



Australian
Competition &
Consumer
Commission

PO Box 1199
Dickson ACT 2602
470 Northbourne Ave
Dickson ACT 2602
ph (02) 6243 1111
fax (02) 6243 1199
www.accc.gov.au

Our Ref: C2004/264
Your Ref: TM 155
Contact officer: Danielle Jolly
Contact phone: 02 6243 1208

18 May 2005

The Registrar of Trade Marks
IP Australia
PO Box 2000
WODEN ACT 2606

IP Australia
20 MAY 2005

Dear Registrar

Certification Trade Mark Applications 981080 and 981082

The Australian Competition and Consumer Commission (the ACCC), in accordance with the provisions of the *Trade Marks Act 1995*, has completed its final assessment of Certification Trade Marks (CTMs) numbers 981080 and 981082.

A certificate detailing the ACCC's assessment is attached, as well as a certified copy of the rules. The applicant has been notified.

If you have any queries on this matter, please contact Danielle Jolly on 6243 1208.

Yours sincerely

Isabelle Arnaud
Director
Adjudication Branch





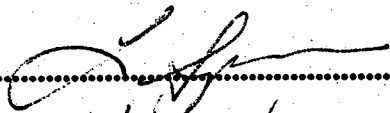
**Australian
Competition &
Consumer
Commission**

**Final Assessment of Certification Trade Mark Applications 981080 and 980182 lodged
by the Mongolian Fibermark Society**

The Australian Competition and Consumer Commission (the ACCC), in accordance with the requirements of the *Trade Marks Act 1995*, has completed its Final Assessment of the above Certification Trade Mark (CTM) application.

The ACCC's Final Assessment is that it is satisfied that:

- (a) the approved certifiers are competent to certify the goods in respect of which the CTMs are to be registered;
- (b) the rules governing the use of the CTMs would not be to the detriment of the public; and
- (c) the rules governing the use of the CTMs are satisfactory having regard to the principles relating to restrictive trade practices set out in Part IV of the *Trade Practices Act 1974* (the Act); the principles relating to unconscionable conduct set out in Part IVA of the Act; and the principles relating to unfair practices, product safety and product information set out in Part V of the Act.

Signed.....  (Deputy Chair)

Date..... 18/05/2005

MONGOLIAN FIBERMARK SOCIETY

Rules governing the use of the Mongolian FiberMark Society Certification Mark

Interpretation

- "Applicant" – a company or person applying to use the Certification Mark
"Approved Certifier" – the Mongolian Fibermark Society or its delegate
"Approved User" – person who can use the Certification Mark under the Usage Rules Agreement
"Company" – organizations that manufacture and sell cashmere products
"Goods" – the items listed in Schedule B of the Usage Rules Agreement.
"Mark" – the trade marks pictured in Schedule 1 of the Usage Rules Agreement
"Owner" – the owner (Mongolian Fibermark Society) of the certification mark
"Society" – the Mongolian Fibermark Society
"Standards" – as set out in Schedule C of the Usage Rules Agreement
"Testing Procedures" – as set out in Annexure B.
"Usage Rules Agreement" – as set out in Annexure A.

1. Scope of the rules

- 1.2.1 The mark is to be used to indicate that Goods bearing the Mark are certified by the Owner with respect to their origin, quality characteristics and or other subject matter specified in the Standards.
- 1.2.2 An Approved User is entitled to use the mark only in relation to those Goods which have been certified by the Owner. Certification shall be deemed to be granted upon execution of a Usage Rules Agreement by an Applicant and the Owner.

2. Property in the mark

All right, title and interest in the mark including the goodwill therein are the absolute property of the Owner and the Marks shall not be used by any other person except under the authority of the Usage Rules Agreement.

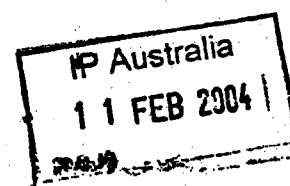
3. Application of Standards and testing specifications

The mark may be used only upon and in relation to Goods which conform to such standards as determined pursuant to testing specifications.

Certified copy
pursuant to section 175(2)(b)
of the *Trade Marks Act 1995*


.....
Commissioner

18/05/05
Date



4. Testing Procedures

In determining whether or not any Goods comply with the Standards, the Owner or any other Approved Certifier, at the relevant Applicant's or Approved User's expense, must test such Goods in accordance with the Testing Procedures.

