


CWB Program			
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Certified South African Wagyu Beef

Trademark Licence Agreement

1. Introduction

The Wagyu Society of South Africa (WSA) has established Certified South African Wagyu Beef (CWB) as a separate Not for Profit Company (NPC) which aims to ensure the integrity of the South African Wagyu beef supply chain and to assure the end customer of Wagyu product reliability and quality. The CWB program certifies all sectors of the Wagyu supply chain to:

- Provide a consistent and reliable message to consumers regarding Wagyu beef as a product
- Provide the South African Wagyu industry with the opportunity to produce, market and brand the Wagyu product appropriately; and
- Protect the investment made by WSA members.

Certified South African Wagyu Beef is a registered trademark of WSA that is used to certify the origin and quality of beef that is marked and sold under this trademark. The CWB trademark is to ensure that all Wagyu produced and sold under the trademark conform to specific CWB Protocol conditions in terms of how animals were bred, reared, feedlot finished, slaughtered, processed, packed and marketed.

Participation in the CWB program is subject to the Certified South African Wagyu Beef Trademark Licence Agreement (this agreement), the Certified Wagyu Beef Constitution and Regulations and the CWB program and is open to all role players in all sectors of the South African beef cattle supply chain that agree to adhere to the CWB Constitution, Regulations and CWB program which sets minimum mandatory requirements for each sector.

You are invited to apply for participation in the CWB program. By signing this document, you agree to abide by the rules and regulations of this agreement, the constitution and accompanying regulations.

2. Application

I, the undersigned, do hereby apply to become a participant in the CWB program. I understand that if my application is approved by the CWB program committee of South Africa, the information below will be included in the Certified South African Wagyu Beef Trademark Agreement which I will then sign. I understand that in signing the Agreement I have understood the contents of the CWB constitution including the requirements and the information therein and that I will be entering into to a legally binding agreement requiring me to adhere to the terms and conditions specified in the CWB Constitution, Agreement and the CWB program.

3. Licensing

Each sector of the supply chain will have its business entities licensed to comply with the CWB program. The licence principles include:

- Licensees contact details will be publicly available.
- Licensees must prominently display the CWB licence certificate.
- Only Fullblood and Purebred registered bulls may be used to produce CWB progeny to a minimum breed level of F1.
- All F1, F2, F3 and non-herdbook bulls to be castrated as soon as possible after birth and no later than within 5 months of birth.
- Beyond the commercial producer each sector should purchase Wagyu animals and/or beef from a CWB licenced entity and should sell to a CWB licenced entity.
- All phenotypic data remains the intellectual property (IP) of the producer and will not be made available to other licensees or the public. If CWB, for whatever reason, intend to use the data, permission can only be granted by the breeder who is the rightful owner.
- A genomic analysis will be used to enhance EBV's of all animals.
- CWB producers must tag all Wagyu slaughter progeny with a CWB trademarked tag, or tags as specifically approved by the CWB board, and supply a DNA sample using the Tissue Sampling Unit and provide a list of registered Fullblood/Purebred bulls used to produce the progeny to CWB.
- Feedlots or producers, where applicable, must supply feedlot entry and exit weights and dates.
- Abattoirs or producers, where applicable, must supply to CWB live animal tag/body number linkage and carcass attributes of:
 - Carcass Weight;
 - Eye Muscle Area;
 - AUS-MEAT Marble Score, or Marble Percentage if carcass camera is available;
 - Marbling Fineness, if carcass camera is available.
- CWB carcasses must have a minimum level of marbling (intramuscular fat) of AUS-MEAT Marble Score 3, measured in the rib section eye muscle at the 5^h/6th rib. Marble Score 4 and up is marked for local and export markets. Marble Score 3 marked for local market and labelled under CWB. Marble Score 1-2 may only be used for ground and processed beef and labelled under CWB. The minimum level for CWB marble score may be changed as recommended by the CWB Board.
- All bovine breeds may be used as dams to produce CWB progeny providing the hump height of the CWB progeny does not exceed 90 millimetres at slaughter. CWB may

amend the allowable dam breeds from time to time as additional performance data is obtained. It is recommended to make use of *Bos Taurus*-breeds for F1 production.

