

Licence Contract

Licence Contract no.: **FLO-ID**

Between

Name of the Home NFO **Fairtrade Ireland**

having its registered office at: **Carmichael Centre, North Brunswick Street, Dublin 7, D07 RHA8.**

represented by **Peter Gaynor**

(hereafter the “ Home NFO”)

And

Name of the Company

Registration No.

VAT No.

having its registered office at:

represented by

(hereafter the “Licensee”)

Definitions

- A. **Certification Contract:** where applicable the contract between the Licensee and FLOCERT or by an organization duly authorised by Fairtrade International to do so in connection with the verification of Licensee’s compliance with the relevant Fairtrade Standards.
- B. **Confidential Information:** each party's and Fairtrade Group’s information and data, including, but not limited to, know-how and other kinds of business, commercial or technical information and data which is disclosed by the Parties, pursuant to or in connection with this Contract (whether orally or in writing) and whether or not such information is expressly stated to be confidential or marked as such. Confidential Information includes any copies and abstracts as well as any samples, prototypes or parts.
- C. **Conventional Product(s):** any product which has not been certified according to Fairtrade Standards.
- D. **FAIRTRADE Mark**, or “**Mark**”: the trademark registered and licensed by Fairtrade International as defined in Appendix 1 used to denote certification according to Fairtrade Standards. A visual representation and the selected trademark registration details are listed in Appendix 1.
- E. **Fairtrade Group:** Fairtrade International, FLOCERT, Fairtrade Marketing Organizations, and any members of Fairtrade International as defined in the Fairtrade International Constitution.
- F. **Fairtrade International:** Fairtrade Labelling Organizations International eV, a non-profit association registered in Germany.

- G. **Fairtrade Product:** any finished product, or any raw material or semi-finished product intended for use in a finished product produced and traded according to Fairtrade Standards as certified by FLOCERT or by an organization duly authorised by Fairtrade International to do so, and therefore eligible to bear the Mark.
- H. **Fairtrade Standards:** the standards and/or guidelines approved by Fairtrade International. The only officially approved versions of Fairtrade Standards are available on the website of Fairtrade International www.fairtrade.net and listed in Appendix 3.
- I. **FLOCERT:** FLO-CERT GmbH, a corporation registered in Germany, responsible for the auditing and/or certification of Producers and Traders and their transactions relating to Fairtrade Products.
- J. **Licensed Product(s):** the Fairtrade Products as set-out in Appendix 2 that are granted the right to bear the Mark by this Contract.
- K. **Packaging:** any material that normally forms part of the Licensed Product and includes in particular boxes or containers, labels, stickers and transport Packaging.
- L. **Promotional Material:** all material relating to Licensed Products, whether used in printed form or electronically (e.g. internet), or in writing or orally (e.g. for radio broadcast), including but not limited to advertising material, product lists, press releases, wrappings, point of sale displays, catalogues, brochures, leaflets, hand-outs, manuals, displays and the like, excluding Packaging.
- M. **Territory:** the countries as set out in Appendix 1.
- N. **Trademark Use Guidelines:** Fairtrade International's guidelines specifying how the Mark may be used and displayed. Fairtrade International may unilaterally modify the Trademark Use Guidelines. The current Trademark Use Guidelines is listed in Appendix 5.

