



Regulations

1. Introduction

1. The Regulations (defined below) govern the rules for the Scheme (defined below) operated by the GC (defined below) for the registration and licensing of businesses with Environmentally Preferable Products (defined below) and the certification of such Environmentally Preferable Products.

2. Interpretation

- 2.1 For the purpose of these Regulations:

Advisory Committee means a committee established by GC comprising members of GC, as well as invited persons from universities, industry, environmental organizations, the commercial sector, and other parts of the society, which is responsible for overseeing the operations of the Scheme.

Applicant means a company, business or person that has applied for but has not been granted a Certificate for its/his/her eligible Environmentally Preferable Product(s).

Certificate means a certificate issued by the Advisory Committee that recognizes that the Product of a successful Applicant has been audited by the Advisory Committee and is in accordance with these Regulations.

Environmentally Preferable Product means a good that has a lesser or reduced effect on human health and the environment when compared with competing products that serve the same purpose as defined by the United States Environmental Protection Agency (USEPA). According to the USEPA, the above comparison can be considered by reference to raw materials acquisition, production, manufacturing, packaging, distribution, reuse, operation, maintenance, or disposal of the product.

GC means Green Council Limited

Guidelines mean the guidelines of the Scheme issued by GC providing detailed information on the Scheme and application procedures.

HKGLS/Scheme means the Hong Kong Green Label Scheme operated by GC including the Advisory Committee for certifying Products of Licensees as being in accordance with the appropriate Product Criteria and determining the Licensees as satisfying and maintaining compliance with applicable licensing requirements and conditions.

Licensee means a person, firm, body corporate or unincorporate which has been granted a Certificate.

Logo means the Certification Trade Mark Registration No. 301543509 in Classes 1,2,3,4,9,11,12,15,16,18,19,20,21,22,23,24 and 27 registered as a mark of certification under the provisions of Section 47(3) of the Hong Kong Trade Marks Ordinance and is depicted in Appendix 1 attached hereto.

Product means a good of an Applicant that has been assessed against relevant Product Criteria.

Product Criteria means relevant environmental criteria established by GC to assess whether a Product is environmentally preferable and qualifies for certification.

Register means the Register kept by GC of the HKGLS Licensees and their certified Products.

Regulations means the regulations of the Scheme set out herein.

3. Authority

- 3.1 The Scheme is operated and organised by GC on an independent, non-profit-making and voluntary basis and provides for the certification of Products that are environmentally preferable and satisfy the Product Criteria. Please refer to (<http://www.greencouncil.org>) for the Product Criteria. GC is responsible for undertaking the assessment of Products for determination of compliance with the Product Criteria. For the purposes of conducting audits and assessing Products under these Regulations, GC may from time to time assign these functions (in whole or in part) to any competent personnel of GC as they may deem necessary and appropriate. GC also operates the Scheme in accordance with relevant international standards.

4. Register of Licensees

- 4.1 GC shall keep a Register of Licensees at its official address, i.e., Room 703, New World Tower 1, 18 Queen's Road Central, Hong Kong containing the Licensees' names, the Products approved by GC to bear the Logo, Product category, contact person and number, Product certification number and licensing validity periods, HKGLS code, and other particulars that may from time to time be deemed necessary by GC.
- 4.2 The Register is open to inspection by the public anytime between 9:30 a.m. and 6:00 p.m. on a weekday (excluding Saturday and public holidays) with reasonable prior notice.

5. Certification

- 5.1 The procedure for applying, assessing and auditing Products of Applicants and certifying Products is as set out in the Guidelines and such Guidelines form part of these Regulations (attached as Appendix 2 hereto). The Guidelines can also be referenced on the HKGLS website at (<http://www.greencouncil.org>). An Applicant, that satisfies GC that a Product is in accordance with the Product Criteria and other relevant environmental standards, and that the Applicant complies with these Regulations and carries on a bona fide business (as demonstrated through the provision of suitable proof of the Applicant's legal and business status) shall, subject to the conditions of these Regulations, be entitled to have its Product certified and become licensed under the Scheme and obtain a Certificate which shall nevertheless remain the property of GC. A separate Certificate will be issued in respect of each certification for which a successful application is accomplished..
- 5.2 GC shall certify a successful Applicant's Product under the Scheme for an initial period of **three** years from the date of licensing of the successful Applicant and thereafter certification under the Scheme shall be renewable on a biennial basis.
- 5.3 Certification is subject to the terms of these Regulations and GC's rights thereunder. If a Licensee does not intend to renew its certification under the Scheme in respect of a certification pursuant to 5.2 above, it must notify GC in writing three months in advance of the end of the relevant 3 year term. If a Licensee wishes to terminate certification it must give GC at least 3 months' prior notice in writing.