- Cattle should be managed in contemporary/pen groups up to point of slaughter.
- Licensees may use the CWB produced signage in their marketing. The trademarked logo may only be used separately by licensees with CWB authorisation.
- CWB licensees shall be eligible for all WSA privileges that apply to Wagyu South Africa (WSA) Associate Members.

4. Fees and charges (All Fees/Charges are VAT excluded)

CWB will apply the following charges to licensees, which CWB may amend from time to time:

- All CWB licensees must pay (included in annual fee for Seedstock producers):
 - A CWB registration fee R579.00 (VAT Excl.) (once-off fee);
 - An annual licence fee R579.00 (VAT Excl.).
- Commercial/Emerging Producer must:
 - Be registered for a Department of Agriculture, Forests and Fisheries (DAFF) herd designation mark and prefix through CWB at fee of R393.00 (VAT Excl.) (once-off fee);
 - Purchase a CWB authorised tag bundle (matching visual tag, RFID button tag and TSU) for application to every CWB identified animal.
- In instances where the Licensee owns the whole value chain or is in a legal shareholding partnership with such entities (for example own commercial operation, own feedlot and own abattoir), these entities will be levied at the point of slaughter i.e. when carcasses are loaded onto the database. To accommodate the fact that a number of animals have already passed through the value chain before Certified Wagyu Beef was implemented, the fee will be implemented by charging 25% of the R150 fee for animals slaughtered before the 1st August 2019, 50% for animals slaughtered after 1st August 2019 but before the 1 August 2020, 75% for animals slaughtered after 1 August 2020 but before the 1 August 2021 and 100% thereafter. The fee will be revised annually by the CWB board.

CWB will fund the following supply chain functions:

- Loading data for inclusion into the Wagyu genetic analysis.
- Enabling and encouraging animal number feedback to licensed supplier.
- CWB brand marketing.
- Research and development.
- Opening of new markets.
- Coordinating the external audits.
- Coordinating the carcass imaging.
- All CWB calves need to be Sire verified using the laboratory of your choice, at own cost. CWB will negotiate a volume discount for DNA parentage for all producers. All DNA samples (including TSU and hair sample), will be sent to the CWB office, unless special arrangements have been made as described in item (5) below.

- Administration. Licensees will pay all audit fees and charges applied by the independent auditor.

Licensees who don't have access to a digital scanner will be encouraged to use the images from the Japanese MIJ-30 scanner, procured by the Wagyu Society of South Africa in collaboration with CWB. The image cost includes the \$6.00 image fee, payable to the Australian Wagyu Association (AWA). The carcass owner will pay the necessary imaging fee. Currently AFSQ/IMQAS charges R4.50 per km and R150 per hour for the digital image scanning. These fees will be updated annually.

5. Data collection, storage and use

CWB will collect and store data as follows:

- CWB tag bundles sent to Commercial/Emerging Producers will be registered in the CWB Register on the International Livestock Registry (ILR2) system, used by the Society.
- The CWB tag will only become active when the tag's corresponding Herd Identification Mark (number), TSU or DNA sample and required data have been submitted to CWB.
- When the TSU is returned to CWB with the DNA sample enclosed it will be:
 - Considered for sire validation as part of the random audit check;
 - Stored in the CWB TSU or sample storage unit for subsequent testing as required. CWB retains the right to SNP genotype and test the DNA sample;
 - The breeder/producer may get the approval from the CWB board if they intend to send the TSU or sample directly to a recognised laboratory. However, the *onus* is then on the breeder/producer to ensure compliance with the SNP genotyping database managed by the Society and various research projects.
- CWB will collect both licensed Commercial/Emerging Producer and Feedlot and Abattoir data and store it in ILR2 for input to the Wagyu BREEDPLAN genetic analysis. The DNA and performance data shall remain the ownership of the breeder/licensee, with CWB and WSA retaining a perpetual right of storage and access which is essential for the maintenance of CWB and Wagyu BREEDPLAN integrity.