1. Right to use the Mark

- 1.1. The Home NFO grants a non-exclusive, non-sublicensable and non-transferable licence to the Licensee, for the duration of this Contract, to use the Mark in the Territory (as set out in Appendix 1) solely on Packaging and/or Promotional Material in connection with the manufacture, promotion, distribution and sale of the Licensed Products, subject to the provisions of this Contract.
- 1.2. The Licensee will not actively market, distribute or deliver Licensed Products outside the Territory without prior written consent of the Home NFO.
- 1.3. The Licensee acknowledges that Fairtrade International is the owner of the Mark. This agreement does not give the Licensee any right, title or interest in the Mark other than the rights expressly granted. In particular, the Licensee is not entitled to register the Mark or any part of it in any country or to otherwise seek protection and may not apply for or register any designations that are identical or confusingly similar to the Mark.
- 1.4. The Licensee shall use its best endeavours to protect the ownership, use and intellectual property of the Mark at all times. It shall notify the Home NFO immediately if it becomes aware of any use or proposed use of a name or mark similar to and which could reasonably be confused with the Mark and the Licensee will, subject to prior agreement on costs, cooperate fully with the Home NFO in necessary action, including joining in any legal action where this may be required..
- 1.5. The Licensee acknowledges that nothing in this Contract gives it the right to assert any rights against any third party based on the Mark. The Licensee therefore agrees not to challenge the use of any designation that is identical or confusingly similar to the Mark by any third party.
- 1.6. The Fairtrade Group shall not express preference for any one of the Licensees to third parties.

2. Compliance with Fairtrade Conditions

- 2.1. For all Licensed Products the Licensee undertakes to fully comply with all applicable Fairtrade Standards.

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- 2.2. The Licensee agrees to support the Fairtrade principle of sustainable trade partnership between producers and their buyers which enables producers to have long-term access to markets under viable conditions by:
 - a. building their Fairtrade partnership on mutual respect and transparency,
 - b. taking into account the consequences of its own business decisions on the producers providing Fairtrade products into its supply chain.
- 2.3. The Licensee undertakes to use the Mark exclusively for Fairtrade Products set out in Appendix 2. This includes the obligation that any product, all raw materials and/or semi-finished product used in a finished product must be produced and traded in compliance with Fairtrade Standards as certified by FLOCERT or by an organization duly authorised by Fairtrade International.
- 2.4. Any new products, or modification of the composition of Licensed Products, require the prior written approval of the Home NFO in paper or electronic form. The approval of the Home NFO will be given if the approval request has been fully completed by the Licensee and the new product or modification of the composition of the Licensed Product complies with the Fairtrade Standards. Approved products will be added to the list of Fairtrade Products as set out in Appendix 2.
- 2.5. In order to maintain a relationship of trust between Fairtrade International and consumers, and to allow the flow of Fairtrade Products and compliance with Fairtrade Standards to be verified, the Licensee will enter into a Certification Contract with FLOCERT or by an organization duly authorised by Fairtrade International. Any material breach or cancellation of the Certification Contract will grant the Home NFO the right to terminate this Contract for cause.

3. Use of The Mark

- 3.1. The Licensee will use reasonable endeavours to promote and expand the supply of Licensed Products throughout the Territory in line with its normal business practices, including but not limited to providing reasonable levels of advertising and publicity to bring the Licensed Products to the attention of as many purchasers and potential purchasers in the Territory.
- 3.2. The Licensee will ensure that its advertising, marketing and promotion of Licensed Products, including Packaging and Promotional Material, will in no way reduce or diminish the reputation, image and prestige of the Mark.
- 3.3. The Licensee will not use the word Fairtrade or any designations that are identical or confusingly similar to the Mark on any of their Conventional Products, or as a component of its company name, trade name, domain name or similar designation of its business, or in any other way that creates the impression that Fairtrade Group and the Licensee are related parties.
- 3.4. Where the Licensee markets Conventional Products, it will ensure that none of its advertising, marketing and promotion of the Conventional Products suggests to the consumer that these products meet the Fairtrade Standards. The Licensee will also avoid any association of the Mark with Conventional Products.
- 3.5. The Licensee will not claim, while referring to the Mark, that the Licensed Product has features other than those which are promoted by or controlled by the Fairtrade Group.
- 3.6. The Licensee acknowledges the mission of the Fairtrade Group and undertakes to refrain from doing anything that could undermine the Fairtrade Group's reputation.

