

Appendix 2.

Australian Fibre Collective Inc. Trade Mark Licence Code of Practice.

This code applies:

- to the Board of the Australian Fibre Co-operative Inc. as the licensor of the Registered Trade Mark;
- all licensees of the Australian Fibre Collective Registered Trade Mark; and
- all other persons authorised to use the Australian Fibre Collective Registered Trade Mark.

The Code places a series of obligations on licensees, including:

1. compliance criteria that goods be eligible to bear the Trade Mark;
2. record keeping obligations; and
3. a process for resolution of complaints and disputes. In the event of a complaint or dispute, every licensee must comply with this process.
4. applicants agree to be bound by all of the rules and conditions contained within this Code of Practice.

This Code of Practice in its entirety constitutes the 'rules governing the use of the registered Trade Mark'. A signed Licensee Undertaking (warranty and indemnity) and Licence Agreement are required as a condition of the granting of a licence to use the Australian Fibre Collective Trade Mark.

A licence to use the Trade Mark does not give any entitlement to Full Membership of the Australian Fibre Collective Inc., and a licensee of Australian Fibre Collective does not, by becoming a licensee, acquire any rights, interests or other entitlements with respect to the ownership, management, administration or control of the Australian Fibre Collective Inc. or the Registered Trade Mark.

OBJECTIVES OF THE CODE

The objectives of the Code of Practice are to:

- Provide information to licensees of the Australian Fibre Collective Registered Trade Mark on their rights and obligations to ensure the consistent, correct usage of the Trade Mark;
- Build consumer confidence that goods promoted in association with the Trade Mark are 100% Australian Grown and Manufactured natural fibre products.
- Enable the Trade Mark to be used to raise the profile of goods that are 100% Australian Grown and Manufactured natural fibre products.

The Code of Practice does not take precedence over statutory requirements. It is the responsibility of licensees to ensure that their usage of the Trade Mark does not contravene any statutory requirements.

ADMINISTRATION OF THE CODE

The Australian Fibre Collective Inc. Board is responsible for the administration of the Trade Mark and the maintenance of this Code of Practice.

BECOMING A LICENSEE

Any individual, business or organisation can apply for a licence to use the Trade Mark. Licence fees are payable in relation to the use of the Trade Mark. The goods to which the Trade Mark will be used must be identified on a product list incorporated in the licence application.

All goods promoted in association with the Trade Mark must be 100% Australian Grown and Manufactured fibre products.

Every applicant for a licence is required to:

- execute a Licensee Undertaking consistent with this Code of Practice confirming that the goods identified on their product list are 100% Australian Grown and Manufactured , and that their use of the Trade Mark will be in strict accordance with the rules and conditions; and
- permit audit activity by the Australian Fibre Collective Inc and its audit representatives to ensure that each good bearing the Trade Mark meets the compliance requirements applicable to the representation that is made and that the appropriate licence fee has been paid.
- be or become a member of The Australian Fibre Collective Inc.

The Australian Fibre Collective Inc. reserves the right the refuse any Application. Their decision is final.

OBLIGATIONS OF LICENSEE

Becoming a licensee of the Australian Fibre Collective Registered Trade Mark brings with it a range of obligations, as detailed in this Code of Practice. These obligations range from informational and procedural obligations that relate to the use of a registered trade mark to specific rules regarding the use of the Trade Mark which have been developed to promote compliance with underlying statutory obligations.

Trade Mark SIZE COLOUR AND DESIGN

A licensee or other authorised user of the Registered Trade Mark is not permitted to alter the design or colour of the Trade Mark under any circumstance .However, the Trade Mark can be resized to meet a user's requirements.

THE AUSTRALIAN FIBRE COLLECTIVE Inc. RIGHTS IN REGARDS TO the Trade Mark

A licensee must not challenge or in any manner impugn the Distribution of the Trade Mark by the Australian Fibre Collective Inc. nor the Australian Fibre Collective Inc. right to take appropriate measures for the protection of the Trade Mark.

Every licensee acknowledges that a licensee has no right, title or interest in the Trade Mark other than the rights granted by its licence.

Any licensee who becomes aware of a potential infringement of the Trade Mark should report the matter to the Australian Fibre Collective Inc immediately.

USE OF THE REGISTERED Trade Mark

A licensee may only use the Trade Mark in association with products identified on the licensee's product list, as amended from time to time. These fibre products must be 100%

Australian Grown and Manufactured. They must not contain any fibre produced overseas natural or otherwise (synthetics) they also must not have left Australia prior to having the Trade Mark affixed.

Product exported with the Trade Mark cannot be re-imported and continue to use the Trade Mark. Nor can any percentage of synthetic fibres be incorporated into the product and the product continue to use the Trade Mark.

