(d) plants or plant products harvested, picked or gathered in the customs territory of the Party;

(e) minerals and other naturally occurring substances, which are not included in subparagraphs (a) to (d), extracted or taken in the customs territory of the Party;

(f) products of sea-fishing and other products taken by vessels of the Party from the sea outside the territorial seas of the Parties;

(g) products produced on board factory ships of the Party, outside the territorial seas of the Parties, from the products referred to in subparagraph (f);

(h) products taken from the sea-bed or subsoil thereof outside the territorial sea of the Party, provided that the Party has rights to exploit such sea-bed or subsoil under the provisions of the United Nations Convention on the Law of the Sea, done at Montego Bay on 10 December 1982;

(i) articles collected in the customs territory of the Party which can no longer perform their original purpose in the customs territory of the Party nor are capable of being restored or repaired and which are fit only for disposal or for the recovery of parts or raw materials;

(j) scrap and waste derived from manufacturing or processing operations or from consumption in the customs territory of the Party and which are fit only for disposal or for the recovery of raw materials;

(k) parts or raw materials recovered in the customs territory of the Party from articles which can no longer perform their original purpose nor are capable of being restored or repaired; and

(l) products obtained in the customs territory of the Party exclusively from products referred to in subparagraphs (a) to (k).

Article IV
Sufficiently Worked or Processed Products

1. For the purposes of subparagraph (b) of Article II of this Annex, a product obtained using non-originating materials shall be considered as an originating product of a Party, if:

(a) the value of non-originating materials used in the production of the product does not exceed 60 per cent of the ex-works price of the product; or

(b) all non-originating materials used in the production of the product have undergone in the customs territory of the Party, a change in tariff classification at the level of the first four-digit code of the Harmonized System.

2. Notwithstanding paragraph 1, a product of which the tariff classification number of the Harmonized System is listed in Appendix 1 to this Annex shall be considered as an originating product of a Party if it satisfies the product specific rules set out therein.

3. For the purposes of paragraphs 1 and 2, the operations provided for in Article VII of this Annex shall be considered as insufficient.

4. For the purposes of paragraphs 1 and 2, the value of non-originating materials used in the production of the product in the customs territory of a Party:

(a) shall be determined in accordance with the Agreement on Customs Valuation and shall include freight, insurance and, where appropriate, packing and all other costs incurred in transporting the non-originating materials to the importation port in the customs territory of the Party where the producer of the product is located; or