



**BUREAU VERITAS CERTIFICATION NORTH AMERICA, INC.
TERMS & CONDITIONS
SAFE QUALITY FOOD CERTIFICATION**

GENERAL

Bureau Veritas Certification North America, Inc. (“BVCNA”) offers, *inter alia*, audit and certification services for Safe Quality Food (“SQF”) as established by the current revision of the ISO/IEC 17065 standard.

To achieve and preserve their certification status, our clients must develop and maintain their products and management systems in accordance with ISO/IEC requirements as well as applicable standard and product requirements outlined in SQF Food Safety Codes (“SQF Code”) by the SQF Institute (“SQFI”).

This document sets forth the Terms and Conditions which will govern the relationship between BVCNA and its Client and also covers the scope of BVCNA’s audit and certification services (the “Services”) which conform with:

- a. current revision of ISO/IEC 17065; and
- b. the applicable sections of the current edition of SQF Code and the current version of Criteria for SQF Certification Bodies

To receive the Services, the Client must allow BVCNA access to all (a) areas, (b) equipment, (c) documentation and records (including internal audit reports) and (d) personnel, including subcontractors, for the purpose of assessment (e.g. testing, inspection, assessment, surveillance, renewal) and resolution of complaints. The Client is further required to (a) keep a record of all known complaints concerning its compliance with certification requirements and (b) make these records available to BVCNA when requested. The Client will also (a) take appropriate action with respect to such complaints and any deficiencies found in products that affect compliance with certification requirements as well as (b) document the actions taken.

The certification awarded by BVCNA covers only those services and products supplied and manufactured under the control of the Client. Other services and products marketed or distributed by the Client under its name are considered to be outsourced processes. These will only be considered within the scope of certification when they are systematically controlled by the Client to the satisfaction of BVCNA. The Client may only make claims consistent with the scope of the completed BVCNA certification.

FUNDAMENTAL TERMS AND CONDITIONS:

“Bureau Veritas Certification North America, Inc.” or “BVCNA” shall mean that particular BVCNA group or company in any jurisdiction whatsoever, referring in its offer or other BVCNA issued document, to these terms and conditions. These terms and conditions constitute the sole obligations undertaken by BVCNA, and the sole rights and remedies of the Client, to the exclusion of all other representations, statements, terms, and conditions whether expressed or implied. The parties agree, in the circumstances

known to them at the date of entering into this Agreement, that these terms and conditions are reasonable. In the event that a court shall determine that one or more provisions are unenforceable for any reason, such provision shall be deemed to be severed from these terms and conditions, such that the remaining terms and conditions shall continue to be enforceable between the parties hereto.

The Client hereby warrants and covenants with BVCNA that it will, at all times during the term of the Agreement, comply with all reasonable requirements necessary for the issuance of the certificate of approval; including (but without prejudice to the generality thereof):

- a. all statutes, rules, regulations issued by any statutory or other competent authority,
- b. all recommendations, codes and similar matters issued by any authority pursuant to which in compliance of which or for the purpose of which the certificate of approval is issued, or
- c. such other reasonable requirements of BVCNA as are necessary to enable the certificate of approval to be issued and maintained in force in conformity with standards of high quality of certification.

The Client further warrants the completeness and accuracy of all documents and information supplied to BVCNA for the purposes of this Agreement.

INVOICING & TERMS OF PAYMENT

A quote for services to be rendered is provided to the Client once all applicable information is gathered to ensure proper determination of scope. The quote indicates the basic charges for the services requested on the assumption that the information supplied by the Client was accurate and complete. Any service supplied beyond those set out, including special surveillance visits, will be charged at BVCNA’s current rates or as otherwise agreed by the parties. All fees are exclusive of travel and out-of-pocket expenses. Invoices will include but are not restricted to audit days (off and on site), reports, certification fees and expenses incurred at cost. Payments are due within thirty (30) days of the date of invoice. Thereafter, the outstanding unpaid amount may accrue interest at the rate of 12%. Please note issuance of the Certificate(s) may be delayed pending receipt of payment by BVCNA for any outstanding invoices. This will be formally communicated to the Client if this is a requirement for certificate issuance. In the event of non-payment, BVCNA may proceed with suspending the current Certificate of Registration. A formal letter will be sent electronically to the main contact and a Client will have thirty (30) days to resolve any outstanding balances prior to the Certificate of Registration being withdrawn. The suspension will be reported to SQFI, along with any subsequent withdrawal, and information will be posted on the SQFI website. BVCNA reserves the right to review and amend its charges.