6. Assignment

- 6.1 A Licensee may not sub-licence or assign or otherwise transfer the right to use the Certificate, Logo or its Product certification under the Scheme without the prior written permission of GC.

7. Obligations of a Licensee

- 7.1 A Licensee, prior to being registered with the HKGLS as well as for the duration of its registered participation in the HKGLS, must warrant and ensure that it shall:
- (A) At all times comply with these Regulations;
 - (B) Claim compliance with the Scheme with respect only to the Product(s) which has/have been properly certified under the Scheme.
 - (C) Enter into and honour a licensing contract with GC agreeing to be bound by the Regulations and any specific terms and conditions governing the Licensees' display and use of the Logo.

- (D) Maintain certified Products to the standards and specifications as initially and/or subsequently tested and certified as compliant.
 - (E) Notify GC promptly of any intended changes to a certified Product or other changes which may affect ongoing conformity with HKGLS certification criteria, requirements and conditions pursuant to the Scheme. If re-assessment of product conformity is required, associated charges may be incurred and charged to the Licensee..
 - (F) Not use its certification in such a manner as to bring GC into disrepute nor, make any statement regarding its certification which GC may reasonably judge as misleading or unauthorized.
 - (G) Ensure that the Logo and the trade marks and trade names of GC are not used in a misleading manner.
 - (H) Give GC officials and or their agents or representatives access (potentially without prior notice) during normal working hours to any of its premises or other sites in which certified Products are manufactured or stored for the purpose of, inter alia, examining Products, materials, processes, finished articles, methods of testing, methods of operation and records, and verifying that a certified Product continues to be manufactured in accordance with the relevant Product Criteria and these Regulations, or establishing that a Licensee has carried out its obligations on withdrawal of certification under the Scheme as described in Clause 14.3.
 - (I) Provide GC, upon request, with samples of brochures, photos of packaging showing green label and promotional materials, copies of advertisements and samples of certified Products which may be tested by an accredited laboratory to confirm continuing conformance to standards previously required for certification.
 - (J) Nominate a management representative who shall be responsible for all matters in connection with the requirements of a Licensee's registration and Product certification under the Scheme.
 - (K) Notify GC of any changes in the name or address of a Licensee or any change in the management representative appointed under (J) within 15 days of the change taking place.
 - (L) Use certification only to indicate that the certified Product is in conformity with the appropriate environmental standards and do not use the Licensee's Product certification to imply that a Product is endorsed or approved by GC.
 - (M) Ensure that all certified Products are of merchantable quality and fit for their proper purpose.
 - (N) Make available to GC the records of all complaints and corrective actions taken in respect of certified Products.
- 7.2 The Licensee acknowledges that the certification of a Product by GC in accordance with the Scheme and any continuing certification has or will in part be based upon samples, documentation and records which the Licensee has or will provide to GC, and the Licensee hereby warrants that all such samples, documents and records have in the past and will in the future be entirely accurate and genuine and will not in any way be amended or created for the purposes of certification and that the Licensee's continuing certification hereunder is conditional on the Licensee complying strictly with this warranty.
- 7.3 The Licensee warrants that it shall only use its certification in relation to certified Product(s) and will not imply that any other product is certified or that the Licensee itself is certified or that any parent, subsidiary, affiliate, partner or other entity is certified when this is not the case including by the use of any misleading English, Chinese or other translation or version of the name of the Licensee specified in the Licensee's Product certification and licensing application and proof of legal status as provided under Clause 4.1.