CERTIFIED SOUTH AFRICAN WAGYU BEEF

PostNet Suite 12, Private Bag X7003, Langenhoven Park, 9301
Tel: 051 492 1852
email: cwb@wagyu.org.za
www.wagyu.org.za



WAGYU
SOCIETY
OF SOUTH AFRICA

TYPE OF MEMBERSHIP FOR WHICH APPLICATION IS MADE (mark A, B, C, D or E with a ✓)

1.0

- | A | INDIVIDUAL
- | B | COMPANY / CLOSED CORPORATION
- | C | PARTNERSHIP
- | D | OTHER Describe here:
- | E | TRUST –

2.0 MEMBERSHIP IS FOR (Tick as appropriate)

- Seedstock (stud)
- Commercial/Emerging Producer
- Feedlot
- Abattoir
- Deboning and Meat Processing plant
- Wholesaler and/or Retailer
- Restaurant

2.1 NAME OF APPLICANT – if you are NOT an individual registering under your SURNAME

.....

2.2 SURNAME (if an individual):

.....

2.3 FULL FIRST NAME(S)

.....

2.4. TITLE (state Prof, Dr, Mr, Ms etc.) ID nr:

2.5 VAT REGISTRATION NUMBER:.....

2.6 REGISTRATION NUMBER OF COMPANY / CC / TRUST:.....

2.7 POSTAL ADDRESS: POSTAL CODE:

2.8 PHYSICAL ADDRESS (if a farm include FARM NAME):

.....

.....

2.9 TOWN and PROVINCE

.....

2.10 TELEPHONE: Home (Code + No):

.....

2.11 TELEPHONE: Work (Code + No):



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.....

2.12. FAX (Code + No):

.....

2.13 CELLPHONE No:

.....

2.14 E-Mail:

.....

2.15. REQUEST FOR HERD LETTERS FROM DAFF FOR COMMERCIAL HERDS (Seedstock/Stud producers can use their stud letters): Supply a 3-letter combination, e.g. ABZ, JKP, SZM. No figures (0 to 9) or special characters (\$, #, @) are allowed. These unique letters must be branded on your cattle to identify you as a breeder. **These herd letters are independent of your registered identification mark (brand) in terms of the Animal Identification Act. However, DAFF will allow you to use these letters as your official "brand". Mark not applicable "N/A" if not including a cattle herd.**

1st choice: | | | 2nd choice: | | | | 3rd choice: | | | |

Not applicable:

2.16 MEMBERSHIP TO THE CWB TRADING PLATFORMS

All CWB members will become eligible to trade their products on the trading platforms. The following two platforms have been approved: Wagyu and Swagyu.

By becoming a member of CWB each member has the option to share details of their slaughter animals, carcasses or animal products for sale on one or both selected trading platforms. Members may also opt to share these details later, or not at all.

Please select the trading platform you wish to share details of your sale slaughter animals, carcasses or animal products. Please note that you can choose BOTH platforms, or none at all.

WAGYUX **SWAGYU** **BOTH** **NONE**



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This Agreement dated _____ day of _____ 20____

Between the Parties

CERTIFIED WAGYU BEEF of

Postnet Suite 12
Private Bag X7003
Langenhoven Park
Bloemfontein
9301

(CWB)

And

[NAME OF APPLICANT AS PER ABOVE 2.1 and 2.2]

(Licensee)

Recitals:

- A The CWB is the owner of the Certified South African Wagyu Beef Logo which is a registered certification trademark in the Republic of South Africa and certain other countries and which is well-known and respected within the Republic of South Africa and internationally.
- B The CWB wants to allow the Licensee to use that Logo and the related trademarks in accordance with the terms of this agreement.
- C The Licensee has lodged a valid Application to use the Logo on specified Products.
- D. The CWB has agreed to grant a licence to the Licensee for use of the Logo for the Permitted Use on the terms of this Agreement.

