

LUMICOM SCHEME RULES

THE SCHEME RULES COMMON TO BOTH CATEGORIES OF MEMBERSHIP

These Scheme Rules set out the terms and conditions of the compliance scheme run by Lumicom Limited (“Lumicom”) and shall be incorporated into the Scheme Contract. For the purposes of these Rules, “scheme member” shall mean any person or organisation whose application for membership of the Lumicom Compliance Scheme (“the Scheme”) has been accepted by Lumicom for so long as that person or organisation remains a member of the Scheme and ‘Scheme Contract’ means a person or organisations’ application to join the Scheme and Lumicom’s acceptance of it.

Provision of Data

- (a) On becoming a Scheme member, each Scheme member shall immediately provide Lumicom with details of its quarterly invoiced sales of non-household luminaires and other B2B EEE in the United Kingdom (i.e. sales with an invoice date in that quarter) for each full quarter that has elapsed from the beginning of the year in which the application for membership was accepted) using the return Form A-1 (see pages 23 & 24), for each such quarter (or for such period as may be agreed in writing between the parties) to the date of entry to the Scheme. Thereafter, paragraph (b) shall apply.
- (b) No later than 21 days following the end of each quarter (or as agreed, in writing, between the parties), each Scheme member shall provide Lumicom with details of its invoiced sales of non-household luminaires and other B2B EEE in the United Kingdom during that quarter (i.e. sales with an invoice date in that quarter) (or for such period as may be agreed in writing between the parties (where such period shall be a multiple of months)) using the return (Form A-1) which shall be in such form as Lumicom may notify to the Scheme members from time to time.
- (c) A Scheme member will be required to provide Lumicom with details of its invoiced annual sales of non-household luminaires and other B2B EEE in the United Kingdom by quantity and weight, in such form as Lumicom may notify to the Scheme members from time to time.
- (d) All sales data supplied by members will be treated in the strictest confidence

Verification of Sales

- (e) Scheme members shall send Lumicom within 21 days of the end of each compliance period a completed Form A-2 (see attached) (i.e. a version of Form A-1 to be completed annually) (or such form as may replace it from time to time) which shall be certified as being complete and accurate by the Scheme member’s Finance Director or equivalent and shall set out the Scheme member’s invoiced sales for luminaires and other B2B EEE in that year. Scheme members shall keep, at a normal place of business, records sufficient to enable Lumicom’s advisors to verify the accuracy of the information provided to it in Form A-2 and shall, for as long as the

Scheme member remains a member of the scheme and for a period of two years thereafter, at Lumicom's request, make these records available for inspection during normal business hours by Lumicom, Lumicom's advisers or an independent expert, appointed by Lumicom for the purpose of verifying the accuracy of the information provided to it in Form A-2. The independent expert shall be entitled to take electronic and paper copies of the records solely for the purposes of carrying out the verification and reporting to Lumicom. Lumicom shall not be entitled to have such inspections carried out more than twice in any period of 12 months and shall give a Scheme member at least 7 days' notice prior to each inspection.

Registration Fees

- (f) Scheme members shall, for as long as they are members of the Scheme, pay Lumicom such non-refundable annual registration fee as Lumicom may notify to scheme members from time to time. The annual registration fees for are set out in the schedule of charges on page 15 of this Constitution and page 2 of the application form. For the purposes of this paragraph a year shall run from 1 January to 31 December. Lumicom shall invoice, in advance, each scheme member for the annual registration fee, which shall be payable by that scheme member within 30 days of the date of the invoice. The annual registration fee includes the fee that Lumicom has to pay the Environment Agency in respect of each scheme member.

Compliance

- (g) Scheme members must comply with all terms and conditions intended to be binding on producers of non-household luminaires and other B2B EEE under the WEEE Regulations 2006 and by any other relevant regulatory body or bodies from time to time. In particular Scheme members must have read and understand the obligations applicable to producers under Part 3 of the WEEE Regulations, particularly Regulation 11(2)(b) (information provided to operators of schemes).
- (h) Scheme members must also comply with the terms and conditions published by Lumicom (including but not limited to these Scheme Rules), PROVIDED THAT:
 - (i) (i) Lumicom has informed Scheme members of any changes to its terms and conditions (which may be done by displaying the updated Scheme Rules on the Lumicom website and by sending email notification to all Scheme members that have provided Lumicom with a valid email address); and
 - (ii) (ii) If there shall be any conflict between such terms and conditions from time to time in force and paragraphs (a) to (e) above and (h) to (j) below, paragraphs (a) to (e) and (h) to (j) shall prevail (except to the extent required by law)

Termination

- (i) In the event that Scheme members wish to withdraw from the scheme they shall give Lumicom no less than 12 months notice to expire at the

end of a compliance period in writing of their intention to do so and pay all outstanding charges.

Breach

- (j) If a Scheme member is in breach of any of these terms and conditions, Lumicom shall notify the Scheme member of such breach in writing. If the Scheme member does not rectify the breach (where rectification is possible), within 30 days of receipt of the notice from Lumicom (receipt shall be deemed to be the date after posting the notice or the date after sending email notification to a Scheme member, where that Scheme member has provided Lumicom with a valid email address), Lumicom may cancel the member's Scheme membership at the end of the compliance period in which the member's 30 day period to rectify the breach ends.
- (k) Lumicom may report to the Environment Agency:
- The fact that a member committed a breach of these terms and conditions;
 - The full facts giving rise to the breach;
 - Lumicom's likely action following the breach; and
 - Any other information requested by the Environment Agency

Arbitration

- (l) Any dispute or difference arising out of or in connection with the Scheme Contract, including any question regarding its existence, validity or termination or the legal relationships established by the Scheme Contract, shall be finally resolved by arbitration under the UNCITRAL Rules in force at the date of this agreement. It is agreed that:
- (iii) (i) The tribunal shall consist of one arbitrator;
- (iv) (ii) In default of the parties' agreement as to the arbitrator(s), the appointing authority shall be the Chartered Institute of Arbitrators in London;
- (v) (iii) The seat of the arbitration shall be London; and
- (vi) (iv) The language of the arbitration shall be English.

