TRUE NATURAL COSMETICS ARE RECOGNISED BY THIS SEAL

NATRUE Label Agreement
Finished Products

Version 6 - 2016

NATRUE · International Natural and Organic Cosmetics Association

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Annex A: NATRUE Label Fee
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Annex C: NATRUE Label Guide
Annex D: Flow chart for finished cosmetic products
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Latest Version of the Annexes is always publically available in the NATRUE website www.natrue.org

between

NATRUE AISBL - The International Association for Natural and Organic Cosmetics
c/o MAI- Maison des Associations Internationales
40, rue Washington - 1050 Brussels - Belgium
Enrolled with the Crossroads Bank of Enterprises with number 820.350.873

(Hereinafter referred to as NATRUE)

And the undersigning company as of Appendix X

(Hereinafter referred to as the Company)

Chapter 1. Foreword

1.1 NATRUE AISBL (International non for Profit Association) based in Brussels is The International Natural and Organic Cosmetics Association whose objectives are:

Vision: be the voice for all friends of true natural and organic cosmetics
Mission: to protect and promote true natural and organic cosmetics for the benefit of consumers worldwide.
Main Commitments:

- Ongoing development and promotion of a high quality Standard for Natural and Organic Cosmetics
- Promotion of the NATRUE Label, as an expression of the NATRUE Standard, to which producers certify their products via independent NATRUE Approved Certifiers.
- Participation and contribution to EU regulatory decision-making ensuring the availability of Natural and Organic Cosmetic ingredients
  and advocating for a strong definition for Natural and Organic Cosmetics.
- Access for consumers to high quality information regarding Natural and Organic Cosmetics and their ingredients.

1.2 NATRUE has drawn up the following general regulations for the use of the NATRUE Label and which should be read in conjunction with the latest version of all relevant documents available on the NATRUE website and/or made available by NATRUE in different form.

1.3 The NATRUE Label is a certification mark protected by law. Action will be taken against any unlawful usage of this Label.

Chapter 2. Certification Requirements

By signing this Agreement, the Company declares to agree with the following:

2.1 The NATRUE Label is awarded on request. For this purpose, the Company must obtain a Certificate of Compliance delivered by a NATRUE Approved Certifier after a successful Certification Process.

2.2 Membership to NATRUE and other institutions is a not a precondition for Certification – however if the Company would like to apply simultaneously for membership Category B, the Company can fill in the Annex B.

2.3 In order to bear the NATRUE Label it is necessary that at least 75% of products of a specific brand (or sub-brand when the sub-brand is specifically developed to qualify the natural and organic cosmetic line of an already existing brand) needs to achieve NATRUE Certification.

2.4 If the Company would produce products that are certified to another natural and organic cosmetics standard, the calculation of the 75% threshold, required in order to obtain the NATRUE Certification, takes into account those products certified to another natural and organic cosmetics standard as well, but only for a period during the first two years of the certificate in order to provide a smooth transition to the NATRUE Label. After these first two years, the threshold of 75% must be guaranteed with products certified to the NATRUE Label only. Double labelling is permitted as long as the above requirements are met. Other certified natural and organic cosmetic standards are those where verification has been carried out by an authorised control body according to that standard. NATRUE reserves the right to accept

or refuse previously certified products to another natural and organic cosmetics standard for validation of the 75% rule if this requirement is not met.

2.5 The Certification Process starts with Company's request of Certification (application) to one of the NATRUE Approved Certifiers. The Company agrees to rapidly make available all the documents and records required for the process upon request and to provide the said information truthfully and in the form requested by the chosen NATRUE Approved Certifier. The Company hereby agrees that the documents and records provided to the NATRUE Approved Certifier may also be made available to NATRUE. The Company shall ensure that the above requirements shall also be met by any contract manufacturers that it might use.

2.6 Before launching the Certification, the NATRUE Approved Certifier shall deliver this Agreement to the Company. The Company shall send the signed Agreement to NATRUE and to the NATRUE Approved Certifier. The NATRUE Approved Certifier can't continue the application request without a signed version of this Agreement on the Usage of the NATRUE Label.

