

Stichting Max Havelaar – the Netherlands

Appendix 4: Sales Reporting, Licence Fee and Payment

Fee 2016

1. Licence Fee: based on a report to the Trade Auditing Body the LI will send the Licensee an invoice for the Licence Fee. The LI is entitled to invoice an advance payment per quarter.
2. Invoicing will be done by quarter.
3. The invoice must be paid within 30 days.
4. Quarterly reports have to be submitted within 30 days after the end of the quarter. For all reports submitted after this period the LI will charge the Licensee a fixed amount of € 20- per day. For those Licensees submitting their report in time an incentive of € 20- will be deducted of the total licence fee payment.
5. Licence Fees for the Product(s) covered by the Contract:

Sector	Product Group	Product Line	Category	Fee	Fee Type	Unit	
Food	Alcoholic Beverages	Beer & Spirits		2,25%	value-based	Euro	
		Wine		€ 0,12	volume-based	Litres	
	Appetizers, Nuts and Dried Fruits			2,25%	value-based	Euro	
	Chocolate, Biscuits and Confectionery			2,25%	value-based	Euro	
	Cold Beverages			2,25%	value-based	Euro	
	Desserts, Cakes and Ice-creams			2,25%	value-based	Euro	
	Fresh Fruits and Vegetables			€ 0,03	volume-based	Kilograms	
	Hot Beverages	Hot Coffee	Coffee		€ 0,20	volume-based	Kilograms
			Instant coffee		€ 0,55	volume-based	Kilograms
		Hot mix beverages			2,25%	value-based	Euro
		Tea and Herbal Tea			€ 0,42	volume-based	Kilograms
	Jams, Honey and Spreads	Jams & Spreads			2,25%	value-based	Euro
		Honey			€ 0,16	volume-based	Kilograms
	Rice, Pasta and Ready-prepared food	Composite Products			2,25%	value-based	Euro
		Rice & Grains			€ 0,08	volume-based	Kilograms
Spices, Seasoning and Cooking aids				2,25%	value-based	Euro	
Sugar and sweeteners				€ 0,06	volume-based	Kilograms	
Non Food	Cosmetics			2%	value-based	Euro	
	Flowers			€0,0068	volume-based	Stems	

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Plants	2,25%	value-based	Euro
Fine Gold (24 carats)	€ 1.200	volume-based	Kilograms
Fine Silver (999)	€25	volume-based	Kilogram
Sportsballs	2%	value-based	Euro
Textile	2%	value-based	Euro

The Licence Fee is exclusive of VAT and payable for the quantity of Product sold in kilos (excluding the weight of the packaging) or wholesale value.

The Licence Fee per kilo/liter is adjusted annually, effective 1 January, based on the consumer price index (CPI), series relating to all families (deduced), of the past year as published by the Central Bureau of Statistics (CBS).

6. Certification fee:

Licensees need to be certified by either FLOcert or by the LI.

Small Licensees

For small Licensees the Certification Fee amounts to € 500 per annum or € 125 per quarter for new licensees (in the year they sign the Licence contract) and for licensees ending their contract. Small Licensees have to comply with all of the following criteria:

- Less than 10 employees
- Annual turnover or balance total is less than € 2.000.000
- All activities on one site.

This reduction ends when:

- The Licensee submits quarterly reports too late (article 4 of this appendix)
- The Licensee pays the invoices (for Licence Fee) too late (article 3 of this appendix 3)
- The Licensee is not providing or is too late with providing the information that is needed for inspections/audits.
- Audits show major non compliances from the Fairtrade Standards

Other licensees

The Certification Fee amounts to € 1,000 per annum or € 250 per quarter for new licensees (in the year they sign the Licence contract) and for licensees ending their contract.

7. Compensation Flo-cert Fee : For those Licensees being certified at both the LI and Flo-cert a compensation is offered of € 1000,- per year or € 250 per quarter for new licensees (in the year they sign the Licence contract) and for licensees ending their contract. This in order to compensate for the additional costs that Flo-cert members encounter on top of the Licence Fee. For dedicated Fairtraders (see definition below at point 9) the annual certification fee of FLO-cert will be refunded. The compensation can never be higher than the licence and certification fee paid to the LI.

8. Discount based on volumes

Licensees can get a discount on their Licence Fee for their sales in the Netherlands. The discount is based on the total Licence Fee, for sales in the Netherlands, per year and has the following thresholds:

Total Licence Fee per year	Discount %
€ 0 – 75.000	-
€ 75.000 – 150.000	25% discount on the amount above 75,000€
€ 150.000 – 225.000	50% discount on the amount above 150,000€
> € 225.000	75% discount on the amount above 225,000€

9. Discount for dedicated Fairtraders

Licensees, who comply with the following conditions, can apply for the discount mentioned below instead of the discount in the previous article.

Conditions:

- Over 90% of the relevant sales of the Licensee have to be realized by Products with the Certification Mark. Relevant sales means under the brands of the Licensee and in FLO product categories (for which FLO standards exist)
- Licensee is member of a fair trade network (IFAT, EFTA of NEWS)

The discount is based on the total Licence Fee, for sales in the Netherlands, per year and has the following thresholds:

Total Licence Fee per year	Discount %
€ 0 – 75.000	30% discount
€ 75.000 – 150.000	30% (*) discount on the amount above 75,000€
€ 150.000 – 225.000	55% (*) discount on the amount above 150,000€
> € 225.000	80% (**) discount on the amount above 225,000€

(*) An additional 10% discount can be granted if a plan of innovation or producer support is approved by LI.

(**) An additional 5% discount can be granted if a plan of innovation or producer support is approved by LI.

Dedicated Fairtraders also receive a 30% discount on export.

10. As mentioned in appendix 6, the Trade Audit Body will perform inspections. These are included in the licence fee. However, if a Licensee cancels an announced inspection later than 10 working days before the scheduled date of the inspection, the LI will charge € 650/day to the licensee.