AUDIT DATE CHANGES & AUDIT CANCELLATIONS

When a client has agreed to an audit date, BVCNA reserves the right to add a \$100.00 surcharge (in the currency set forth in the BVCNA proposal) should the client request to change or cancel the audit date. If the client changes or cancels an audit or the agreement with less than

(20) working days written notice from the day after the last day of the agreed dates for the visits, BVCNA will charge a fee amounting to the greater of 25% of the estimated services fee or one person day at the contracted rate. The fee will increase to 50% of the total audit charge if the client changes or cancels an audit within ten (10) working days and to 100% if the client changes or cancels an audit five (5) working days of the start of the audit. All unrecoverable travel costs will also be billed to the cancelling party.

CHANGES TO CERTIFICATION

The Client is required to inform BVCNA, without delay, of any significant changes to its product(s) or services that may impact the certified management system(s) or any other circumstances which may affect the validity of its certification or its ability to conform to the certification requirements. Change of site, additional sites, change of process, change of ownership, change of scope, change of number of employees, etc. are considered as changes which may affect the validity of the certification. BVCNA will then take the appropriate action, such as conducting a special visit and/or changing the certification. Special visits may also be conducted to investigate complaints received about the client.

TERMINATION OF CONTRACT

Each Party shall have the right to terminate this Agreement for uncured material breach by the other Party, as follows:

- (a) If a Party believes that the other Party (the "Defaulting Party") is in material breach of its obligations under this Agreement, then such Party may provide written notice to the Defaulting Party setting forth a description of the asserted material breach. The Defaulting Party shall then have sixty (60) days to cure the material breach.
- (b) If the Defaulting Party does not cure such breach by the end of the sixty (60) day period after receipt of Notice, then the Party providing such notice may then terminate the Agreement immediately on written notice to the Defaulting Party.

This Agreement shall be terminated immediately if (a) either party goes into liquidation or a receiver or administrator is appointed for all or part of the undertaking thereof or (b) if either party ceases to trade whether in whole or in part.

In the event of this agreement being terminated, whether by notice, default or otherwise, the BVCNA certificate of registration issued pursuant hereto shall forthwith become invalid and the Client shall cease to use the same and return to BVCNA all documentation and other matters issued pursuant thereto or bearing an indication of such certification of approval.

LIABILITY, INDEMNITY & FORCE MAJEURE

BVCNA shall not, under any circumstances whatsoever, be liable to the Client for any matter arising out of performance of the services in respect of consequential loss. The term consequential loss shall include any indirect or consequential loss, any loss of production, loss of profits, loss of revenue, loss of contract, loss of goodwill, and loss of use or liability under other agreements.

The Client remains solely liable for any defects in their product. It shall not use or misuse any product certification in such a manner as to bring the BVCNA into disrepute and it shall not make any statements regarding its product certification which BVCNA may consider misleading or unauthorized.

BVCNA shall not be liable in any respect should it be prevented from discharging such obligations as a result of any matter beyond its control, which could not be reasonably foreseen.

This agreement is governed by the Laws of State of Texas, United States of America, and the parties that submit to the jurisdiction of this state law, all notices and proceedings served will be deemed to be duly served if sent by pre-paid registered mail to the address of the party shown on the proposal.

CONFIDENTIALITY

Except as may be required by law, BVCNA and the client will treat all information as strictly confidential and will not disclose to any third party without prior written consent of the other.

WITNESSED AUDITS

If applicable, BVCNA Clients must allow a representative of an accreditation body to attend the audit activity as part of witness audits that are conducted as part of the accreditation process. This will be done by an accreditation body for which the relevant accreditation body mark is used. This is an accreditation body rule and one that cannot be changed by BVCNA. This requirement also applies to regular witness activities that are required to be conducted by BVCNA on a regular basis and to other applicable oversight authorities (e.g. SQFI). Witness auditors are not part of an audit activity and do not determine the level of conformance of the site to SQF requirements. Their role is solely to observe auditor performance and the cost of the witness assessor shall not be passed on to the client.

REQUEST FOR CERTIFICATION

Bureau Veritas Certification Request for Information/Request for Quotation (the "Form") is BVCNA's standard form to be completed by the Client setting out the Services to be performed by BVCNA, together with any other information concerning the performance of services under the terms of this Agreement. The Client will be asked to supply information about the size and scope of their operations subject to BVCNA's services. Upon receipt of this information, BVCNA will issue a proposal to the Client.

If the proposal is acceptable, the Form is signed and returned to BVCNA. The signee of the contract is deemed by BVCNA to have been granted authority to sign on behalf of the company requesting services. This further acts as the authorization to proceed as well as confirmation of the date that the services shall begin.