5. Applications for use of the Mark

A company or person wishing to use the Mark must apply to the Owner for permission specifying the relevant Goods in relation to which he seeks to use the Mark and the manner in which he seeks to use the Mark.

5.1 To obtain the Owner's permission to use the Marks, Applicants must:

5.2 Submit an application that includes a narrative of control procedures that pertain to quality.

5.3 Show proof of the purchase of Mongolian origin cashmere e.g. a certificate of origin from the Mongolian Chamber of Commerce or invoice from a Society approved re-seller of Mongolian cashmere.

5.4 Send a product fiber sample for inspection and testing by the Owner for each new product for which approval is requested.

5.5 Submit proposed product labeling as pertaining to fiber content.

5.6 Agree to spot checks of production facilities, raw material storage and processing facilities, and random sampling of manufactured products off the shelf.

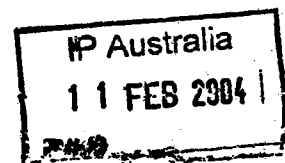
5.7 Pay an application fee which covers cost of product testing, spot checks, and enforcement. Cashmere companies producing significant quantities of finished products may apply for bulk licensees.

6. Notice of Approval

Within 30 days of the Owner's receipt of the goods for evaluation the Owner shall notify the Applicant in writing of the Owner's approval.

7. Rights of Approved User

1. Only after approval has been given and a Usage Rules Agreement executed shall the Applicant have the right to use the mark in relation to Goods certified by the Owner. Use



shall be in accordance with the terms and conditions of the Usage Rules Agreement. It is the Approved User's responsibility to ensure all Goods labeled with the Mark are consistent with the Standards.

8. Notice of Refusal to grant approval for use

If the Owner disapproves the products the Owner within 30 days of the receipt of the Goods will specify in writing the reason for the disapproval and the actions that the Applicant must take to obtain approval.

9. Termination

In the event that an Approved User shall, at any time fail to make payments, render reports or otherwise fully and timely comply with all conditions herein or those in the usage rules agreement, the Owner shall have the right to notify approved user of such default and the Owner's intention to terminate the Usage Rules Agreement unless the Approved User corrects or initiates good faith efforts to correct such default within thirty (30) days from the mailing date of such notice. If such default is not corrected or Approved User does not initiate good faith efforts to correct such default within the aforementioned time period, the Owner shall be entitled, without prejudice to any of its other rights that the Usage Rules Agreement confers upon the Owner to terminate this Usage Rules Agreement at any time thereafter by sending a written notice of termination to approved user to take effect immediately. Waiver by the Owner of any specific default or breach shall not be deemed to be a waiver of any other or subsequent default or breach.

10. Register

The Owner will establish and maintain a register containing:

- (a) the name, address for service and trade description of each approved user;
- (b) the date of the relevant Usage Rules Agreement; and
- (c) the Goods of each approved user which have been certified.

11. Conditions under which the approved user may use the mark

The approved user shall at all times display and use the Mark only in the form and style that Owner designates and in no event shall an Approved User use the Mark in a form or style that Owner has not approved in advance in writing.

The Owner encourages current Approved Users to use the mark in advertising. Advertisements that use the mark must be submitted to the Owner before public display.

It is the Approved User's responsibility to make sure that all Goods labeled with the certification should be consistent with the Standards set out in this regulation or rules as published from time to time.

12. Revocation

The Owner for any reason, may at its discretion withhold or revoke permission for an Approved User to make a public display of the mark.

13. Dispute Resolution and Appeals

13.1 Arbitration of Disputes.

Except as otherwise provided herein with respect to any party's right to seek equitable relief, any unresolved disagreement, difference of opinion, dispute, claim, cause of action or controversy that the parties may now have or at any time in the future claim to have based in whole or in part, or arising from or out of or that in any way is related to the certification, refusal or revocation of certification, negotiations, execution, interpretation or enforcement of the Usage Rules Agreement (individually, an "Action," and collectively, the "Actions"), and shall be finally settled pursuant to the Rules of Conciliation and Arbitration of the International Chamber of Commerce. Arbitration proceedings will be held in a city and country that the Owner selects.