4. Application of the Mark (Packaging and Promotion)

- 4.1. Licensed Products made or sold by the Licensee in the Territory will carry the Mark. The use and display of the Mark will conform to the requirements in the Trademark Use Guidelines in Appendix 5.
- 4.2. The Licensee is responsible for the design and creation of Packaging. Before a Licensed Product is launched, the Packaging is changed, or following any modification requested by the Home NFO, the Packaging together with a product approval (form), if provided by the Home NFO, must be submitted to the Home NFO for its prior approval in writing in paper or electronic form, which shall

not be unreasonably withheld or delayed. The Home NFO may request product samples, Packaging samples or pack shots.

- 4.3. The Licensee is responsible for the design and creation of Promotional Material. Before Promotional Material is used, the text or layout of the Promotional Material must be submitted in writing in paper or electronic form to the Home NFO for its prior written approval, which will not be unreasonably withheld or delayed.
- 4.4. The Home NFO reserves the right to demand that the Licensee withdraw from sale or from circulation at the Licensee's expense any Packaging or other Promotional Material bearing the Mark which does not comply with the Trademark Use Guidelines. This withdrawal shall take place no later than 30 days as from receipt of written notice from the Home NFO.
- 4.5. The Mark must be reproduced solely on the basis of graphic files provided by the Home NFO. The Licensee is responsible for the transmission of these files to its supplier or printer for the production of the Packaging or Promotional Materials and to verify the correct reproduction thereof.
- 4.6. Costs arising from changes to the Packaging or Promotional Material requested by the Home NFO to ensure compliance with the Trademark Use Guidelines or with any obligation of Licensee under this Contract shall be borne by the Licensee. This also applies to a modification necessary due to a modification of the Trademark Use Guidelines in accordance with the procedure set forth in Article 11.3.
- 4.7. It will be the sole obligation of the Licensee to ensure – regardless of approval of Packaging or Promotional Material by the Home NFO – that any claims or statements made on or in relation to Licensed Products are in compliance with any laws applicable in the Territory.
- 4.8. The Licensee may not permit resellers or business partners without a licence contract to use the Mark. The Licensee should direct resellers or business partners to contact the Home NFO for permission.

5. Licence Fee and Reporting

- 5.1. The Licensee will pay the Home NFO a licence fee based on quarterly sales reports as set out in Appendix 4.
- 5.2. The Licensee will provide quarterly sales reports within 30 days after the end of the quarter covering the precedent quarter, which will include the information necessary to determine the sales per Licensed Product and country as outlined in Appendix 4.
- 5.3. In addition the Licensee will provide updated supply chain information, product information and other reports as requested by the Home NFO.
- 5.4. The Licensee agrees that the Home NFO or an independent third party authorized by the Home NFO may audit the Licensee in order to verify conditions of this Contract, in particular regarding sales reporting, and all documents necessary for the calculation of the licence fee. If the audit reveals a discrepancy, the Licensee will immediately make up any shortfall in licence fees and reimburse the Home NFO for any professional charges incurred for the audit or additional audits necessary.

6. Additional Licensee Obligations

- 6.1. The Licensee will:
 - a. obtain at its own expense all licences, permits and consents necessary for the manufacture, promotion, distribution and sale of the Licensed Products in the Territory, including any government approvals that may be required;
 - b. comply with all national laws and regulations regarding the manufacture, promotion, distribution, sale and safe use of the Licensed Products in the Territory;

- c. perform its obligations in connection with the manufacture, promotion, distribution and sale of the Licensed Products with all due skill, care and diligence including good industry practice;
 - d. only make use of the Mark for the purposes authorised in this Contract; and
 - e. comply with all regulations and practices in force or use in the Territory to safeguard Fairtrade International's intellectual property rights of the Mark.
- 6.2. The Licensee acknowledges and agrees that the exercise of the licence granted to the Licensee under this Contract is subject to all applicable laws, enactments, regulations and other similar instruments in the Territory, and the Licensee understands and agrees that it will at all times be solely liable and responsible for due observance and performance.