Disclaimer:

I, _____, hereby acknowledge that I have read and understood the CWB program and Constitution that have been provided to me by the CWB office.

(Initial)

Agreed Terms

6. Interpretation

6.1 Definitions

In this agreement:

"Application" means the application, either in digital or hard copy, that must be submitted to the CWB by any person wishing to use the Logo as a certification trademark on nominated products;

"Commencement Date" means the date upon which this agreement is fully executed;

"Constitution" means the Certified Wagyu Beef Constitution and regulations which may be amended by the board from time to time, and the decisions ratified at the annual AGM.

"Licence Fee" means the fees referred to in Item 1 of the schedule;

"CWB's Bank Account" means the bank account details of which are set out in Item 5 of the schedule;

"Logo" means the Logo details of which are set out in Item 2 of the schedule;

"Logo Representations" means the representations of the Logo details of which are set out in Item 4 of the schedule;

"Permitted Use" means the production of the Products according to the Protocol and Constitution;

"Producers" means the Republic of South Africa based manufacturers, processors, growers, exporters or distributors of the Products being purchased by the Licensee pursuant to this contract;

"Products" means goods registered by the Licensee with the CWB under the Protocol as being approved to bear the Logo;

"Policies and Procedures" means the CWB program, which may be amended by the CWB board from time to time, a copy of which is annexed to the constitution as Schedule 2;

"Suppliers" means the Republic of South Africa based manufacturers, processors, growers, exporters or distributors of the Products being sold by the Licensee pursuant to this contract;

"Trademark Registration Details" means the Trademark registration details which are set out in Item 3 of this schedule;

"Trademarks" means

- (i) the Logo;
- (ii) the Trademark Registration Details
- (iii) the Logo Representations; and
- (iv) such other registered or unregistered trademarks which the CWB notifies in writing to the Licensee from time to time.

6.2 Construction

In this agreement unless the context otherwise requires:

- (a) words importing the singular include the plural and vice versa;
- (b) words importing any gender include the other genders;
- (c) references to persons include corporations, partnerships and any other entities recognised by law;
- (d) references to clauses and schedules are to clauses of and schedules to this agreement; and
- (e) references to R or Rand are to Republic of South Africa Rand currency;
- (f) if a word or a phrase is defined, cognate words or phrases have corresponding definitions.

7. Grant of licence

7.1 Grant of licence

Subject to the terms of this agreement, the CWB grants to the Licensee a licence to use the Trademarks on or in relation to the Products for the Term.

7.2 CWB program

The CWB Assured Policies and Procedures forms part of this agreement and a breach of same will amount to a breach of this agreement.

7.3 Rights personal to the Licensee

The rights given by this agreement are personal to the Licensee and are not saleable or transferable in any manner whatsoever and the Licensee must not in any way sublicense, encumber, mortgage or grant rights under this agreement to any other person other than in accordance with the terms of this document and any attempt to do so will be void.

8. Grant of licence

8.1 Use of the Trademarks

- (a) The Licensee acknowledges that the Logo and the Logo Representations are of great value to the CWB and have a significant international reputation which would suffer great damage if the Licensee were to use the Trademarks other than in accordance with this agreement.
- (b) The Licensee must therefore only use the Trademarks in accordance with this agreement and the Protocol.

8.2 Recognition of validity of the Trademarks

- (a) The Licensee must not challenge or in any manner impugn the validity or, where applicable, the registration of the Trademarks, ownership by the CWB of the Trademarks or the exclusive rights of the CWB to take appropriate measures for the protection of the Trademarks.
- (b) The Licensee acknowledges that:
 - (i) all intellectual property rights in the Trademarks are owned by the CWB; and
 - (ii) the Licensee has no right, title or interest in the Trademarks other than the rights granted by this agreement.

8.3 Reporting infringement

The Licensee must promptly report to the CWB particulars of any use by any third party of a trade name, trademark, copyright work or get up of goods, mode of advertising, mark or design which might reasonably amount to infringement of any of the Trademarks or to unfair competition or passing off or other equivalent or similar breach of any applicable law.