13.2 Award Final And Binding.

The arbitration award shall be final and binding upon the parties thereto, and judgment may be entered thereon upon the application of any such party in any court of competent jurisdiction anywhere the party against whom the award is rendered does business or has assets of any kind. The arbitration award shall be immediately enforceable against the losing party without any further proceedings. Each party shall bear the costs of preparing and presenting its case. However, the other costs of arbitration (including the fees and expenses of the arbitrator) will be borne by the losing party, unless the award otherwise provides.

13.3 Arbitrator Selection.

Any Action that the parties submit to arbitration shall be decided by one arbitrator, which arbitrator shall be selected by such parties and if the parties cannot agree on the arbitrator, then in the following manner: each party shall choose one arbitrator and the arbitrators so chosen jointly shall select a "third arbitrator," who shall serve as the sole Arbitrator for purposes of resolving the Action. In all events, the arbitrators so selected shall have had substantial experience in the licensing of intellectual property rights and in arbitrating national as well as international commercial disputes. Such selection shall be final and binding upon the parties.

13.4 Court Action.

With respect to seeking remedies available hereunder other than monetary remedies, either party may apply to any court of competent jurisdiction subject to the provisions of Paragraph 19 hereof, in order to seek an injunction, specific enforcement or any other equitable relief in order fully to enforce the provisions of this Agreement.

14. Notices

All notices and payments provided for in these rules or the licensing agreement shall be given or made by personal delivery, facsimile, electronic transmission, hand delivery or any other method, or by certified mail return receipt requested to the address set forth below or to such other address as may be designated in writing by from time to time. If given or made by personal delivery, notices and/or payments shall be effective on the date of personal delivery and if given or made by certified mail return receipt requested they shall be effective on the date of mailing unless otherwise provided herein.

Mongolian FiberMark Society.
Room 219 Mongolian Trade Unions Federation Building
Sukhbaatar's Square 3
Ulaanbaatar 11
Mongolia

15. Miscellaneous

The identity of the Applicants shall be treated by the Owner as confidential. All information of a confidential nature given by Applicants or Approved Users to the Owner shall be treated as confidential unless the Owner has received written permission from the Applicant or Approved user that any such information may be divulged.

ANNEXURE A

CERTIFICATION MARK STANDARDS AND USAGE RULES AGREEMENT

The Mongolian FiberMark Society ("Society") is the owner of all right, title, and interest in and to the certification mark that includes MONGOLIAN CASHMERE & Design as shown in Schedule A ("Mark").

Society has the right to enter into agreements throughout the geographic area set forth on Schedule B ("Territory") concerning use of the Mark in connection with the products listed in Schedule B ("Eligible Products").

Company desires to obtain the non-exclusive right to use the Mark throughout the Territory on or in connection with Company's products to certify that they meet Society's standards set forth in Schedule C ("Standards")

1. **GRANT. Non-exclusive License.** Conditioned upon and subject to Society's written notice to Company that Society has evaluated Company's Products listed on Schedule D ("Company's Products") and certifies that they fully meet the Standards and Company's timely and full performance of Company's obligations hereunder, Society grants to Company the non-exclusive license and right to use the Mark throughout the Territory only on or in connection with Company's Products that Society indicates fully meet the Standards ("Certified Products"). This grant shall be subject to termination as expressly set forth herein. Company accepts this license.

2. **TERM. Commencement and Expiration Dates.** This Agreement shall be in effect starting on the commencement date specified on the attached Schedule E ("Commencement Date") and ending on the expiration date specified on Schedule E ("Expiration Date"), unless renewed or extended upon mutual written agreement of Society and Company, or unless terminated earlier as provided for herein.

3. **PRODUCT EVALUATION. Fee.** For and in consideration of Society's services, Company agrees to pay directly to Society, no later than the payment date set forth on Schedule E ("Evaluation Payment Date"), a nonrefundable evaluation fee in the amount set forth on Schedule E ("Evaluation Fee") for the services and material Society provides in connection with evaluating Company's Products for purposes of determining whether they meet the Standards.

4. **CERTIFICATION. Fee.** In the event that Society gives Company written notice that Society has evaluated Company's Products and certifies that they fully meet the Standards, no later than the payment date set forth on Schedule E ("Certification Payment Date"), Company shall pay Society a nonrefundable certification fee in the amount set forth on Schedule E ("Certification Fee").

