

Mutual Recognition Agreement

Between

The New Zealand Ecolabelling Trust

And

Thailand Environment Institute

December 2004

Mutual Recognition Agreement

Environmental Choice New Zealand and Green Label Thailand Programs

Between: The New **Zealand** Ecolabelling Trust
 PO Box 56-533 Dominion Road, Mt.Eden, Auckland 1003 New Zealand

And Thailand Environment Institute
 161151, Muang Thong Thani, Bond Street, Pakkred District, Nonthaburi
 11120 Thailand

The New Zealand Ecolabelling Trust ("NZET") is a charitable trust established specifically to administer the Environmental Choice New Zealand programme and any other ecolabelling schemes it may from time to time become involved in.

Products that comply with Environmental Choice New Zealand product criteria may be granted a license to use the Environmental Choice New Zealand Mark.

Thailand Environment Institute ("TEI") is a national, non-profit ecolabelling organization in Thailand founded with the purpose to promote sustainable consumption in Thailand as well as abroad through certification and information dissemination on products which have a less adverse impact on the environment.

The Thailand Environment Institute, is the owner of its officially patented ecolabel identified as the Green label and the Green label Programme Program in Thailand and TEI has been authorized to manage and operate the Green Label Program, which includes also the right to use and sublicense use of the Green Label; and

Suppliers of certain products that comply with the Green Label product specific criteria and requirements (the "Green Label Criteria") may be granted a license to use the Green Label in connection with such products;

In consideration of the parties' mutual desire to cooperatively promote and facilitate the production and marketing of products that are better for the environment, both parties agree as follows.

0.0 Definitions:

In this Agreement,

"Agreement" means this agreement, which may be amended or supplemented from time to time upon written mutual agreement of the parties hereto;

"Ecolabel" refers to the graphic emblem or seal of the ecolabelling program, which is used on or in association with a product to acknowledge that product's compliance with relevant criteria:

"Ecolabelling program" refers to the Environmental Choice New Zealand programme in New Zealand or the Green Label Program in Thailand;

"License" refers to a license under which the right to bear the Environmental Choice New Zealand or Green Label on a product is granted by NZET or TEI, as the case may be;

"License fee" means the fees paid to the licensing organization, including but not limited to annual fee, marketing fee and certificate issuance fee;

"Verification fee" means the fees paid to the verification organization, including but not limited to document review and on-site audit fees;

"Party" means NZET or TEI;

"Product" means any good or service.

1.0 Scope:

Section 1.1 The scope of this agreement covers all current and proposed aspects of the Environmental Choice New Zealand programme in New Zealand and Green Label Program in Thailand.

2.0 Recognition and Acceptance:

Section 2.1 Both parties recognize and accept the other party's operational system and procedures as transparent, open and credible.

Section 2.2 NZET recognizes and accepts TEI as a verifier on behalf of Environmental Choice New Zealand in Thailand, and TEI recognizes and accepts NZET as a verifier on behalf of Green Label in New Zealand

Section 2.3 NZET shall verify the compliance of the applicant product seeking Green Label in New Zealand in accordance with the Green Label Criteria and submit a verification report and an endorsement letter to TEI, and TEI shall verify the compliance of the applicant product seeking Environmental Choice New Zealand in Thailand in accordance with the Environmental Choice New Zealand Criteria and submit a verification report and an endorsement letter to NZET

3.0 License Application:

Section 3.1 NZET authorizes TEI to accept an application for the license on behalf of NZET in Thailand, and TEI authorizes NZET to accept an application for the license on behalf of TEI in New Zealand

4.0 Granting License:

Section 4.1 If and when an application for the license is submitted to NZET from TEI accompanied with a verification report and an endorsement letter issued by TEI verifying the products is determined as having passed and satisfied the Environmental Choice New Zealand Criteria, NZET shall, at its sole discretion, grant the license to such products so long as the products does not pose any particular reason for rejection of the license and so far as it satisfies the Environmental Choice New Zealand Criteria.