CONSUMERS / COMPLAINTS and the REGISTERED Trade Mark

Consumers who look for and purchase products promoted in association with the Trade Mark are key stakeholders in the Australian Fibre Collective Inc's campaign. It is vital, therefore, that consumers are certain that the Trade Mark is being used according to the rules and conditions detailed in this Code of Practice, and that any consumer concern about the use of the Trade Mark is addressed in an appropriate manner.

THE COMPLAINTS AND DISPUTE RESOLUTION PROCESS

Misuse of the Registered Trade Mark, whether by a licensee or a non-licensee, is a serious matter which could undermine the integrity and reputation of the Trade Mark in the eyes of licensees and consumers.

The Australian Fibre Collective Inc. undertakes to investigate every such complaint received, and to keep all parties to each complaint informed as to its progress and outcome.

The rules and conditions provided in this Code of Practice establish a complaints and dispute resolution process that applies to The Australian Fibre Collective Inc. and to every licensee. The process includes a compliance investigation phase, involving assessment of the complaint by the Australian Fibre Collective Inc and an appeals mechanism.

RULES AND CONDITIONS

1. The Australian Fibre Collective Inc is the registered distributor of the Trade Mark incorporating the Logo and is the only entity that may verify that products meet the criteria for use of said Trade Mark.
2. Any individual, business or organisation can apply for a licence to use the Trade Mark by completing and lodging the Australian Fibre Collective Trade Mark Licence Application Form.
3. The Australian Fibre Collective Inc. will approve an application for a new licence or renewal of an existing licence where the Australian Fibre Collective Inc. is satisfied that:
 - a. taking into account the information provided in the application and any other relevant information, the fibre products listed in the application are 100% Australian Grown, Manufactured and / or crafted;
 - b. the granting of such a licence is not likely to bring the Trade Mark into disrepute
 - c. the applicant has received a copy of the rules and conditions relating to the use of the Trade Mark and agreed to abide by the rules and conditions;
 - d. the applicant has executed the required Licensee Agreement;
 - e. the applicant has paid the necessary fees
4. The Australian Fibre Collective Inc. has the right to refuse an Applicant the use of the Trade Mark.

5. The Australian Fibre Collective Inc. approval of a licence application will be evidenced by issuing a certificate that is valid for the period specified on the certificate. The right to use this certificate expires upon the termination or expiry of the licence and it must be destroyed immediately upon termination or expiry
6. The Australian Fibre Collective Inc. will maintain a Licensee Register of the following details relating to each current and former licensee:
 - a. registered business name;
 - b. trading name/s;
 - c. Australian Business Number or Australian Company Number (where applicable);
 - d. street address;
 - e. postal address;
 - f. business telephone number;
 - g. nominated contact officer and title of that officer;
 - h. a product list – being a listing of all products identified on the licensee’s application, or as amended from time to time in accordance with these rules and conditions, that have been approved by the Australian Fibre Collective Inc. to be promoted in association with the Registered Trade Mark; and
 - i. a list of dates when the licence to use the Trade Mark was / is valid.
7. The Licensee Register will be made available on the Australian Fibre Collective Inc. website
8. A licensee must notify The Australian Fibre Collective Inc. within 30 days of any change to the details relating to the licence contained on the Licensee Register.
9. A licensee must apply to the Australian Fibre Collective Inc. within 30 days to remove a product from the product list if they no longer meet the requirements (100% Australian Grown and Manufactured fibre product).
10. A licensee must apply to the Australian Fibre Collective Inc. to include a new product on their product list. The application will be approved where the Australian Fibre Collective Inc. is satisfied that:
 - a. taking into account the information provided in the application and any other relevant criteria, the fibre product is 100% Australian Grown, Manufactured and / or crafted and meets licensing criteria;
 - b. the granting of a licence for this product is not likely to bring the Trade Mark into disrepute
11. The Australian Fibre Collective Inc. may at any time remove a product from a licensee’s product list where the Australian Fibre Collective Inc. is satisfied that:
 - a. the product does not meet the compliance criteria to use the Trade Mark;
 - b. the product is likely to bring the Trade Mark into disrepute
12. Each licensee must:
 - a. establish and maintain policies and systems to meet their obligations under these rules and conditions including, where appropriate, establishing compliance programs;
 - b. ensure that these policies and systems recognise all underlying statutory obligations;