5. **CERTIFICATION RENEWAL. Renewal Certification Fee.** Unless this Agreement is terminated earlier or is not renewed because Company's Products no longer fully meet the Standards as determined by Society, for each consecutive year period commencing on the day after the then current Agreement ("Renewal Period"), Company shall pay Society the amount stated in Schedule E as a renewal certification fee ("Renewal Certification Fee"), no later than thirty (30) days from the beginning of the Renewal Period.

6. **PRODUCT EVALUATION/USAGE OF MARK.**

(a) **Company's Rights.** Company represents and acknowledges that Company shall not acquire any rights in the Mark as a result of Company's use, except as expressly set forth herein.

(b) **Use In Approved Form.** Company shall at all times display and use the Mark only in the form and style that Society designates and in no event shall Company use the Mark in a form or style that Society has not approved in advance in writing.

(c) **Product Evaluation Approval Process.** At least thirty (30) days prior to the scheduled distribution or sale of Company's Products that Company wants to be covered by this Agreement as Certified Products, and thirty (30) days prior to the beginning of a Renewal Period, if applicable, Company shall submit to Society (at Company's expense) at least two (2) samples of Company's Products for Society's evaluation and written approval regarding compliance with the Standards and placement of trademark notices. Company shall not commence the distribution or sale of Company's Products using the Mark on or in connection with them without Society's prior written approval. Society agrees to promptly evaluate and review Company's Products and material that Company submits for evaluation and approval and within thirty (30) days from Society's receipt thereof notify Company in writing of Society's approval or disapproval. If Society disapproves such products and/or material, Society shall specify the reasons for such disapproval and the specific action Company must take to obtain Society's approval. In the event Society fails to timely notify Company regarding approval or disapproval, the parties agree that such products and/or material shall be deemed to be approved by Society. Company agrees that all Company's Products approved as Certified Products shall substantially conform with the Standards and Society-approved samples and that Company will not knowingly cause or permit any material deviation or variation of the such products without Society's approval. Company represents and warrants that the quality of the Certified Products shall be at least as high as the quality provided for in the Standards.

7. **RIGHT TO INSPECT:** Upon Society's request, Company agrees to arrange for Society's designated representatives to enter and inspect the locations where the Certified Products are produced/offered by Company, at Society's cost and expense, at reasonable times during normal business hours, but no more often than once each calendar quarter period, for the purpose of enabling Society to determine whether such products continue to meet the Standards. In the event that Society determines that such products do not then meet the Standards, Society shall notify Company thereof in writing and shall specify the action Company needs to take to meet the Standards. In the event Society fails to so notify Company within seven (7) business days from the inspection date, the parties agree that the Standards are being met.

8. **MERCHANTABILITY AND SALE OF THE CERTIFIED PRODUCTS.** Company agrees that the Certified Products will be of first class merchantable quality consistent with production/performance standards for such products prevailing in the industry.

9. **COMPANY'S REPRESENTATIONS AND WARRANTIES.** Company hereby represents and warrants that: (a) at Society's request and at no cost to Society, Company will timely provide Society with the Company's Products in quantities that are reasonably necessary for Society's evaluation thereof in reference to the Standards; (b) Company is not a party to any contract or agreement that prevents Company from fulfilling all Company's responsibilities and obligations hereunder or that impairs or may impair any Company responsibility or obligation hereunder; (c) during the term of this Agreement Company will not use or permit other persons to use the Mark except as expressly provided herein; (d) Company has the full right, authority, and legal capacity to enter into this Agreement and to furnish the Company's Products to Society; (e) Company is under no disability, restriction, or prohibition regarding Company's right to enter into and execute this Agreement or to fully perform its terms and conditions; (f) Company will not use the Mark in any way that will infringe upon any statutory or common law right or violate any law or government regulation or violate any right of privacy or any other personal or proprietary right of any third person; (g) there are no pending or threatened litigation, claims, investigations, or assessments or unasserted possible claims or assessments concerning Company's Products and there has been no litigation, claims, investigations, or assessments concerning the Company's Products that will adversely affect Society; (h) Company will not do anything that will in any way prevent or interfere in any manner with Society's full and exclusive enjoyment of the Mark or which will impair, impede, invalidate, or encumber any such rights; and, (i) Company has the full power, legal capacity, and requisite authority to enter into and execute this Agreement.