8. Charges

- 8.1 All application, licence and renewal fees payable by an Applicant and Licensee are as set out in the Application Form (attached as Appendix 3 hereto) and Guidelines. For the avoidance of any doubt an Applicant shall also be responsible for any costs for any necessary testing of a Product by a third party laboratory during application process and compliance monitoring. Additionally, GC shall charge and a Licensee shall pay any additional costs incurred by GC due to a Licensee's non-compliance with these Regulations, and activities related to Clause 7.1(G). All application, licence, evaluation and renewal fees are non-refundable.
- 8.2 If an Applicant or Licensee fails to pay any fees on their respective due dates, it shall take remedial action within 6 weeks from the date of default and GC shall be entitled to charge an interest rate on the outstanding fee at the rate of 2% per annum above the Prime Rate of the Hong Kong and Shanghai Banking Corporation in force from time to time. If no successful remedial action has taken place within the prescribed time, GC is entitled to cancel the Product certification and licensing, and all fees paid are non-refundable.

9. Obligations of GC Officials and Representatives

- 9.1 GC officials and representatives shall use their best endeavours not to disclose any information concerning a Licensee which is of a confidential nature other than information which is:
- (A) in the public domain, or
 - (B) already in the possession of GC officials or representatives or later comes into their possession without any obligations of confidence from an independent third party who has not derived it from the Licensee in question; or
 - (C) disclosed to a third party pursuant to the written consent of the Licensee in question; or
 - (D) disclosed to a third party pursuant to statutory, regulatory or other legal requirements including any Order of court or where GC is of the reasonable opinion that disclosure would be subject to a public interest defence.
- 9.2 GC officials will offer and enter into a licensing contract with a Licensee under which GC representatives will agree not to cancel a Licensee's Certificate(s) except in accordance with these Regulations.
- 9.3 GC officials will also use their best efforts to notify a Licensee of customer complaints relating to the quality of its Products.
- 9.4 GC officials will take all reasonable steps to secure the storage and safety of documents entrusted to them for a period of at least 3 years from the date of withdrawal of licensing and/or certification rights. At the end of this period, or upon advance notice to a Licensee, GC officials may destroy the documentation.

10. Ownership and Use of Logo

- 10.1 GC is the beneficial owner of the Logo and is not aware that the use of the Logo will infringe upon the rights of any third party in Hong Kong or elsewhere; GC gives no warranty as to whether any such third party rights will be infringed in Hong Kong or elsewhere.
- 10.2 A Licensee will not make any representation or do any act which may be taken to indicate that it has any right, title or interest in or to the ownership or use of the Logo except under the terms of its licensing and Product certification under the Scheme, and acknowledges that nothing contained in these Regulations shall give a Licensee any right, title or interest in or to the Logo save as granted hereby.
- 10.3 A Licensee undertakes only to use the Logo in accordance with the provisions set out in Appendix 1 and will, upon request by GC, provide any information as to its use of the Logo.

11. Exclusion of Liability

- 11.1 GC shall not be liable to a Licensee for any loss or damage whatsoever or howsoever caused arising directly or indirectly in connection with the licensing of a Business and/or certification of its Product under the Scheme, or the sale of certified Products or rendering of services to the public by a Licensee (whether or not by reference to the Logo). Notwithstanding the generality of the foregoing, GC expressly excludes liability for consequential loss or damage suffered by a Licensee including any loss or damage resulting from claims brought by any clients or customers of a Licensee, or for loss of profit, business, revenue, goodwill or anticipated savings.
- 11.2 All conditions and warranties on the part of GC implied by statute, common law or otherwise are expressly excluded.
- 11.3 Without prejudice to Clauses 11.1 and 11.2, and in the event that the courts of Hong Kong consider a complete exclusion of liability hereunder to be unreasonable, GC's liability in contract, tort or otherwise to a Licensee with respect to any claim arising in connection with its acts of omissions in assessing and/or licensing a Licensee and/or certifying a Licensee's Product and/or more broadly operating the Scheme, shall be limited to no more than 20 times the fees received by GC from a Licensee in the year in which the alleged liability arose, or HK\$250,000, whichever is less.