7. Warranty of the Mark

- 7.1. Fairtrade International is the owner of the Mark. The Home NFO warrants that it has the right to license the Mark to organizations in the Territory set out in Appendix 1.
- 7.2. The Mark is registered as outlined in Appendix 1. The Home NFO warrants that the use of the Mark by the Licensee in accordance with the terms of this contract in parts of the Territory where the Mark is registered does not infringe any rights of third parties. The Home NFO does not guarantee that the use of the Mark by the Licensee in parts of the Territory where the Mark is unregistered does not infringe any rights of third parties. The Home NFO is not aware of any pending or threatened oppositions, applications for revocation or infringement actions of third parties against the Fairtrade Group or against any licensees of Fairtrade Group with respect to the Mark.
- 7.3. During the term of this Contract, the Home NFO warrants that Fairtrade International will, at its own expense, take all reasonable steps to maintain the registrations of the Mark specified in Appendix 1 to the extent that the Mark relates to the manufacture, promotion, distribution and sale of products which are identical or similar to raw materials or the Licensed Products in the Territory.
- 7.4. If the Licensee wishes to sell in a country where the Mark is not registered as specified in Appendix 1, Fairtrade International will be under no obligation to secure such registration prior to the Licensee's sales or during the term of this Contract.

8. Liability, Indemnity and Insurance

- 8.1. Either party's liability for an infringement of obligations under this Contract will be limited to damages caused intentionally or by gross negligence. In no event will either party be liable to the other for indirect, punitive or consequential damages of any kind. Any exclusion or limitation of liability of the Home NFO includes the personal liability of employees, legal representatives and vicarious agents of the Fairtrade Group as well as the liability of the organizations in the Fairtrade Group.
- 8.2. In any event and under all circumstances, the Home NFO's entire and total cumulative liability to the Licensee for breach of any provision of this Contract or otherwise shall never exceed the total amount paid by the Licensee to the Home NFO hereunder.
- 8.3. The Licensee indemnifies and holds harmless the Home NFO and Fairtrade International from all claims, lawsuits, damages, liabilities and costs, including expenses, directly or indirectly arising out of or relating to, whether directly or indirectly, Licensee's (whether by itself or by a third party) use of the Mark with respect to Licensed Products or the manufacture, marketing, packaging, offering, sale, distribution, advertising or importation of Licensed Products, including in territories where the Mark is not registered.

9. Term and Expiry of this Contract

- 9.1. This Contract supersedes any previous contract between the Home NFO and the Licensee.

- 9.2. This Contract shall come into effect subject to the signature of this Contract by the Home NFO and the Licensee.
- 9.3. This Contract shall remain in effect for an indefinite term unless it is terminated in accordance with the terms and conditions set out in this article.
- 9.4. Either of the parties may terminate this Contract at any time without cause by written notice. Termination will be effective six months after the date on which the letter of termination has been received. If applicable, the terminating party will inform in writing FLOCERT of its cancellation.
- 9.5. Either party may immediately terminate this Contract for cause by written notice. Cause will exist if circumstances occur which, taking into consideration the substance and purpose of this Contract, would make it unbearable for the terminating party to continue the contractual relationship. Cause for the Home NFO will include, but not be limited to:
 - a. non-payment of licence fees;
 - b. the Licensee commits a material breach of any provisions of this Contract, in particular, but not limited to a breach of Clause 2.5, 3.2, 3.4, 3.6, the Trademark Use Guidelines or the Fairtrade Standards;
 - c. in case of insolvency of the Licensee;
 - d. there is a change of control or legal ownership of the Licensee; or
 - e. the Licensee directly or indirectly challenges the validity of Fairtrade International's ownership of the Mark by filing oppositions, nullity requests or taking comparable action.
- 9.6. If the Licensee commits a breach of any of the terms of this Agreement capable of remedy, the Home NFO shall notify the Licensee and give the Licensee fourteen (14) days after receipt of written notice of the breach to remedy the breach.

