

**THE WOOLMARK COMPANY PTY LTD
ACN 067 866 657**

WOOLMARK SCHEME

Rules Governing the Use of a Certification mark

September 2016

TRADE MARKS ACT 1995

IN THE MATTER of

Certification Trade Mark
Application No. 1795895 as
specified in the Schedule 1
in the name of The
Woolmark Company Pty Ltd

RULES GOVERNING THE USE OF A CERTIFICATION MARK

1. DEFINITIONS

In these Rules, unless the context otherwise requires:

- (a) **"Acceptance Testing"** means the initial testing of the Products for compliance with relevant Specifications in accordance with Rule 6.
- (b) **"Applicant"** means any Person applying to become an Approved User of a Mark.
- (c) **"Approved User"** means a Person approved by the Company under these Rules to use a Mark in relation to Products.
- (d) **"Authorised Laboratories"** means the entities authorised by or on behalf of the Company in accordance with these Rules for the purpose of testing whether Products meet the Specifications.
- (e) **"Company"** means The Woolmark Company Pty Ltd (ACN 067 866 657) of Level 30, 580 George Street, Sydney NSW 2000, Australia.
- (f) **"Licence Agreement"** means a more detailed written agreement entered into by the Approved User with the Company providing for the use of a Mark by the Approved User with respect to particular Products in a manner consistent with these Rules, as amended from time to time.
- (g) **"Licence Year"** means from the date of first execution of a Licence Agreement until 30 June, and thereafter from 1 July to 30 June.
- (h) **"Mark"** means each certification mark represented in, and the subject of the registrations set out in, Schedule 1.
- (i) **"Person"** means any individual or any body of persons corporate or unincorporate.
- (j) **"Products"** means, in relation to a Mark, goods for which that Mark is registered, currently being those goods specified adjacent to the Mark in Schedule 1, which are manufactured by or on behalf of an Approved User, and in relation to which the Mark is used or proposed to be used.
- (k) **"Quality Assurance Testing"** means the ongoing testing of the Products for compliance with relevant Specifications in accordance with Rule 6.2.
- (l) **"Rules"** means these rules, including any schedules attached to them.

- (m) "**Specifications**" means the technical and other specifications prescribed by the Company for the Products, described in Schedule 2, and as amended by the Company from time to time in accordance with these Rules.

2. PROPRIETORSHIP

- 2.1. The Mark is the absolute property of the Company in the country of registration and may not be used by any Person except under and in accordance with these Rules, or with the Company's express consent.

3. REGISTER

- 3.1. The Company will keep a register at its registered office containing the following details with respect to each Approved User:
 - (a) the name and address of the Approved User;
 - (b) a description of the Products for which the Approved User is approved to use the Mark; and
 - (c) the date it became an Approved User and particulars of the issue, cancellation or expiry of any Licence Agreement.
- 3.2. The register will be available for inspection by the public on reasonable terms.

4. CERTIFICATION

- 4.1. The Mark certifies that the Product bearing the Mark has been certified by the Company with respect to the material content, mode of manufacture, treatment, quality, technical performance, geographic origin, style or other characteristics, as set out in Specifications.
- 4.2. The Mark may only be used by Approved Users in relation to Products which comply with the Specifications.

5. REQUIREMENTS FOR AN APPROVED USER

- 5.1. Any Person may apply to the Company to become an Approved User of a Mark with respect to specified Products by completing an application in the form required by the Company from time to time.
- 5.2. Upon request the Company will provide to an Applicant a copy of the Specifications for the Products for which the Applicant seeks approval to use the Mark and a copy of the Licence Agreement.
- 5.3. An Applicant must provide to the Company such information as the Company may reasonably require in order to satisfy the Company that the Applicant carries on, or intends to carry on, a bona fide business in relation to the relevant Products, and has the necessary skills, experience, reputation and resources to ensure that the Products comply with the Specifications, and otherwise to ensure compliance with the Rules in all respects in relation to its use of the Mark.
- 5.4. An Applicant will become an Approved User with respect to Products for which it has applied under the Mark where it has:

- (a) satisfied the Company as to the matters specified in Rule 5.3 with respect to its proposed use of the Mark;
 - (b) provided the Company with evidence that each of the Products has satisfied Acceptance Testing and meets the Specifications;
 - (c) entered into a Licence Agreement with the Company in the manner set out in Rule 7 with respect to those Products; and
 - (d) paid all fees required under Rule 9.
- 5.5. If the Applicant does not meet the requirements set out in Rule 5.4, the Company will inform the Applicant and, subject to any appeal by the Applicant in accordance with Rule 12, the Applicant's application to become an Approved User in relation to its Products will be declined.
- 5.6. Nothing in these Rules:
- (a) requires the Company to consider an application to become an Approved User where the Applicant has not paid to the Company the fees required under Rule 9; or
 - (b) prevents an Applicant from making further applications to the Company to become an Approved User with respect to Products, including by submitting further samples of Products for testing, subject to the payment of any applicable fees.
- 5.7. In order to continue as an Approved User in relation to the Products, the Approved User must:
- (a) comply with the Quality Assurance Testing requirements for the Products;
 - (b) pay all licence fees referred to in Rule 9.3; and
 - (c) otherwise comply with the terms of the applicable Licence Agreement for the Products.