Section 4.2 If and when an application for the license is submitted to TEI from NZET accompanied with a verification report and an endorsement letter issued by NZET verifying the product is determined as having passed and satisfied the Green Label Criteria, TEI shall, at its sole discretion, grant the license to such products so long as the products does not pose any particular reason for rejection of the license and so far as it satisfies the Green Label Criteria.

5.0 Warranty:

Section 5.1 Each party warrants that the verification report and endorsement letter as described above accompanying the applications are true and correct.

Section 5.2 TEI shall, upon request of NZET, monitor and audit the products verified by TEI as having passed and satisfied the Environmental Choice New Zealand Criteria, and NZET shall, upon request of TEI, monitor and audit the products verified by NZET as having passed and satisfied the Green Label Criteria.

Section 5.3 Each party will notify the other when the products certified through this agreement fall out of compliance.

6.0 Consultation Section:

Section 6.1 Both parties should meet or communicate, at least once per year to evaluate the progress of this agreement and share monitoring information.

7.0 Free Trade Barriers:

Section 7.1 Measures are considered to be trade barriers when they unfairly disadvantage or restrict the access of the products into a foreign market, hence both parties agree to:

- (a) Ensure decision-making processes relating to criteria development, certification and authorization of product suppliers to use the appropriate ecolabel on their certified product(s), are transparent;
- (b) Keep ecolabelling programs and relevant non-confidential information open and readily accessible to all applicants and other interested parties including both domestic and foreign companies; and
- (c) Incorporate relevant guiding principles established by the International Organization of Standardization (ISO), the Global Ecolabelling Network (GEN), and the World Trade Organization (WTO).

8.0 Fees:

Section 8.1 License fees are to be paid to, and collected by, the party offering the ecolabel being sought by the applicant.

Section 8.2 License fees must be determined and charged in a consistent and fair manner, which does not unjustly discriminate against a foreign applicant.

Section 8.3 Verification fees are to be determined by and directly paid to the party who performs the relevant work.

9.0 No Authority to License Other Party's Eco Label:

Section 9.1 Neither party has the authority to license the use of the other party's ecolabel.

10.0 Termination:

Section 10.1 Termination upon Agreement Anniversary: This agreement may be terminated upon the annual anniversary date of this agreement by either party providing three (3) months advance written notice of intent to the other party.

Section 10.2 Termination for Bankruptcy: This agreement may be terminated by either party if the other party voluntarily enters into proceedings in bankruptcy or insolvency.

Section 10.3 Termination for Change in Status: This agreement will terminate if either party ceases to have the authority to manage and operate the ecolabelling program.

11.0 Arbitration:

Section 11.1 Any claim, disputes or controversy arising between the parties hereto out of or in connection with this agreement, or breach thereof, which cannot be amicably settled by the parties, shall be finally settled by arbitration in accordance with the Rules of Arbitration of the International Chamber of Commerce. The arbitration shall take place in Auckland, New Zealand if NZET is the respondent and in Bangkok, Thailand if TEI is the respondent. The award thereof shall be final and binding upon the parties and judgment on such award may be entered in any court or tribunal having jurisdiction thereof.

12.0 Miscellaneous Provisions:

Section 12.1 Notice: Any notice, communications or demand given or made pursuant to this agreement shall be in writing and sent by certified airmail, electronic mail or facsimile telecommunications.

Section 12.2 Term: This agreement comes into effect on the date of execution, and remains effective until terminated under the conditions identified in Sections 10.1, 10.2 or 10.3.

Section 12.3 Survival: The termination of this agreement shall not affect the survival and enforceability of any provision of this agreement, which is expressly or impliedly intended to remain in force after such termination.

Signed on behalf of
Thailand Environment Institute



Prof. Dr. Sanit Aksornkoae
President

Date: 29/11/04

Signed on behalf of
The New Zealand Ecolabelling Trust



M J Pritchard
Chairman of Trustees

Date: 26/11/04