10. Effect of Termination

- 10.1. When this Contract is terminated for any reason:
 - a. all outstanding sums payable by the Licensee to the Home NFO will immediately become due and must be paid within thirty (30) days of the termination of this Contract;
 - b. the Licensee will send a final detailed report to the Home NFO within thirty (30) days of the termination of this Contract. This detailed report must include: purchases and sales of the Licensed Products since the last quarterly report, inventories, the quantity of Licensed Products already packaged and ordered from the suppliers when this Contract ended, the number of empty Packaging and of Promotional Material bearing the Mark at the time of the expiration of this Contract; and
 - c. the Licensee will, subject to Article 10.2 of this Contract, cease using the Mark on and in relation to all Packaging and Promotional Material by either destroying the respective Packaging or Promotional Material that bears the Mark or by permanently removing, covering, obliterating the Mark by any method which permanently results in the Mark no longer being visible. The Licensee will notify the Home NFO in writing upon completion of the permanent destruction, removal, covering or obliteration of the Mark no later than thirty (30) days after expiration of this Contract. In no event may the Licensee assign, sell or otherwise give Licensed Products, Packaging and/or Promotional Material to a third party after expiration of this Contract without first removing or otherwise rendering the Mark permanently invisible, subject to Article 10.2 of this Contract.
- 10.2. On termination of this Contract for any reason other than termination by the Home NFO for cause according to Article 9.6, the Licensee will, for a period of ninety (90) days after the date of termination, have the right to dispose of all stocks of Licensed Products already packaged by the date of termination and in its possession, provided that any licence fee payable under the provisions of Article 5 for those sales is paid to the Home NFO within thirty (30) days of termination

of sales. Article 10.1 of this Contract applies accordingly, provided that the thirty (30) day period begins with the expiry of this sell-off period.

10.3. The provisions of this Article 10 will remain in effect notwithstanding termination of this Contract until the settlement of all subsisting claims.

11. Amendment of the Contract / Variation

11.1. The Home NFO will periodically review such terms and conditions of this Contract as may be reasonably required to maintain adherence to Fairtrade Standards and the Trademark Use Guidelines.

11.2. The trademark details listed in Appendix 1 can be amended from time to time to reflect changes in registration status and the Licensee will be notified accordingly.

11.3. Fairtrade International has the sole right to amend the Fairtrade Standards in accordance with its Standard Operating Procedures. Amendments to the Fairtrade Standards along with the effective date of the amendment are available on the website of Fairtrade International.

11.4. The Home NFO retains the right to change Appendix 4. If the Home NFO changes the licence fee, it must inform the Licensee in writing 3 months in advance. If Licensee does not accept the change in licence fee, the Licensee has the right to terminate the Contract under Clause 9.4. If the Licensee exercises this right to terminate the contract within 4 weeks of notification, the licence fee remains unchanged until the end of the sell-off period referred to in 10.2.

11.5. Fairtrade International has the sole right to amend the Mark or Trademark Use Guidelines for Packaging and Promotional Material. The Licensee will be notified of any new specification by the Home NFO in writing and will be notified of the date on which the change is to take effect and the applicable transition period. For all new Packaging and Promotional Material a transition period of at least 12 months will apply.

11.6. Any variation of this Contract, other than the variation specified in this Article 11, will not be valid or effective unless agreed in writing and signed by all of the Parties.

12. Confidentiality

12.1. Except as stated otherwise in article 12.2 to 12.6 each party is obliged to maintain the confidentiality of the other party's Confidential Information, in any form submitted;

(i) for the duration of this Contract and

(ii) for a minimum period of five years after any termination of this contract,

(iii) whereas recipes of licensed products received from the Licensee shall remain confidential and must not be disclosed to third parties for an unlimited period of time.

12.2. All Confidential Information disclosed to the Licensee directly from the Fairtrade Group in connection with this Contract, shall be deemed as Confidential Information received from the Home NFO and all Confidential Information disclosed to the Home NFO from the Licensee in connection with this Contract may be shared within the Fairtrade Group.