12. Indemnity

- 12.1 A Licensee shall be liable for and will indemnify GC against any and all liability, loss, damages, costs, legal costs, professional and other expenses of any nature whatsoever incurred or suffered by GC whether direct or consequential (including but without limitation any economic loss or other loss of profits, business or goodwill) arising out of any dispute or contractual, tortious or other claims or proceedings brought against GC by a third party claiming relief

against GC by reason of:

- (A) the licensing of a Licensee and/or certification of its Products under the Scheme and/or the breach of these Regulations by a Licensee;
- (B) the manufacture, use or sale of any certified Products or the provision of any services by reference to the Logo or a Licensee's certification under the Scheme.

13. Suspending Licensing and/or Certification Rights

13.1 If a Licensee is temporarily unable to comply with the requirements of these Regulations, GC may require the Licensee in question to discontinue use of the Logo or any claim to licensing and/or Product certification under the Scheme with immediate effect until it is satisfied that the conditions of licensing and/or Product certification are again achieved.

14. Reducing and Withdrawing Licensing and/or Product Certification Rights

14.1 GC may forthwith withdraw a Licensee's license and/or Product certification under the Scheme in respect of all or identified certified Products of a Licensee or refuse to grant or renew licensing and/or Product certification by notice in writing, if a Licensee:

- (A) commits a breach of these Regulations, or relevant laws and Ordinances concerning the Product provided that if the breach is capable of remedy the notice shall only be given if a Licensee shall not have remedied the same within one month of having been given notice in writing specifying the breach and requiring it to be remedied.
- (B) becomes subject to the bankruptcy laws or makes any arrangements or composition with its creditors, or enters into liquidation, whether compulsory or voluntary (but not including liquidation for the purpose of reconstruction), or has a Receiver of its business appointed, or an officer of a Licensee is convicted of an offence tending to discredit the reputation and good faith of the Licensee as a trader.

14.2 The decision to withdraw or reduce the licensing and/or Product certification rights of a Licensee shall be at GC's absolute discretion and such decisions or grounds shall be notified to a Licensee in writing.

14.3 Upon suspension or withdrawal of licensing and/or Product certification under the Scheme in respect of the Product(s)(for whatever reason) a Licensee warrants that it shall forthwith:

- (A) cease using the Logo in any manner whatsoever in respect of the certified Product(s) in question and shall cease using any other material that may imply that such Product(s) is certified under the Scheme. However, where stock has been manufactured before termination the Logo may continue to be displayed on that stock after termination, except where GC has terminated certification for breach.
- (B) cease carrying on business or operation in a manner which may imply that the certified Product(s) in question is certified under the Scheme and cease holding out any present connection or association with GC.
- (C) deliver up to GC or destroy in the presence of a representative of GC (if GC wishes a representative to be present) all Logos and other material contemplated by sub-clause (A).
- (D) notify all customers of the termination of licensing and/or Product certification rights where Product certification is a condition of contract with a customer and where business is active or likely to be active with that customer within 6 months of termination.

14.4 On withdrawal or non-renewal of all Products certification of a Licensee, GC reserves the right to publish such fact in the local media in Hong Kong and a Licensee shall reimburse GC the cost of such publication.

15. Duration

15.1 These Regulations (as amended from time to time) shall remain in force for so long as any Licensee is licensed in good status and its Product certified under the Scheme.

16. Waiver

16.1 No failure or delay on the part of GC to exercise any right or remedy under these Regulations shall be construed or operate as a waiver thereof nor shall any single or partial exercise of any right or remedy preclude the further exercise

of such right or remedy as the case may be. The rights and remedies provided under these Regulations are cumulative and are not exclusive of any rights or remedies provided by law.

17. Alterations

17.1 These Regulations and/or Scheme including Product Criteria may from time to time be altered by GC. No such alterations shall affect the right of a Licensee to use the Logo or claim to have its Product certified under the Scheme unless or until it shall have been given notice in writing of such alterations by GC who will notify a Licensee of the date by which it must comply with the altered Regulations and/or Scheme, which shall not normally be until certification of a Product is due for renewal.

18. Notice

18.1 Any notice or other document to be given under these Regulations shall be in writing and shall be deemed to have been duly given if left at or sent by hand or by registered post; or by facsimile or other electronic media to a party at the address or facsimile number set out below for such party or such other address as one party may from time to time designate by written notice to the other.