- c. ensure that all relevant employees and agents are aware of these rules and conditions;
 - d. permit the Australian Fibre Collective Inc. and / or any auditor appointed by the Australian Fibre Collective Inc. to obtain access during normal working hours to such records and to make such inspections, take samples and make enquiries as are necessary to establish whether the Trade Mark has been used in accordance with these rules and conditions and provide access to information about the policies and systems maintained under this rule sufficient to establish their effectiveness.
- 13.** A licensee shall not misrepresent the scope of its licence nor use the Trade Mark in any manner which contravenes the rules and conditions for its use.
- 14.** The Trade Mark is available for use by each licensee in relation to the goods identified on its product list, as amended from time to time, in accordance with these rules and conditions, and then only where the use of the Trade Mark is in accordance with these rules and conditions and where the use of the Trade Mark and associated representations does not conflict with any underlying statutory obligation
- 15.** Every licensee is liable in relation to the compliance of its usage of the Trade Mark.
- 16.** A licensee shall not share the Trade Mark or authorise its use by any other party who is not licensed to use the Australian Fibre Collective Trade Mark.
- 17.** The Australian Fibre Collective Inc. will have the right to terminate a licence by notice in writing to a licensee upon the happening of any of the following events:
- a. If the licensee fails to renew its licence within 30 days of the licence expiry date;
 - b. If the licensee ceases to carry on the business of selling the products identified on its product list;
 - c. If the licensee is found to have committed a breach of the rules and conditions set out in this Code of Practice;
 - d. If the licensee through any act or omission generates a circumstance that is reasonably likely to damage the reputation of the Australian Fibre Collective Inc, or the Trade Mark;
 - e. If the licensee challenges the Australian Fibre Collective Inc's rights as the distributor of the Registered Trade Mark
- 18.** A licensee wishing to terminate or not renew a licence shall give the Australian Fibre Collective Inc. notice in writing and shall be liable for payment of all licence fees due at the date such termination takes effect.
- 19.** The licence must be kept in force and the appropriate licence fee paid while the licensee is still selling products carrying the Trade Mark. Not to do so would breach the Trademark Licence.
- 20.** Following termination of a licence, the licensee must:
- a. within 30 days or some other period determined by the Australian Fibre Collective Inc. cease to use the Trade Mark in any manner whatsoever and will not at any time thereafter use the Trade Mark or any other name or sign that is deceptively similar to the Trade Mark.
 - b. immediately remove or cause to be removed from public display any sign, label or poster incorporating the Trade Mark that is in the possession, power or control of the licensee; and

c. from the date of termination, not hold itself out as being in any way associated with the Australian Fibre Collective Inc or the Trade Mark.

21. Compliance criteria relating to the use of the Registered Trade Mark

a. All fibres included in the product must have been grown in Australia

b. Fibres may be of **natural** animal or plant origin only.

c. All processes involved in the production, manufacturing and /or crafting of the goods must have taken place in Australia.

d. The goods must not have left Australia for any reason at any stage prior to the Trade Mark being used.

e. Products containing fibres of synthetic (man-made) or natural origins from other countries are **ineligible** to use the Trade Mark even if those fibres are unable to be produced in Australia.

22. A licensee shall only use the Trade Mark in relation to those goods which are identified on its list of approved products as amended by the Australian Fibre Collective Inc. from time to time.

23. Where there is a change to a production process so that a product included on a licensee's product list no longer meets the compliance criteria set out in Rule 20, the licensee must advise Australian Fibre Collective Inc. immediately and cease using the Trade Mark in relation to that good.

24. Where:

a. the sourcing of a component of production or manufacture of a good included on a licensee's product list changes so that the good no longer meets the compliance criteria set out in Rule 20;

b. any other event occurs such that the good no longer meets the compliance criteria set out in Rule 20;

the licensee must advise Australian Fibre Collective Inc. immediately and cease using the Trade Mark in relation to that product.

25. Each licensee shall maintain sufficient documentary records to substantiate the compliance of the goods identified on its product list, as amended from time to time, with the compliance criteria provided at Rule 20 and to satisfy the Australian Fibre Collective Inc. as to the sales of licensed products. These records must be made available to the Australian Fibre Collective Inc. and its audit representatives on request

26. The Trade Mark may not be applied to products, packaging or point of sale material where the products are packed outside of Australia.

27. Where the Australian Fibre Collective Inc. receives a complaint about the use of the Trade Mark:

a. it will inform the complainant, in writing or by email within 14 days of receiving the complaint, of what actions the complainant may themselves take to pursue the matter, including their statutory consumer rights, and what actions will be taken by Australian Fibre Collective Inc. to investigate and resolve the complaint.