10. INDEMNITY.

(a) **Society's Indemnity.** Society shall indemnify, hold harmless, and defend Company, Company's officers, employees, agents, and customers (hereafter "Indemnified Parties") against and concerning all claims, causes of action, actions, suits, and/or judgments, losses, damages, liability, cost and expense, including attorney fees, asserted against and/or incurred by the Indemnified Parties directly arising out of, solely attributable to, and resulting only from infringement of any third party rights based solely upon Company's proper use of the Mark as authorized herein, on the condition that Company shall promptly notify Society in writing of any and all such claims, causes of actions, and suits.

(b) **Company's Indemnity.** Company shall indemnify, hold harmless, and defend Society against and concerning all claims, causes of action, actions, suits, and/or judgments, losses, damages, liability, cost and expense, including attorney fees, asserted against and/or incurred by Society arising out of, attributable to, or resulting from Company's material nonperformance of Company's responsibilities hereunder, and/or arising out of, attributable to, or resulting from any Certified Product that does not fully meet the Standards. Society shall promptly notify Company in writing of any and all such claims, causes of actions, and suits. Society shall have at all times the option to participate in, or undertake any litigation involving said matters through counsel of Society's own selection and at their own expense subject to Company's indemnity obligations herein. Society shall not make any settlement of any claim, suit, or demand for which Company may become responsible hereunder without Company's consent, which shall not be unreasonably withheld. The indemnity, hold harmless, defend provisions of this Agreement shall survive its termination or expiration.

11. PRODUCTION, PROMOTION AND SALE AT COMPANY'S EXPENSE.

As between Society and Company, the manufacture, distribution, advertising, promotional activity, sale, and offering of the Certified Products shall be at Company's sole cost and expense and at no cost or expense to Society.

12. **INJUNCTIVE RELIEF.** Company acknowledges that its violation of any covenant of this Agreement concerning Company's use of the Mark will result in Society's immediate and irreparable damage. Company acknowledges and agrees that in the event of such violation or failure, in addition to other relief that Society may seek, Society shall be entitled to equitable relief by way of temporary and permanent injunctions as well as such other relief as any court with jurisdiction may deem just and proper, without the need to post a bond or other security.

13. **INFRINGEMENT BY OTHERS.** If either party has knowledge of any infringement of any rights in the Mark in the Territory, such party shall promptly inform the other party of such infringement. Company shall have no right to take any action concerning such infringement without Society's prior written consent.

14. TERMINATION.

(a) **Company Fails To Pay, Render Reports.** In the event that Company shall, at any time fail to make payments, render reports or otherwise fully and timely comply with all conditions herein, Society shall have the right to notify Company of such default and Society's intention to terminate this Agreement unless Company corrects or initiates good faith efforts to correct such default within thirty (30) days from the mailing date of such notice. If such default is not corrected or Company does not initiate good faith efforts to correct such default within the aforementioned time period, Society shall be entitled, without prejudice to any of its other rights that this Agreement confers upon Society to terminate this Agreement at any time thereafter by sending a written notice of termination to Company to take effect immediately. Waiver by Society of any specific default or breach shall not be deemed to be a waiver of any other or subsequent default or breach.

(b) **Termination Without Prejudice.** The termination of this Agreement for any reason shall be without prejudice to any of Society's rights under this Agreement. Notwithstanding termination of this

Agreement, the parties shall be required to carry out any provisions hereof which contemplate performance by them subsequent to such termination and such termination shall not affect any liability or other obligation which shall have accrued prior to such termination.

(c) **Company's Rights After Termination.** In the event of termination of this Agreement or upon its expiration according to the terms hereof, Company shall discontinue use and/or exercise of the Mark and such rights shall automatically revert to Society. Company shall promptly execute any and all documents reasonably requested by Society in connection with such discontinuance and reversion. Company shall have the right to dispose of any then existing Company inventory of the Certified Products during but not after the two (2) month period immediately following the date of such termination or expiration and subject to Company's obligation to pay Society any unpaid monies due and owing from Company at the time.

15. **ASSIGNMENTS.** This Agreement shall be binding upon and inure to the benefit of Society's and Company's subsidiaries, affiliates, successors, and assigns. This Agreement is not transferable in whole or in part by Company without Society's consent.

