISIONS

In the event that one or more of the provisions contained in this Contract should be found to be invalid, illegal or inapplicable in any way, the validity, legality and applicability of the other provisions contained herein shall in no way be affected or altered. In such circumstances, both Parties shall undertake to work together in good faith to replace the invalid, illegal or inapplicable provision(s) with a valid clause which is equivalent or comparable.

ARTICLE 13: MODIFICATION OF CONTRACTUAL PROVISIONS

Éco-mobilier is entitled to modify this Contract at any time, particularly in the interests of complying with new legal requirements and/or obligations contained in the technical specifications by which it is bound.

Éco-mobilier will provide a copy of the modified Contract to Member Traders via the extranet no less than thirty (30) days before the new provisions and/or obligations take effect. This notice period may be reduced for provisions imposed by the technical specifications.

Any modifications made to the Contract and its appendices will be saved to the Éco-mobilier extranet.

Member Traders implicitly accept these modifications by continuing to honour this Contract.

Any modification to the contractual terms and conditions entitles Member Traders to terminate their contracts, according to the release clause detailed in Article 8.2.2 of the Contract.

ARTICLE 14: EXHAUSTIVITY OF THIS CONTRACT

This Contract and its appendices represent the full extent of the agreement between the Parties with regard to the subjects covered herein, superseding and replacing all previous written or oral agreements. The introduction and appendices are considered integral elements of the Contract, with the same legal weight.

ARTICLE 15: RESPONSIBILITY CLAUSE

The Parties shall be held responsible if they fail to respect any of their respective Contractual obligations, and promise to compensate the other Party for any damages incurred by the latter as a result of this failure to fulfil obligations, to the exclusion of any immaterial damages.

ARTICLE 16: DISPUTES AND APPLICABLE LAW

This Contract was originally drafted in French, and is subject to French law.

Before entering into any legal dispute, both Parties will seek, in good faith, to reach an amicable resolution to all disagreements regarding the implementation and/or interpretation of the Contract.

As such, in the thirty (30) days following the initial notification of an issue by one Party (by recorded post with proof of delivery), both Parties shall endeavour to find a solution to the problem. Should they fail to reach an agreement within this time, the Parties shall take all necessary actions, including legal action, to defend their interests.

If a Member Trader should repeatedly fail to submit declarations or make payments on time, the first notification sent out by or on behalf of Éco-mobilier (as described above) shall be considered as an attempt to find an amicable solution to the infractions in question. As such, no further notification or further thirty-day (30) period shall be necessary, and Éco-mobilier may refer all outstanding issues to the competent legal authorities at the expiry of this single 30-day period.

Any legal action taken by either Party which does not abide by the procedure set out in the preceding paragraphs will be deemed invalid.

In the absence of an amicable agreement, all legal disputes shall fall within the remit of the Commercial Courts of Paris, including injunctions.

LIST OF APPENDICES WHICH CONSTITUTE AN INTEGRAL PART OF THIS CONTRACT:

Appendix 1: Calendar of declarations and payments

Appendix 2: Audit Protocol

Signed in Paris,

In two copies

For the Member Trader,

For Éco-mobilier,

Dominique Mignon,
Managing Director

APPENDIX 1: CALENDAR OF DECLARATIONS AND PAYMENTS

Calendar of declarations and payments for the quarterly schedule

Period of sale Year Y¹	From 1 January to 31 March	From 1 April to 30 June	From 1 July to 30 September	From October to 31 December
Period of declaration²	From 1 to 30 April	From 1 to 31 July	From 1 to 31 October	From 1 to 31 January Year Y+1
Payment	15 May	15 August	15 November	15 February Year Y+1

Calendar of declarations and payments for the annual schedule (exemption)

Period of sale of current Year Y³	From 1 January to 31 December
Period of declaration⁴	From 1 to 31 January of Year Y+1
Payment	15 February of Year Y+1

By way of an exception, invoices for late declarations (delay in signing up to the scheme or declarations not made on time) are payable upon reception.

APPENDIX 2: AUDIT PROTOCOL

The independent auditor, commissioned by Éco-mobilier, is responsible for overseeing the correct implementation of the regulations on eco-fees, and checking that members' sales declarations are consistent with their actual activity. The audit phases are as follows:

- An email is sent informing the member of an upcoming audit,
- Email contact to inform the member of the dates available for the preliminary telephone interview and the site visit, accompanied by a list of the documents to be provided during the visit;
- Telephone conversation between the member and the auditor, allowing the latter to become familiar with the company's activities and operating environment in order to prepare for the site visit, and in particular to explain the information and documents required to conduct the audit;

- Before the visit, the member prepares the information and documents requested;
- Site visit;
- Auditor produces a draft report which is passed on to Éco-mobilier for further discussion, if required, of regulatory issues identified;
- Final report;
- Éco-mobilier sends the auditor's final report to the member;
- Payment of outstanding sums, where necessary.

The auditors' work will focus primarily on the following issues:

- Understanding how the eco-fee is handled in the company's information system (identifying the products involved, coding methods, calculation of eco-fees, IS settings, invoicing conditions, etc.);
 - Analysing the scope and implementation of the regulations as applicable in the member's circumstances;
 - Checking the accuracy of contribution declarations submitted by the member based on their business activity.
- The Audit will involve the following procedures:

- **Testing the way the regulations are handled based on a selected sample of transactions**

The auditor will select a sample of transactions based on preparatory statements or quarterly declarations of past sales, then provide the member with a list of selected products for which they would like to see product files, invoices and documents showing how the corresponding eco-fees were handled.

- **Checking the consistency of declarations**

The auditors will check that the activity declarations submitted to Éco-mobilier are consistent with the member's actual recorded activity, looking in detail at those activities deemed by the member to fall outside the scope of the regulations. This comparison will require a breakdown of the member's total activity, in terms of turnover and number of items sold, into activities subject to the eco-regulations and activities not concerned. This breakdown should be detailed enough (product references and transactions) to make those activities which fall outside the scope of the regulations easily identifiable.

- **Review of products not subject to the eco-fee**

The auditors will review the list of products which the member considers to fall outside the scope of the regulations, based on the annotated product list provided by the member.

- **Testing the coding system**

The inspection will also include compliance tests conducted on a selection of products, looking in each case at the way furniture sets are coded and declared. The auditors will also verify the weight of a selection of products, personally overseeing the weighing process.

¹ Quarter in which these furniture items were sold

² Period in which Member Traders must declare the quantities of furniture products sold in the preceding quarter

³ Year in which these furniture items were sold

⁴ Period in which Member Traders must declare the quantities of furniture products sold in the preceding year