- b. The Australian Fibre Collective Inc. will then initiate a compliance investigation in relation to the complaint.
- 28.** The Australian Fibre Collective Inc. shall follow the following procedures in relation to complaints regarding the use of the Trade Mark:
- a. The Australian Fibre Collective Inc. will issue to that licensee a notice advising that a complaint has been received, describing the nature of the complaint together with a request for relevant compliance-related information
 - b. Upon receiving such notification from the Australian Fibre Collective Inc. the licensee will respond to the Australian Fibre Collective Inc., in writing within 14 days, attaching the requested information
 - c. The Australia Fibre Collective Inc. will evaluate the licensee's response to determine whether or not the complaint is valid. This evaluation may include further investigations and enquiries, including site inspections, provided that the Australian Fibre Collective Inc. has given the licensee reasonable notice of such inspection.
 - d. Should the compliance investigation determine that the complaint against the licensee is valid, the sanctions detailed in these rules and conditions become available to the Australian Fibre Collective Inc.
- 29.** Where the complaint involves use of the Trade Mark by a non-licensee:
- a. The Australian Fibre Collective Inc. will write to the non-licensee in question setting out the circumstances under which the Trade Mark may legally be used, and request that the non-licensee take action to rectify the situation.
 - b. if the complaint has not been resolved within 21 days of the initial notice, the Australian Fibre Collective Inc. may have recourse to other action, including legal action and / or referral of the complaint to appropriate state or federal bodies.
- 30.** The following sanctions are available to The Australian Fibre Collective Inc.
- a. withdrawal of offending representations and/ or publication of corrective statements, at the expense of the licensee and as directed by the Board for the Australian Fibre Collective Inc;
 - b. naming and publication of details of a breach of these rules and conditions in the Annual Report of the Australian Fibre Collective Inc and / or on the Australian Fibre Collective Inc. website;
 - c. recovery of any underpayments of licence fees;
 - d. suspension of a licence for a specified period; and
 - e. termination of a licence.
- 31.** In any instance where the Australian Fibre Collective Inc. suspends or revokes a licence in accordance with these rules and conditions, or where a licensee voluntarily terminates their licence, all licence fees are forfeited to the Australian Fibre Collective Inc.
- 32.** The Australian Fibre Collective Inc. will undertake such activities as it deems appropriate to promote the adoption, recognition and relevance of the Trade Mark in the Australian community and in export markets

33. The Australian Fibre Collective Inc, and its Governing Board may use the Trade Mark for administrative, educational, advertising and promotional purposes (provided that the Trade Mark is not used in relation to particular products except where its use for this purpose has been licensed in accordance with this Code of Practice);
34. The Board of the Australia Fibre Collective Inc. may authorise the use of the Trade Mark for administrative, educational, advertising and promotional purposes by specified persons on terms determined from time to time by the Board of Management, consistent with the objectives of the Code of Practice
35. The Australian Fibre Collective Inc Board may authorise the reproduction of the Trade Mark in publications such as textbooks and newspaper or magazine articles.
36. These rules and conditions do not take precedence over any Commonwealth, State or Territory statutory requirement.

Warranty and indemnity

1.1 Warranty by the Member

In consideration of being authorised to use the Trade Mark by the Licensor and in accordance with Code of Practice, the Member warrants that:

- a. the Member agrees to be bound by the rules and conditions outlined in the Code of Practice
- b. the Member acknowledges that the Trade Mark Licence does not entitle them to voting rights with the Australian Fibre Collective Inc
- c. the Member will ensure that the products at all times comply with the rules and conditions for the use of the Trade Mark as detailed in the Code of Practice and, in particular, that each of the products meets the relevant criteria set out in the Code of Practice for use of the Trade Mark with the origin claim to be made in respect of the product;
- d. the Member will maintain documentary records sufficient to demonstrate the compliance of the Product /s with the relevant criteria set out in the Code of Practice;
- e. the Member will cooperate fully with the Australian Fibre Collective Inc or its representatives if required to submit to a compliance audit or investigation in respect to its use of the Trade Mark;
- f. all material published by the Member on the Australian Fibre Collective Inc. website is true and correct, complies with the law and does not infringe the rights of any third party;
- g. the person signing this warranty and indemnity is authorised to do so on behalf of the Licensee.

1.2 Indemnity by the Member

- a. The member must indemnify and keep indemnified the Australian Fibre Collective Inc. against any claims made by any third person in connection with the Member's use of the Trade Mark.
- b. The Member will also indemnify the Australian Fibre Collective Inc. against all losses, costs, demands, expenses and liabilities whatsoever arising out of or referable to any

circumstances which would not have arisen but for a breach of the warranties given in clause 1.1.

2. Continuing Obligation

The indemnity stated in clause 1.2 is a continuing obligation separate and independent from the Member's obligations under Code of Practice and survives the term of any authorisation to use the Trade Mark granted to the Member pursuant to the Code of Practice. It is not necessary for the Australian Fibre Collective Inc to incur any expense or make payment before enforcing such indemnity.

3. Governing Law.

This warranty and indemnity will be construed in accordance with and be governed by the laws of the State of Victoria and the parties hereby submit to the jurisdiction of the Courts of the State of Victoria including the Federal Court of Australia.