12.3. Each party may disclose Confidential Information to the party's employees, officers, representatives or advisers (including lawyers and tax advisers). Each party will ensure that employees, officers, representatives, advisers and in case of the Home NFO, the staff of Fairtrade Group, to whom it discloses the other party's Confidential Information is bound by written obligations of confidentiality consistent with those set forth in this Contract and enjoining further circulation of such Confidential Information.

12.4. The Fairtrade Group strongly depends on the communication of volumes and benefits generated through sales of Fairtrade Products for building of public trust and awareness. That in turn aims at

building transparency and trust with the consumer, thus increasing the value of the Mark for the Licensee. Therefore, the Fairtrade Group will publish

- a. the Licensee's name, Licensee's address, Licensed Products and the countries where the Licensed Products are marketed and, in this context, display Packaging and Promotional Material, and
- b. sales volumes, sales values, licence income, products and territory of sale in an aggregated form in a way that would not allow a third party to conclude sales volumes or values of the Licensee.

12.5. The Licensee acknowledges that information on single operators and their Fairtrade Products as provided in accordance with article 5.3. can be published by the Home NFO and the Fairtrade Group in a way that will not allow a third party to conclude the Licensee's relationship to such operator.

12.6. The Home NFO will handle the Licensee's Confidential Information and Licensee will handle Fairtrade Group's Confidential Information with the same degree of care that it applies to its own Confidential Information, but in no event less than reasonable care.

12.7. The duty of confidentiality does not extend to any Confidential Information which the party to which the information was disclosed ("Receiving Party") can demonstrate: (i) is known or becomes known to the general public without a breach of this Contract or a similar confidentiality obligation; or (ii) was known by the Receiving Party without the Receiving Party being bound to a confidentiality obligation at the time of disclosure by the other party; or (iii) subsequently comes lawfully in possession of the Receiving Party from a third party without confidential limitation or is independently developed by the Receiving Party without breach of this Contract; or (iv) is approved for release by written authorization of the disclosing party, but only subject to such conditions as may be imposed in the written authorization; or (v) has to be disclosed in response to a valid order of a court, regulatory agency, or other governmental body, provided, however, that the Receiving Party first notifies the other party, in writing of the order and cooperates with the other party if the other party desires to seek an appropriate protective order.

13. Assignment and delegation

13.1. The Licensee may not assign, transfer, or in any other manner make over to any third party the benefit or burden of this Contract without the prior written consent of the Home NFO, such consent not to be unreasonably withheld or delayed.

13.2. The Home NFO reserves the right to assign some or all of its rights and obligations arising out of this Contract to Fairtrade International or to the Fairtrade Group, subject to serving prior written notice of such assignment on the Licensee.

13.3. The Licensee may delegate the licence fee payment, reporting, artwork approval and product registration of Licensed Products to another organization according to Appendix 6 subject to approval of the Home NFO. The Licensee remains responsible and liable for all delegated obligations.

14. Interpretation

14.1. This Contract, including its appendices, constitutes the entire agreement between the Parties, and supersedes any previous agreement between the Parties relating to its subject matter.

14.2. The Licensee acknowledges that it is familiar with the latest version of the Trademark Use Guidelines, included in Appendix 5 of this contract, and Fairtrade Standards, referred to in Appendix 3 in this Contract.

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- 14.3. The titles of the articles of this Contract are provided solely for convenience. Only the content of said articles shall prevail.
- 14.4. Should a provision of this Contract be or become null and void in whole or in part, or should a gap in this Contract become evident, the validity of the remaining provisions will not be affected. Instead, provisions will be deemed included that come closest to the parties' original intention according to the purpose of this Contract.
- 14.5. The Home NFO does not take responsibility for any claims made on Packaging or related to the product otherwise and makes no warranties whether express or implied, as to the product sold by the Licensee or seller.