6. TESTING

- 6.1. For each new Product for which certification is sought, an Applicant must, at its cost and in accordance with the requirements of these Rules and in compliance with any requirements set out in the Licence Agreement, submit samples of the relevant Products for Acceptance Testing by an Authorised Laboratory (not being the Applicant) to confirm the Products comply with the Specifications. The Mark must not be used in relation to a Product until Acceptance Testing confirms that the Product complies with the requirements of the Specifications to the reasonable satisfaction of the Company, and the Applicant has become an Approved User with respect to such Product.
- 6.2. Each Approved User must, from time to time at the request of the Company (but no more than 12 times in any Licence Year), at its cost and in compliance with any requirements set out in the Licence Agreement, submit additional samples of the Product for Quality Assurance Testing by an Authorised Laboratory to ensure the Products comply with the Specifications.

6.3. If the Quality Assurance Testing shows a Product does not comply with the Specifications, the Company without limiting its other rights or remedies may by notice in writing, at its discretion, require the Approved User, with respect to that Product and such additional Products as determined by the Company, to do one or more of the following:

- (a) cease all use of the Mark in relation to the Product(s);
- (b) cease all supply of the Product(s);
- (c) undertake, at its cost, further testing of the Product(s) in such manner as is directed by the Company; and
- (d) such further action as the Company considers appropriate to maintain the reputation, integrity and validity of the Mark.

7. AUTHORISED LABORATORIES

7.1. The Company or its authorised representatives may appoint Authorised Laboratories to carry out, on the Company's behalf, testing of Products supplied by Applicants and Approved Users.

7.2. In order to become an Authorised Laboratory a Person must:

- (a) apply to the Company to become an Authorised laboratory of the Company, including providing such information as is required from time to time and paying any applicable fee;
- (b) satisfy the Company that it has the necessary skills, expertise, resources, qualifications, facilities and reputation appropriate for developing and conducting testing to assess whether Products comply with the Specifications; and
- (c) enter into and comply with a written agreement (in a form reasonably required by the Company or its authorised representatives) to act as an Authorised Laboratory on behalf of the Company.

7.3. An Approved User may apply for accreditation as an Authorised Laboratory testing for its own Products to undertake Quality Assurance Testing. An Approved User may not apply for accreditation as an Authorised Laboratory for Acceptance Testing of its own Products.

8. LICENCE AGREEMENT

8.1. An Applicant wishing to become an Approved User with respect to a Product must enter into a licence Agreement issued by the Company which provides for the use of the Mark with respect to that Product. Where the Approved User is also a licensee or user of an equivalent mark in other jurisdictions, the Licence Agreement may include the owners of the Mark in such other jurisdictions as parties.

8.2. If the Company is satisfied that the requirements set out in Rule 5.4(a) are met by the Applicant and provided that the Applicant has:

- (a) supplied to the Company a Licence Agreement issued by the Company or its authorised representative for the relevant Products properly executed on behalf of the Applicant; and

(b) paid to the Company any applicable licence fee referred to in Rule 9.2,

the Company or its authorised representative will counter-sign the Licence Agreement and provide the Applicant with a copy of the fully executed Licence Agreement.

- 8.3. Subject to the provisions of these Rules and the Approved User's compliance with any applicable Licence Agreement, the Licence Agreement will continue in force from Licence Year to Licence Year unless terminated earlier in accordance with its terms or these Rules.
- 8.4. On proof to the satisfaction of the Company of the loss or destruction of any Licence Agreement that is in force, and on compliance by the Approved User with such conditions as the Company may think fit to impose in respect of such issue, the Company may issue a duplicate of the Licence Agreement.
- 8.5. If there is any inconsistency between a Licence Agreement and these Rules, the Rules will prevail to the extent of the inconsistency.

9. FEES

- 9.1. Prior to the Company assessing each application to become an Approved User in relation to each Product the Applicant must pay to the Company or its Authorised Representative for each application a non-refundable application fee in an amount notified by the Company from time to time. The amount of the non-refundable application fee payable will be provided by the Company to the Applicant upon request.
- 9.2. Prior to an Applicant becoming an Approved User in accordance with Rule 5.4, the Applicant must pay to the Company any applicable upfront licence fee specified in the relevant Licence Agreement as being payable on or before the date of execution of that Licence Agreement for the first Licence Year. The applicable licence fees and timing for their payment will be provided by the Company to the Applicant upon request.
- 9.3. Where an Approved User wishes to continue as an Approved User in relation to a Product, the Approved User must pay to the Company all upfront, periodic or ongoing licence fees specified in the relevant Licence Agreement for that Product in the manner specified in the Licence Agreement. Any fee payable prior to the commencement of each subsequent Licence Year must be paid at least 30 days prior to the start of the Licence Year.
- 9.4. The Company will also be entitled to charge Applicants and Approved Users fees in connection with any inspection, testing or supervision of Products, facilities, premises, materials, control systems and other things, and Applicants and Approved Users will be responsible for paying all costs and expenses incurred by or on behalf of the Company or its authorised representatives in connection with such inspection, testing and supervision in the manner specified in the Licence Agreement.