2.7 The Company can market products bearing the NATRUE Label only when a Preliminary Certificate is granted. As of the date of this Preliminary Certificate and for a period of 24 months, lawful usage of the NATRUE Label shall be granted. The Final Certificate will be issued when the production audit will be carried out successfully in accordance with the procedures available on the NATRUE website.

2.8 The Company agrees that the Certificate is obtained for each product submitted and successfully certified. It does not extend to non-submitted products and to products which have not been found in compliance. Moreover the Company agrees that the Certificate obtained is therefore product-based and not Company-based.

2.9 Two years after the Certificate is obtained, the Company shall inform the NATRUE Approved Certifier about its desire to renew or not the Certificate. If the Company does not wish to renew the Certificate, the Company will immediately inform the NATRUE Approved Certifier about this decision and the right to use the Label shall be terminated.

2.10 The Company agrees that for the entire duration of the Certificate the relevant information related to the certified product shall be uploaded to the online NATRUE database by the NATRUE Approved Certifier and therefore publically available. NATRUE ensures that no-confidential information will be made available via the website or any other tool.

2.11 The Company undertakes to report any change made to a product to the NATRUE Approved Certifier which issued the NATRUE Certificate. The NATRUE Approved Certifier shall then decide if the finished product and if applicable the entire product series still comply with the NATRUE Standard and whether therefore the Company is authorised to continue to use the Label.

2.12 The Company shall be entitled to continue to use the Label during the time between the change being reported and the decision being made by the relevant NATRUE Approved Certifier. If the modification of the product(s) leads to the loss of the Label the Company must cease to use it. The Company may request NATRUE to provide a deadline by which products bearing the NATRUE Label may be used/must no longer be present on the market.

2.13 The NATRUE Label is the visual sign identifying compliance to the document *"NATRUE Label: requirements to be met by natural and organic cosmetics"* usually referred as "the standard". The standard is developed and updated by NATRUE's scientific committee which reserve the right to update it regularly corresponding to the current state of research and technology. If during the validity period of the Certification an update of the NATRUE Standard results in a product that was already certified, but is no longer in compliance with

the amended requirements, the possibility to implement these necessary changes is granted to the Company, for a period up until two years after the expiration of the current Certification.
2.14 If a third party indicates/complains to NATRUE that there might be a misuse of the NATRUE Label by a Company and/or if NATRUE itself has reason to believe that there might be such misuse, NATRUE may inform the Company concerned thereof. If necessary, NATRUE may investigate the matter and/or appoint a third independent party to investigate the matter. The Company agrees that the investigating third party shall examine all necessary documentation in order to ascertain if the complaint is legitimate.
During this process the Company shall grant access to the independent investigator to all documents or information in general, in order for the independent investigator to confirm or refute the allegation. NATRUE and the Company are informed of the findings of the investigation. In case the complaint is legitimate and the Company has misused the NATRUE Label, NATRUE may terminate this Agreement with immediate effect. NATRUE reserves the right to claim additional sanctions and take legal action against the Company.

2.15 To safeguard the correct application of Certification procedures NATRUE has appointed an independent Accreditation Body to control the overall performance of the NATRUE Approved Certifiers. The Company agrees that in the context of accreditation, personnel appointed by the Accreditation Body may supervise certification activities carried out by the Approved Certifier which includes access to documents and witnesses during on-site audit.

Chapter 3. Labelling Requirements

3.1 The NATRUE Logo is available for download on the website www.natrue.org. If the Company requires different versions of the Logo, the Company can contact NATRUE.

3.2 The Company agrees that the Label and the NATRUE Logo can only be used for the products that have been successfully certified by a NATRUE Approved Certifier. The products of a brand/sub-brand which do not satisfy the NATRUE standard (max. 25% of the products contained in the series) cannot bear the Label.

3.3 The use of the Label is subject to the regulations set out in Appendix C. Exceptions concerning the application of the NATRUE Label Guide can be inquired to NATRUE. NATRUE reserves the right to accept or refuse this derogation.

Chapter 4. NATRUE Label Fee

4.1 After successfully accomplishing the Certification Process, in order to use the Label, the Company shall pay the corresponding Label Fee. The NATRUE Label Fee is aimed at ensuring NATRUE the financial resources enabling the Association to pursue its mission and goals as laid down in Chapter 1.