16. **RELATIONSHIP OF THE PARTIES.** It is the intention of the parties to enter into a licensing agreement only and nothing herein contained shall be construed to regard the parties as being partners or joint venturers, or to constitute the arrangement herein provided for as a partnership or joint venture. Neither party shall be bound by, or become liable for, any representation, commitment, act or omission whatsoever of the other contrary to the provisions hereof.

17. **DISPUTE RESOLUTION.**

(a) **Arbitration Of Disputes.** Except as otherwise provided herein with respect to any party's right to seek equitable relief, any unresolved disagreement, difference of opinion, dispute, claim, cause of action or controversy that the parties may now have or at any time in the future claim to have based in whole or in part, or arising from or out of or that in any way is related to the negotiations, execution, interpretation or enforcement of this Agreement or the license granted hereunder (individually, an "Action," and collectively, the "Actions"), and shall be finally settled pursuant to the Rules of Conciliation and Arbitration of the International Chamber of Commerce. Arbitration proceedings in a city and country that Society selects.

(b) **Award Final And Binding.** The arbitration award shall be final and binding upon the parties thereto, and judgment may be entered thereon upon the application of any such party in any court of competent jurisdiction anywhere the party against whom the award is rendered does business or has assets of any kind. The arbitration award shall be immediately enforceable against the losing party without any further proceedings. Each party shall bear the costs of preparing and presenting its case. However, the other costs of arbitration (including the fees and expenses of the arbitrator) will be borne by the losing party, unless the award otherwise provides.

(c) **Arbitrator Selection.** Any Action that the parties submit to arbitration shall be decided by one arbitrator, which arbitrator shall be selected by such parties and if the parties cannot agree on the arbitrator, then in the following manner: each party shall choose one arbitrator and the arbitrators so chosen jointly shall select a "third arbitrator," who shall serve as the sole Arbitrator for purposes of resolving the Action. In all events, the arbitrators so selected shall have had substantial experience in the licensing of intellectual property rights and in arbitrating national as well as international commercial disputes. Such selection shall be final and binding upon the parties.

(d) **Court Action.** With respect to seeking remedies available hereunder other than monetary remedies, either party may apply to any court of competent jurisdiction subject to the provisions of Paragraph 19 hereof, in order to seek an injunction, specific enforcement or any other equitable relief in order fully to enforce the provisions of this Agreement.

18. **NOTICES.** All notices and payments provided for in this Agreement shall be given or made by personal delivery, facsimile, electronic transmission, hand delivery or any other method, or by certified

mail return receipt requested to the addresses set forth below for each party to this Agreement, or to such other address as may be designated in writing by each party to the other from time to time. If given or made by personal delivery, notices and/or payments shall be effective on the date of personal delivery and if given or made by certified mail return receipt requested they shall be effective on the date of mailing unless otherwise provided herein.

Addresses For Notices/Payments.

Society:

Room 219 Mongolian Trade Unions Federation Building
Sukhbaatar's Square 3
Ulaanbaatar 11
Mongolia

Company:

The address set forth on Schedule E.

19. ENTIRE AGREEMENT.

(a) **Binding Agreement.** This Agreement shall be binding upon and shall inure to the benefit of the respective parties hereto, their respective successors and assigns, legal representatives, affiliates, related companies, successors, and assigns. This Agreement contains the entire understanding of the parties and supersedes and merges herein all prior agreements, representations, courses of conduct and dealing between the parties concerning the subject matter hereof, and undertakings of the parties, whether oral or written, concerning the subject matter herein contained and may not be altered, modified, amended, or waived, in whole or in part, in any way except by an instrument duly executed by all parties hereto. Should any provision of this Agreement be void or unenforceable, such provision shall be deemed omitted, and this Agreement with such provision omitted shall remain in full force and effect. No waiver by either party of the breach of any provision of this Agreement shall be deemed to be a waiver of any preceding or succeeding breach of the same or similar nature. The headings of the paragraphs of this Agreement are solely for the purpose of convenience. They are not a part hereof and shall not be used in the construction of any provision.

(b) **Execution Of Documents.** Each party agrees to and shall execute any and all documents and do any and all acts or things reasonably necessary to timely fulfill the party's responsibilities and obligations hereunder and to effect the intent of the parties or to comply with applicable laws, rulings, regulations, and orders.