8.4 Allegations of invalidity

If the Licensee becomes aware that any third party alleges that the Trademarks are invalid or that the Trademarks infringe any rights of that third party or that the Trademarks are open to any other form of attack the Licensee must not make any admission but must promptly report full details of the matter to the CWB.

8.5 Conduct of proceedings

The CWB will have the conduct of all proceedings relating to the Trademarks but nothing in this agreement will impose any obligation on the CWB to defend any action or proceedings in relation to the Trademarks or take proceedings for their infringement or passing off.

8.6 Full co-operation

If the CWB in its absolute discretion takes or defends any proceedings relating to the Trademarks, the Licensee must fully co-operate with the CWB and provide any assistance reasonably required in relation to such proceedings.

8.7 Indemnity

The Licensee will indemnify the CWB against any action or claim brought against the CWB as a result of the Licensee's use of the Trademarks.

9. Warranty and Indemnity

9.1 Warranty

The Licensee warrants that:

- (a) the Products will at all times comply with the rules and conditions for the use of the Trademarks as detailed in the Protocol;
- (b) it will maintain documentary records sufficient to demonstrate the compliance of the Products with the relevant criteria set out in the Protocol;
- (c) all material published by it on the CWB's website is true and correct, complies with the law and does not infringe the rights of any third party.

9.2 Indemnity

The Licensee must indemnify the CWB against all losses, costs, demands, expenses and liabilities whatsoever arising out of or referable to any circumstances which would not have arisen but for a breach of the warranties given in clause 6.1.

10. Licence Fee (VAT excluded)

10.1 Payment of Licence Fee

In consideration of the rights granted to it by the CWB under this agreement, the Licensee must pay to the CWB the Licence Fee as prescribed in Item 4 of this agreement.

10.2 Payment to nominated account

All payments to the CWB under this agreement must be made to the CWB's Bank Account.

10.3 Licensee to keep accounts and records

During the Term and thereafter for a period of 24 months after the dates of the transactions to which they relate, the Licensee must keep at its principal office true and correct accounts and records of all sales and records of the Products.

11. Compliance audit and inspection of documents

11.1 Compliance audit

- (a) The Licensee agrees to submit to compliance audits in respect of its use of the Trademarks as may be required from time to time by the CWB during the Term and Conditions as set out in the CWB program.
- (b) The Licensee must cooperate fully with EXTERNAL AUDITORS in their conducting a compliance audit under clause 8.1(a).
- (c) The Licensee agrees to pay the costs associated with conducting any such audit. CWB will annually engage with EXTERNAL AUDITORS to restrict such fees to the absolute minimum.

11.2 Inspection of documents

At the time of the CWB or its authorised representatives conducting an audit under clause 8.1 or after giving reasonable notice, the CWB or its representatives may inspect and audit the accounts and records of the Licensee relating to the production and sale of the products and all other matters directly or indirectly relevant to the calculation of the amount of any payment due to the CWB.

The CWB or its representatives may take copies of or extracts from any such records.

12. Term

This Agreement will commence on the Commencement Date and will continue unless terminated under clause 13

13. Termination

13.1 Termination by Either Party

This agreement may be terminated:

(a) by the mutual agreement of the parties in writing;

or

(b) by either party by notice to the other party if

- (i) the other party fails to remedy any breach of this agreement within 14 days of receiving written notice from the first party requiring it to do so, or commits any breach of this agreement incapable of remedy;
- (ii) the other party has an agent in possession, mortgagee in possession, administrator, manager and receiver or receiver appointed of the whole or any substantial part of its assets or if any order is made or a resolution passed for the winding up of the other party;

or

- (iii) the other party becomes insolvent or makes an assignment for the benefit of creditors or any arrangements pursuant to bankruptcy law or if the other party discontinues business or if the other party ceases to do business.