10. CONDITIONS OF USE OF MARKS

10.1. The Mark may only be used by an Approved User:

- (a) in accordance with these Rules;

- (b) in relation to Products which comply with all applicable Specifications; and
- (c) in accordance with the terms of the applicable Licence Agreement, including requirements with respect to sourcing of approved labels and their use, compliance with brand guidelines and other requirements affecting the use of the Mark.

11. CONSEQUENCES OF NON-COMPLIANCE WITH RULES

- 11.1. In addition to any other rights it may have under these Rules or any applicable Licence Agreement, the Company may immediately cancel the right to use the Mark and any Licence Agreement of an Approved User by giving written notice to the Approved User if the Approved User commits any breach of these Rules and fails to remedy the breach within 30 days of receiving written notice to do so.
- 11.2. Upon the termination or expiry of the Licence Agreement of an Approved User for any reason in accordance with its terms, the Approved User will cease to be an Approved User and must cease all use of the Mark in relation to the relevant Products in the manner specified in the Licence Agreement.

12. APPEALS AND DISPUTE RESOLUTION

- 12.1. In the event of:

- (a) an application for approval as an Approved User being refused;
- (b) the Company not being satisfied of any of the matters set out in Rule 5.4(a); or
- (c) the Company determining that any of the Approved User's Products do not comply with the Specifications,

the relevant Applicant or Approved User may appeal against the Company's decision during the period of thirty days immediately succeeding the date of the Company's decision by giving written notice to the Company. Within thirty days of the Company's receipt of the notice of an appeal, the Chief Executive Officers (or in the case of the Company, his or her delegate) of each party must negotiate with each other in good faith in an attempt to resolve the issue, failing which the issue will be referred to and finally settled by arbitration by the Institute of Arbitrators and Mediators Australia in Sydney in accordance with the UNCITRAL Arbitration Rules then in effect. The appointing authority will be the Institute of Arbitrators and Mediators Australia, and the arbitration will be conducted by a sole arbitrator in the English language.

- 12.2. Nothing in this Rule 12 prevents a party from bringing proceedings for urgent interlocutory relief in a court of competent jurisdiction.

13. POWER TO AMEND

- 13.1. Subject to the *Trade Marks Act 1995* (Cth), the Company may alter:

- (a) any provision forming part of these Rules or the Specifications, with respect to existing Approved Users, by giving at least twelve months' written notice and, in relation to any new Approved User during that notice period, by giving prior notice of the proposed effective date prior to signature of the applicable Licence Agreement, subject to any approval required to be obtained from any applicable regulator; and

- (b) any provision in an existing Licence Agreement in accordance with its terms (provided that a Licence Agreement may not be varied so as to be inconsistent with these Rules).

14. DELEGATION OF POWERS

14.1. The Company may from time to time exercise any or all of its powers or rights, or satisfy any of its obligations, under these Rules by one or more representatives duly appointed by the Company, subject always to such conditions as the Company may from time to time impose.

15. GENERAL

15.1. Any notice given under these Rules may be served by hand, by post, by e-mail or by facsimile. In the case of an Applicant or Approved User being the recipient, the notice must be sent to the address, facsimile number or email address notified by the recipient, and in the case of the Company being the recipient, to the following:


Address:	The Woolmark Company Pty Ltd Level 6, 68 Harrington Street The Rocks Sydney NSW 2000, Australia
Contact Person:	General Manager International Network & Woolmark
Email:	licensing@wool.com
Copy to:	Company Secretary
Facsimile:	+61 2 8295 4100

15.2. When reading these Rules, unless the context requires otherwise:

- (a) words beginning with capital letters have the meaning set out in Rule 1;
- (b) headings are for convenience only and do not affect interpretation; and
- (c) the words "including" or "includes" are not words of limitation.

15.3. The provisions of these Rules are severable. If any provision of these Rules is found to be invalid or unenforceable then the provision is to be severed from the remainder of these Rules which are to remain in full force and effect.

SCHEDULE 1 - MARKS AND PRODUCTS

<u>Mark</u>	<u>Application No.</u>	<u>Classes</u>	<u>Products</u>
	1795895	12 & 18	Class 12: Goods in this class made wholly or partly from wool or other fibres whether natural or otherwise Class 18: Goods in this class made wholly or partly from wool or other fibres whether natural or otherwise

SCHEDULE 2- SPECIFICATIONS

Copies of current Specifications are available from the Company.

<u>Specification Number</u>	<u>Specification Title</u>	<u>Effective date</u>
IB-3: 2016	Pile Bedding Products	1 January 2016
IF-1: 2016	Furnishing Fabrics	1 January 2016