15. Governing law and jurisdiction

- 15.1. Exclusive place of performance and jurisdiction shall be Ireland.
- 15.2. The laws of Ireland govern this Contract and all proceedings arising from it. Both parties irrevocably submit to the exclusive jurisdiction of the courts of that country.

16. Undertaking by the contracting parties:

The Licensee

Date and place:

Legal representative's first and last name

Position

Signature

The Home NFO

Date and place:

Legal representative's first and last name

Peter Gaynor

Position

Executive Director

Signature

Appendices

Appendix 1	Trademark and Territory
Appendix 2	Licensed Products
Appendix 3	Fairtrade Standards and Guidelines
Appendix 4	Sales Reporting, Licence Fee and Payment
Appendix 5	Trademark Use Guidelines
Appendix 6	Delegation

Appendix 1: Trademark and Territory

1. FAIRTRADE Mark:



2. Registrations of the FAIRTRADE Mark, owned by Fairtrade International

- Registered for the European Union at the European Union Intellectual Property Office (EUIPO) with registration nos. 007408917 and 002606994.
- Registered at the World Intellectual Property Organization (WIPO) according to the Madrid Agreement and Protocol with registration no. 806 431.

3. Territory where the FAIRTRADE Mark may be used:

	Mark registered
	Mark not registered

Disclaimer: The trademark details are for the Licensee's information only and are accurate to the best of our knowledge. Every endeavour is made to provide updated and accurate information.

For a full list of territories contact Fairtrade Ireland.

Appendix 2: List of Licensed Products

OPTION A

Product Registration Form Attached.

OPTION B

B. Where the home NFO is using Connect online reporting tool the following procedures apply:

Licensed products, must be approved online in Connect: <https://connectfairtrade.org>

The current list of approved and licensed products, available online and as a downloaded report from Connect, become part of this contract.

Appendix 3: Fairtrade Standards and Guidelines

The current Fairtrade Standards are located online at:
www.fairtrade.net/standards.html

Fairtrade Standards applicable to the Licensee are:

Fairtrade Trader Standard

Appendix 4: Sales Reporting, Licence Fee and Payment

Licence Fees:

Licence fees for the Product(s) / Territory covered by the Contract:

Payment:

1. The Home NFO will send the Licensee an invoice for the licence fee based on the sales report. The Home NFO is entitled to invoice an advance payment per quarter.
2. Invoicing will be done quarterly for the periods of three months ending on March 31, June 30, September 30 and December 31.
3. Invoices are due on receipt

Licence fees shall be payable at Fairtrade Ireland's standard rate of 1.8% of the net invoice value of the Licensee's sales of the Product. The fees scheduled in the table below shall apply to wholesale sales values above €1 million.

Sales up to € 1Million	1.8%
Sales between € 1-2 Million	1.4%
Sales between € 2-3 Million	1.0%
Sales between € 3 -5 Million	0.75%
Sales between € 5-10 Million	0.6%
Sales between € 10-20Million	0.5%
All sales above €20 Million	0.25%

Home NFO may consider adding additional requirements:

1. Late reporting fees:

For all reports submitted after this period the Home NFO will charge the Licensee ...

Examples:

- a) a fixed amount of € 20 per day
- b) a fixed amount of €10 for late reporting and €25 for reports submitted more than 30 days late.
- c) For those Licensees submitting their report on time an incentive of € 20 will be deducted from the total licence fee payment

2. Minimum licence fee:

The minimum licence fee per year is: €200.00 plus Vat. This only applies to the Home NFO market.

3. Automatic licence fee amendment:

In addition to clause 11.4, the Home NFO has the right to adjust the licence fees each year effectively from January 1 in accordance with the Consumer Price Index (CPI) in Ireland. If CPI is no longer calculated, the adjustment will be made according to another equivalent index.

4. Definition of wholesale value:

Licence fees are levied as a percentage of the wholesale value, i.e. the total turnover of a licensee as invoiced to their customers (importer/distributor/retailer).