13.2 Termination by CWB

The CWB will have the right to terminate this agreement and the licences under it immediately by notice in writing to the Licensee upon the happening of any of the following events:

- (a) the Licensee does not meet the requirements of Clause 5.1 and in particular
 - (i) uses the Trademarks in a way that is likely to damage their reputation or that of the CWB; or
 - (ii) uses the Trademarks on products not manufactured or grown in the Republic of South Africa; or Namibia, Botswana and Zambia
 - (iii) uses the Trademarks on products other than the Products; or
- (b) the Licensee commits or suffers any act or omission which does or is reasonably likely to damage the reputation of the Trademarks or that of the CWB.

14. Consequences of Agreement Ending

14.1 No use after termination or expiry

The rights of the Licensee to use the Trademarks will expire with this agreement and following termination of this agreement the Licensee will not at any time use the Trademarks or any other name or sign confusingly similar to the Trademarks.

14.2 Rights and obligations of the Licensee

- (a) Where the agreement is terminated by the CWB pursuant to clause 13, the Licensee must within 14 days withdraw from sale any products carrying the Trademarks on their packaging and remove or cause to be removed from public display any sign, label or poster incorporating the Trademarks in the possession power or control of the Licensee and provide the CWB with a declaration that it has done so.
- (b) Where the agreement is terminated by the Licensee for whatever reason, the time frame associated with the termination should be such that the contract remains in place until there is no further stock for sale which carries the Trademarks on its label or packaging. Thereafter, the Licensee must make no further use of signage or point of sale material which carries the Trademarks and must remove them or cause them to be removed from public display and provide the CWB with a declaration that it has done so.

15. Variations to Agreement

Any modification, alteration, change or variation of any term and condition of this agreement will only be made in writing and executed by the parties.

16. Severability

The provisions of this agreement will be deemed to be severable and any invalidity of any provision of this agreement will not affect the validity of the remaining provisions.

17. Notices

17.1 Notices by electronic mail

Any notice required or authorised to be given by any party to another concerning anything relating to this agreement will be in writing and may (without prejudice to the use of any other method) be given by being sent by electronic mail to the email address stated in Item 6. Any notice given by electronic mail will be deemed to have been properly served when the sender's electronic mail system produces a return receipt or confirmation stating that the electronic mail was received by the addressee.

17.2 Notice when office not open

If any notice given under this clause is given on a day when the office of the party to whom it is addressed is not open for business the notice will be deemed to have been given on the next day on which such office is open for business.

18. Entire Agreement

This agreement constitutes the entire agreement of the parties and there are no other oral undertakings, warranties or agreements between the parties relating to the subject matter and this agreement is not based upon any representations as to profit or worth nor has any representation been made (whether by this agreement or otherwise) to induce the Licensee or the CWB to accept and execute this agreement.

19. Governing Law

This agreement will be construed in accordance with and be governed by the laws of the Republic of South Africa and the parties hereby submit to the jurisdiction of the Courts of the Republic of South Africa.

20. Schedule

Item 1 Licence Fee (VAT excluded)

The licence fee is that amount in the Republic of South Africa Rand set in accordance with the current fee schedule as set out in point 4 in the CWB program

Item 2 The Logo



Item 3 Trademark Registration Details

The Trademark Republic of South Africa registration details are as follows:

Trademark Owner	Trademark	Registration number	Commencement date	Classes
Wagyu Society of South Africa	Refer to Item 2	2018/12135-8	20180502	29,31,35,44 44

Item 4 Logo Representations



Item 5 CWB's Bank Account

Bank name:	Standard Bank
Branch:	Brandwag Bloemfontein
Account name:	Certified Wagyu Beef
Account number:	240 333 756
VAT no	4380284317



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Item 6 Contact Details

For the CWB:

The Chief Executive Officer or representative

Certified Wagyu Beef

Postnet Suite 12

Private Bag X7003

Langenhoven Park

Bloemfontein

9301

Tel: +27 51 492 1852

E-mail: cwb@wagyu.org.za

21. Execution

Executed by Certified Wagyu Beef, in accordance with the Animal Improvement Act 1998

CWB Authorised Representative

Print Name

Witness

Print Name

By the Licensee

Executed by the Licensee in accordance with its Constitution:

Signature

Print Name

Witness

Print Name