18.2 Any such notice or other document shall be deemed to have been received by the addressee five working days following the date of dispatch if the notice or other document is sent by registered post, or simultaneously with the delivery or transmission if sent by hand or if given by facsimile or other electronic means.

18.3 GC's address for service is:

Address : Room 703, New World Tower 1

18 Queen's Road Central,

Hong Kong

Tel: (852) 2810 1122

Fax : (852) 2810 1998

18.4 Each Licensee's address for service shall be as provided in the Application Form or as otherwise notified hereunder.

19. Governing Law

19.1 The Regulations shall be construed in accordance with the laws of Hong Kong and shall be subject to the exclusive jurisdiction of the courts of Hong Kong.

20. Appeals and Disputes

20.1 Any Applicant who does not agree with the decision of the Advisory Committee can raise an appeal to GC within fourteen (14) days upon receiving such decision. GC shall form an independent committee to investigate the appeal. The said independent committee shall be independent to those making the original decision, and shall have no conflict of interest with the investigating results. The said independent committee shall comprise of at least three (3) persons who have knowledge about the attempted Product certification and licensing, and at least one of the members shall have the technical knowledge of the manufacturing concerned.

20.2 The appeal procedure shall include the following:

- (a) acknowledge receipt of the appeal;
- (b) investigate the appeal;
- (c) decide on the necessary actions, taking into account of previous similar appeals;
- (d) ensure necessary actions have been taken;
- (e) provide the Applicant with the progress and outcome; and
- (f) notify the Applicant of the resulting outcome of the appeal.

20.3 An Applicant aggrieved by any decision of the independent committee may appeal to the Hong Kong International Arbitration Centre. The decision of the Hong Kong International Arbitration Centre shall be final.

APPENDIX 1

Use of Logo

A Licensee is only entitled to use the Logo in accordance with these conditions of Appendix 1. An illustration of the Logo is shown below.



HKGLS Code No. GL-XXX-XXX

Certification No. HK XXXXX

Conditions:

1. The Logo must always be used in conjunction with the Licensee's name and have the Licensee's Scheme Certification number and the corresponding HKGLS Code number adjacent to it other than in specific circumstances approved by GC. If a Licensee wishes to vary these conditions it must obtain the express permission in writing of GC. The Required Wording shall be specific to each certified Product explaining the environmental reasons for the certification, and shall be notified to a Licensee upon certification.
2. The Logo may only be used on a certified Product and on advertising in printed media for the Product and must not be used in other circumstances. All proposed uses of the Logo and the required wording expressing the benefits of environmental protection must be approved in advance in writing by GC, before being put into effect. Whilst a Licensee shall be entitled to use the Logo in a fair and reasonable manner on correspondence and promotional material so as to indicate a Product is certified under the Scheme, a Licensee shall not use the Logo or indicate Product certification and/or licensing under the Scheme in such a manner as to be detrimental to the interests of GC.
3. A Licensee shall only use the Logo in the form stipulated by GC and shall observe any directions given by GC as to colours and size of the representations of the Logo. The Logo may not under any circumstances be used directly on or closely associated with products or by reference to the services provided by a Licensee in such a way as to imply that the products or services themselves are certified by GC. A business shall not use any mark or device which is confusingly similar to the Logo.
4. The size of the Logo shall be at least such size so that the text "Hong Kong Green Label" and the Certification number shall be clearly legible.
5. Fake and misleading advertising are prohibited and a Licensee will forthwith discontinue any use of the Logo which is unacceptable to GC and any form of public statement or reference, advertising or conduct in relation to a Licensee's licensing and/or Product certification under the Scheme or its right to use the Logo which in the opinion of GC might be misleading.
6. The Logo is the logotype of the Hong Kong Green Label Scheme. The Logo shall not be distorted, combined with other illustrations, overwritten with text, or otherwise disfigured in appearance. Neither must the Logo be included in or form part of the Product or the Business's own logotype.
7. The Logo must be reproduced in Green (Pantone 361C and 343C). Detailed specifications for colour replication of the Hong Kong Green Label logo are shown as below:-