6. Late payment:

Any amount outstanding beyond the deadline will be liable for interest at xx% per month without prejudice to any other remedy required by the Home NFO.

7. Agreed exchange rate, if applicable:

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For any currency amounts not reported in EURO, the Home NFO will apply the average exchange rate for the quarter of sales reported as published by Oanda historical currency converter, www.oanda.com.

Appendix 5: Trademark Use Guidelines

The following applicable Trademark Use Guidelines are provided separately:

FAIRTRADE International Guidelines for Packaging and Promotional Materials

Appendix 6 - Delegation

The following responsibilities can be delegated:

a. Licence Fee Payment

The Licensee is the party liable for the licence fee as detailed in Appendix 4 of the licence Contract.

The Licensee ensures that each organization below shall effect payment of the licence fee for the Licensee's Licensed Products on behalf of the Licensee until further notice. Such delegation of the payment shall only be allowed in cases where the Licensee buys finished (packaged and labelled) products from the organization.

The Home NFO reserves the right to collect the licence fee from the Licensee anytime the organization has not paid the licence fee invoice according to the payment terms. The Home NFO will issue an invoice to the Licensee for immediate payment and issue a credit note to the delegated organization.

b. Reporting

The Licensee is responsible for providing the Home NFO or a certifier duly authorised by the Home NFO with the appropriate reporting according to 5.2 and 5.3 of the licence Contract.

The Licensee ensures that each organization below submits the appropriate reporting according to 5.2 and 5.3 of the licence Contract for the Licensed Products to the Home NFO or a certifier duly authorised by the Home NFO on behalf of the Licensee until further notice. Such delegation of the reporting shall only be allowed in cases where the Licensee buys finished (packaged and labelled) products from the organization.

The Home NFO or a certifier duly authorised by the Home NFO reserve the right to collect the reporting from the Licensee anytime the organization has not submitted the reports in time (30 days after the end of quarter).

c. Packaging approval

The Licensee is responsible for the design and creation of Packaging and to obtain the Packaging approval according to Article 4 of the licence Contract.

The Licensee ensures that each organization below will obtain the Packaging approval from the Home NFO for the Licensed Products on behalf of the Licensee until further notice. Such delegation regarding the duty to obtain the Packaging approval shall only be allowed in cases where the Licensee buys finished (packaged and labelled) products from the organization. The Licensee is responsible to make sure that the organization follows the instructions of the Home NFO in order not to infringe the Trademark Use Guidelines contained in Appendix 5. Instructions given by the Home NFO to the organization regarding the Packaging shall be binding for the Licensee.

The Home NFO reserves the right to refuse further communication with the organization and refer directly to the Licensee regarding the Packaging approval at all times.

d. Product registration

The Licensee is responsible for the product registration approval as outlined in Appendix 2 of the licence Contract.

The Licensee ensures that each organization below will submit a completed product registration form (Appendix 2) for the Licensed Products to the Home NFO and obtain approval of said form from the Home NFO on behalf of the Licensee until further notice. Such delegation regarding the duty to obtain product registrations approval shall only be allowed in cases where the Licensee buys finished

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(packaged and labelled) products from the organization. The Licensee is responsible to make sure that the organization follows the instructions of the Home NFO in order to ensure traceability and verifiability of the Licensed Product. Instructions given by the Home NFO to the organization regarding the composition of the Licensed Product shall be binding for the Licensee.

The Home NFO reserves the right to refuse further communication with the organization and refer directly to the Licensee regarding the composition and product registration approval at all times.

Below is a list of the delegations agreed, if any.

List of organizations to which the Licensee has delegated responsibilities according to above articles:

FLO-ID	Name and Function of Organization	Responsibility Delegated A,B,C,D	Product / Article

The Licensee commits to inform the Home NFO immediately of any changes in relation to its contractual relationship with any of the organizations mentioned above.