(c) **Consent Of A Party.** Whenever the consent or approval of a party is required pursuant to any provision of this Agreement, the same shall not be deemed to have been given unless in writing signed by the party whose consent or approval is required.

(d) **Counterparts.** This Agreement may be executed in one or more counterparts, each of which when so executed shall be an original, but all of which shall constitute one agreement.

(e) **Compliance With Law.** Under no circumstances will any provision of this Agreement require any party to do anything that violates any export, import, or other applicable law, regulation, or order of any country, or any government.

20. AUTHORITY OF SIGNERS. The individuals who sign this Agreement on behalf of the respective parties hereby represent and warrant that they have the right, power, legal capacity and appropriate corporate authority to enter this Agreement on behalf of the corporation for which they sign below.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed as of the date and year first written above.

Mongolian FiberMark Society

By:
Title:

COMPANY

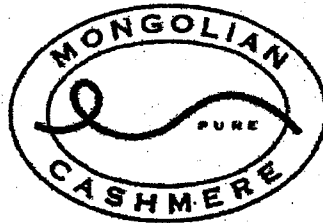
By:
Title:

SCHEDULE A

Blend Certification mark



Pure Certification Mark



SCHEDULE B

Territory

Australia

Eligible Products

Items made from cashmere or a cashmere blend including but not limited to:

- **Knitted and woven garments;**
- **Knitted and woven accessories including but not limited to hats, gloves, scarves, socks, ties; and**
- **Home furnishings including but not limited to blankets, bed spreads, shams, throws, cushions, rugs.**

SCHEDULE C

STANDARDS

PURE CERTIFICATION

To qualify for the Pure certification, the product must meet the following parameters:

Purity: contain no more than trace levels (defined as 1%) of non cashmere fibers

Fineness: For knitwear – an average diameter of no more than 17 micron

For woven – an average diameter of no more than 17.5 micron

Coarse hair content: For knitwear – no more than 0.5%

For woven - no more than 1%

BLEND CERTIFICATION

To qualify for the Blend certification, the product must meet the following parameters:

Cashmere content – no less than 50%

Labeling – include accurately and transparently other fiber blend components

SCHEDULE D

COMPANY'S PRODUCTS

SCHEDULE E

Commencement Date:

Expiration Date:

Evaluation Payment Date:

Evaluation Fee:

Certification Payment Date:

Certification Fee:

Renewal Certification Fee:

Company's Address:

ANNEXURE B

TESTING

Fiber samples are taken from the licensees' products for testing at the Society's approved laboratories – the Cashmere and Camel Wool Manufacturers Institute.

- 1. Purity** – fiber samples will be cut from the garment for examination. The microscopy (light or electron) method has emerged as the industry standard and will be utilized. Skilled laboratory technicians utilizing powerful microscopes will examine individual fibers to identify fiber type. Each fiber type including cashmere, camel wool, sheep's wool, and mohair has a distinctive scale pattern that enables experienced technicians to identify the source of individual follicles. If the laboratory report documents that the material tested has more than trace levels (defined as 1% by quantity) of non-cashmere fibers, then licensing under the CPS' Pure Cashmere mark will be denied. The garment may however qualify for the CPS' Cashmere Blend mark assuming that the applicant labels the correct cashmere content on the end consumer product. This test is currently not done in Mongolia and will have to be performed by foreign technicians.
- 2. Fineness** – A fiber sample taken from the test garment will be analysed for average diameter as measured in microns. The approved methods for measuring micron will be the Optical Fiber Diameter Analysis (OFDA) system or the projection microscope system. The OFDA system utilizes a laser beam to measure a large quantity of individual hairs for diameter and is rapidly becoming the industry standard for measuring fiber micron. The projection microscope method measures fiber diameter of samples by measuring the enlarged image of individual fibers. If calibrated correctly, the measurements of the enlarged images can provide an accurate measure of sample micron. Both methods are currently utilized in Mongolia. If the average diameter of fibers taken from an applicant's sample garment test at greater than 17.0 micron for knitted garments or 17.5 micron for woven garments the application will be denied and the garment will not be eligible for collective mark.
- 3. Coarse Hair Count** – A sample of fibers is taken from the garment and examined for CHC. The coarse hairs are separated from fine hairs and weighed with precise scales designed to accurately weigh loads as little as .001 grams. A CHC percentage is established by analyzing the ratio of coarse hairs (by weight) to fine hairs.