4.2 The NATRUE Label Fee is specified in the Annex A of this Agreement. In case of revision of the NATRUE Label Fee, all Label users will be notified and redirected to the updated annex A, which is always publically available on the NATRUE website at www.natrue.org. The amended fee will only be applicable to new brands who obtained the use of the Label after the amended fee was published. For those brands who were already certified to use the Label, the amended Label fee will be applicable when the recertification takes place. This principle is applicable no matter if the label fee increases or decreases.

4.3 The NATRUE Label Fee is directly invoiced to the Company by NATRUE when the Certification Process is successfully carried out which means when the products have been granted with the Final Certificate. NATRUE and the NATRUE Approved Certifier share a system of alert (so called Extranet) which informs NATRUE in real time about the product Certification. When the products is visible on-line on the NATRUE website it becomes eligible

for invoicing of the Label Fee. It is the responsibility of the Company to ensure that the certification validity correspond as much as possible with the intended marketing date in order to avoid discrepancies in the validly time of the Certificate and actual possibility of use of the Label.

4.4 The number of products of a brand registered in the Extranet at the time of checking is relevant for the determination of the product range determining the appropriate Label Fee.

4.6 Products which are not yet listed in the NATRUE Label Extranet at the time of issuing the invoice, but which are already planned to be NATRUE certified in the future, will not be taken into account for the calculation of the NATRUE Label Fee.

4.7 Agreements and exceptions between the Company and the NATRUE Approved Certifier that are supposed to differently regulate this matter are not allowed.

4.8 Different packaging units (volume) are not considered as separate products with regards to the NATRUE Label Fee, this applies as well for products resulting from secondary packaging incorporating more items which are already certified.

4.9 For finished cosmetic products: In the case of decorative cosmetics that are marketed in a range of colour shades and whose colouring agents may all be listed in the INCI declaration with the notice "may contain …" or the symbol "+/-" as regulated under Article 19(g) of the EU Cosmetics Regulation (EC) No. 1223/2009, only the basic formula shall be regarded as a product with regards to the NATRUE Label Fee (so called DECO-COSMETIC RULE) however in order to ensure a complete information for the consumers they can be registered as separate entries in the Extranet leading to multiple records in the NATRUE website product database**.**

4.10 VAT (Value Added Tax) number – **relevant only for European Union based companies.** VAT number must be valid at European level in order to be used for European transactions. EU level validation can be checked with the on-line tool VIES (http://ec.europa.eu/taxation_customs/vies/). NATRUE's invoices are issued under the reverse charge mechanism - art 44 VAT Directive 2006/112/EC) if the VAT Company number is valid at EU level and provided. If not provided, NATRUE will need to charge 21% Belgian VAT on the invoice (NATRUE will charge the VAT percentage according to the Belgian law – which may vary within the time).

Chapter 5. Sanction Lists

5.1 The right to use the NATRUE Label shall end if NATRUE terminates this agreement for an important reason. An important reason shall particularly be deemed to apply if the Company breaches the provisions of this Agreement and fails to redress the breach within a period of four weeks after receiving a demand in writing to do so from NATRUE. Breaches of this Agreement would exist if the Company:

- Use/print the label for/on a product or a product series that does not comply with the NATRUE Standard
- Use the Label not in compliance with the mandatory rules set forth in Appendix C.
- Failure to settle invoices pertaining the NATRUE Label Fee
- Other action in contrast with the requirements of this Agreement

5.2 When the Agreement has ended, the Company is still allowed to sell products bearing the NATRUE Label if the production has taken place during the validity time of the

Certification. All new items will need to be placed on the market without bearing the NATRUE Label.

Chapter 6. Termination of the Agreement

6.1 The Certificate is valid for two years after which the Company, if the Company still wants to use the NATRUE-Label, will need to recertify the products by informing the NATRUE Approved Certifier within the last 4 months before the termination of the usage of the Label.

6.2 If the Company remains silent about their intentions whether or not to renew the Certificate, the right to use the Certificate shall automatically be terminated, two years after the Certificate has been granted.