Summary

- (m) Lumicom's obligations are, in summary, to:
- (vii) (i) Finance the costs of the collection, treatment, recovery and environmentally sound disposal of non-household WEEE that are the responsibility, under the WEEE Regulations, of the members and for which an alternative arrangement under clause 9(2) has not been made by the Producer concerned;
- (viii) (ii) Set up systems that:
- prioritise the reuse of whole appliances;
 - treat non-household WEEE using the best available treatment, recovery, and recycling techniques and;

- Recover such non-household WEEE;
 - Report on the WEEE treated and the EEE that Scheme members have put on the market;
 - Declare compliance with the schemes' obligation to finance the costs of the collection, treatment, recovery and environmentally sound disposal of WEEE;
 - Keep records of the amount of WEEE delivered to (or collected by) an AATF or an approved exporter;
 - Operate a scheme that maintains good environmental practices and ensures value for its members.
- (n) The Scheme members' obligations are, in summary, to:
- (ix) (i) Supply information, as accurately as reasonably possible, about themselves, their equipment and number and weight of their UK sales of EEE;
 - (x) (ii) Pay all such sums as are due to Lumicom, on time.
 - (xi) (iii) Inform Lumicom within 28 days of any material change in the information originally supplied eg that they are no longer producers

COMPLIANCE SCHEME MEMBERSHIP

- (a) The scope of the Scheme is limited to non-household WEEE.
- (b) A Producer that has obligations for only non-household WEEE may only be a member of one compliance scheme.
- (c) A Producer that has obligations for both household and non-household WEEE may join a maximum of two compliance schemes – one for household WEEE and one for non-household WEEE.

THE SCHEME RULES APPLYING TO CATEGORY 1 MEMBERSHIP

The Disposal Contributions

- (a) For the purposes of calculating the quarterly disposal contributions, the quarterly invoiced sales will be the total quantity of sales invoiced to suppliers to the professional market (which shall include electrical wholesalers, electrical contractors and business end-users, but shall exclude sales invoiced to multiple retailers (including, but not limited to, DIY stores, John Lewis, and independent lighting retailers)), for resale to retail customers and not for installation in the store.
- (b) Lumicom shall issue an invoice at the start of each quarter to each Category 1 Scheme member. Each Scheme member shall pay Lumicom within 30 days of the date of invoice an amount equal to its quarterly disposal contributions as set out in the invoice (which will be calculated by multiplying the number of invoiced sales in the previous quarter by the rate for the disposal contributions determined by the Board of Directors of Lumicom from time to time and notified to the Scheme members (and where details have been provided for periods in excess of one quarter, the number of invoiced sales shall be allocated pro rata for each quarter, as appropriate)).
- (c) Legal action will be taken against any member who is overdue by 90 days or more in payment of Lumicom's invoices for whatever reason in order to ensure payment of overdue invoices.

Verification of Sales

- (d) Lumicom shall bear the cost of carrying out any inspection of data provided to verify the accuracy of members reports (unless there is a deficit of more than 5% in the Scheme members' quarterly disposal contributions paid for that year in which case the Scheme member shall immediately pay to Lumicom reasonable costs of making the inspection, together with any balance payments owed in respect of the Scheme members' quarterly disposal contributions).

Late Applicant Registration Fee

- (e) The Board of Lumicom reserves the right to require that any person or organisation, who applies for category 1 membership of the Scheme after the first day of a compliance period shall, in addition to the annual registration fee payable under paragraph (ii), pay to Lumicom an amount equal to the aggregate monthly disposal contributions that it would have paid under paragraphs (a) to (d) inclusive had it been a Scheme member from the first day of a compliance period together with interest on that amount at a rate of 3% above the base rate, from time to time, of Barclays Bank Plc.

Specific Remedies for Breach

- (f) In the event that a Scheme member fails to provide Lumicom with any duly completed Form A-1 pursuant to these terms and conditions, Lumicom may, at its sole discretion estimate that Scheme member's disposal costs for the relevant quarter(s) (or for such other time period(s),

as the case may be), taking into account such other information as Lumicom sees fit, including but not limited to, that Scheme member's previous invoiced sales and any advice received from third parties

Transfer from one Category of Membership to another

- (g) The Board of Lumicom reserves the right to accept or reject any request from a scheme member to transfer from one category of membership to another and to determine the charges, if any, that the requesting member will be required to pay.

SCHEME RULES APPLYING TO CATEGORY 2 MEMBERSHIP

In category 2 membership the members, in addition to paying a higher annual subscription fee to meet part of the fixed administration costs of the scheme, pay the costs of any collection and recycling of WEEE for which they are responsible under the WEEE Regulations as it arises.

Requests from producer members or end-users (or agents acting on their behalf) for Lumicom to arrange disposal of separately collected WEEE luminaires for which a category 2 member is responsible and no alternative arrangement has been made under clause 9(2) will be assessed by Lumicom against a tariff set by the Lumicom Board and a quotation provided to the member concerned for approval before the disposal is actioned. Once approved Lumicom will arrange the disposal of the WEEE, including all necessary record keeping and invoice the producer member accordingly who will pay within 30 days of the date of the invoice.

The Member concerned agrees to indemnify Lumicom against any costs and penalties that Lumicom incurs in discharging the Members obligations under this category and to accept and pay invoices raised on it by Lumicom in respect of such costs.