Chapter 7. Conclusions

7.1 This Agreement is only drafted in English, same as the documents/communication provided by NATRUE. No translations are available and no signed translations will be accepted by NATRUE. However the Company can at its own cost demand by an appointed professional translator a translation in order to understand all the provisions of this Agreement. NATRUE does not take any responsibility if the content will differ from the English version, which is finally legally binding.

7.2 No verbal subsidiary agreements have been made. Amendments, supplements and additions to this Agreement shall only be valid if they have been agreed in writing between the parties to the Agreement**.**

7.3 If a provision in this Agreement is or becomes invalid, this shall not affect the validity of the remainder of the Agreement. The parties shall undertake to replace the invalid provision by a valid provision which is as close as possible to the commercial objective of the invalid provision. The same shall apply in the event that this Agreement proves to contain a loophole.

7.4 Belgian law will govern this Agreement.

Please refer to the Appendix X for the signature of the Agreement.

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Appendix X Signature of the Agreement on the Usage of the NATRUE Label
Options available to fill in the following pages:

- **Case 1: company with Own Production**
- **Case 2: company with external production OPTION A: the brand owner sign the Agreement**
- **Case 2: company with external production OPTION B: the contract manufactures sign the Agreement**

NATRUE's signature marks its agreement to the unaltered terms of the Agreement on the Usage of the NATRUE Label and its Appendices and to the adhesion by the other signatory thereto.

Case 1: company with Own Production

Label User brand(s) - specify if more than one brand

Brand: _____

Brand (etc...): _____

Company name (owner of the brand):

_____

VAT number: _____

Contact person for certification matters

Name: _____

Position: _____

e- mail: _____

Contact person for marketing/communication matters:

Name: _____

Position: _____

e- mail: _____

Any other contact person you would like to be informed about NATRUE

Name: _____

Position: _____

e- mail: _____

Name: _____

Position: _____

e- mail: _____

NATRUE Approved certifier appointed for certification: _____

Agreement with NATRUE Approved Certifiers signed on: _____

Planned numbers of products to be certified: _____

Place, Date,	Place, Brussels Date,
Signature, Company stamp,	NATRUE

Case 2: company with external production OPTION A: the brand owner sign the Agreement Each Label User is free to work with one or more contract manufacturers but by signing this part agrees to keep under its own responsibility the adherence to the provision of this Agreement. The name of the contract manufacturers is not required at this stage but it will need to be disclosed in the certification process.

Label User brand(s) - specify if more than one brand

Brand: _____

Brand (etc...): _____

Company name (owner of the brand):

_____

VAT number: _____

Contact person for certification matters

Name: _____

Position: _____

e- mail: _____

Contact person for marketing/communication matters:

Name: _____

Position: _____

e- mail: _____

Any other contact person(s) you would like to be informed about NATRUE

Name: _____

Position: _____

e- mail: _____

NATRUE Approved certifier appointed for certification: _____

Agreement with NATRUE Approved Certifiers signed on: _____

Planned numbers of products to be certified: _____

Place, Date,	Place, Brussels Date,
Signature, Company stamp,	NATRUE

Case 2: Company with external production OPTION B: the contract manufactures sign the Agreement Each Label User is free to work with one or more contract manufacturers which by signing this part are ultimately responsible of adherence to the provision of this Agreement. It remains responsibility of the brand owner to ensure new Agreements to be signed each time a new contract manufacturer is appointed.

Third Party Manufacturer: _____
Company name (owner of the brand)

_____

Label User brand(s) - specify if more than one brand

Brand: _____

Brand: _____

Brand (etc...): _____

VAT number (specify who would pay the Label Fee)

_____

Contact person for certification matters

Name: _____

Position: _____

e- mail: _____

Contact person for marketing/communication matters:

Name: _____

Position: _____

e- mail: _____

Any other contact person you would like to be informed about NATRUE

Name: _____

Position: _____

e- mail: _____

NATRUE Approved certifier appointed for certification: _____

Agreement with NATRUE Approved Certifiers signed on: _____

Planned numbers of products to be certified: _____

Place,	Place, Brussels
Date,	Date,
Signature,	NATRUE
Company stamp,	