CERTIFICATION PROCESS

The details of the services to be provided will be as agreed between the Client and BVCNA.

If the information given by the Client is inaccurate or incomplete and the quoted audit duration is no longer appropriate, the auditor in charge will discuss an appropriate remedy with the Client before continuing with the audit process. The auditor then would call BVCNA management to request further instruction (e.g. increase or decrease duration with discussions and agreement with client).

For general guidance, the key stages of the certification process are as follows:

CERTIFICATION AUDIT

Before any certification activity is undertaken, a complete round of internal audits and a system review will be completed. SQFI recommends ninety (90) days of records be available before a site audit is conducted. A written audit program (audit plan) will be provided prior to the commencement of the audit.

Prior to the start of the audit, the audit team will meet with the management of the client to discuss the details of the audit process and consider any issues relating to the performance of the audit. The certification audit is designed to verify the effectiveness of the client's SQF system to establish and ensure the effective interaction between all elements of the SQF system and that the client has demonstrated a commitment to maintaining the effectiveness of the SQF system and to meeting regulatory and customer requirements. Observations, general remarks and non-conformities (Critical, Major and Minor) will be identified and discussed if and when they are identified during the audit.

The audit team will prepare and present to the client's management a report of the audit, their findings, the scope of certification, and seek agreement on the nature of any corrective actions to be taken, where necessary.

NON-CONFORMANCE CLOSURE

All non-conformances shall be closed within thirty (30) days of the last day of the audit activity. The only exception shall be when a critical non-conformity is noted. This shall be handled per the current version of the SQF Code. All non-conformities are required to have a detailed root cause listed, along with evidence of immediate and long standing corrective action that will be implemented to prevent recurrence. In the event non-conformances cannot be closed within thirty (30) days, the site is able to apply for an extension for said non-conformance(s). All requests shall be sent to FoodAuditsNA@bureauveritas.com and shall include justification for the extension, how the risk associated with the non-conformance is being controlled, and a planned due date of completion. This new due date will be agreed upon between the Client and BVCNA. Upon approval of extension, the audit will move forward to certification. If the non-conformance is not closed by the agreed date, BVCNA shall move forward with certificate suspension.

ISSUANCE OF CERTIFICATION

Certification will be granted and certificates issued according to the current requirements of the SQF Code and, in some instances, after any outstanding invoices have been paid in full. The certificate will detail the Scope of Registration - Food Sector Categories, SQF Food Safety Certification Codes-FSC Codes (e.g. Primary Production, Manufacturing, Packaging, Storage and Distribution) and Quality Codes, and Product(s). These will be reviewed during required audits and as requested. Details of the clients Certificate of Registration will be made available on the SQF website for public display. The certification issued does not exempt the client from their legal obligations in respect of the products they provide. The client will comply with the requirements of BVCNA and the SQF Guidelines when making reference to its certification in communication media such as documents, brochures or advertising. The use of the SQF logo and quality shield (if applicable) must be in accordance with the SQF Rules for Use which are listed in the applicable versions of the SQF Code (see SQF Code appendices) requirements for use of trademark (SQF Certification Trade Mark Rules for Use –current version). The Client must comply with any prescribed requirements in the certification scheme relating to the use of marks of conformity, and on information related to the product. BVCNA will monitor these requirements during required audits. Any failure to follow these guidelines will result in a non-conformity.

Persistent breaches of these requirements could result in the

certificate being suspended or withdrawn. If the client provides copies of the certification documents to others, the documents shall be reproduced in their entirety or as specified in the certification scheme.

All documents issued after certification, including reports, are the property of BVCNA. As per scheme owner requirement, audit records should be available for review by GFSI or SQFI when requested.

CERTIFICATION MAINTENANCE

Certification is maintained as defined in current SQF FSC and Quality Code. All audit events are given a rating based on performance. A contract is required for each audit activity and a new one will be delivered to the client prior to any audits being booked for subsequent audits that are not covered by the current contract. The term of this agreement shall be for three (3) unless otherwise agreed to in writing by BVCNA and the Client.

In the event BVCNA changes its certification service, all clients will receive 30 days advance written notice. Upon receipt of such notice, the Client is to promptly inform BVCNA of (a) any customer complaint involving a critical or major nonconformity, (b) any changes to its product(s), services, management system(s), or (c) any other circumstances which may affect the validity of their certification. For example: change in employee count, change of site, additional sites, change of process, change of scope etc. This may result in the need for a special visit to the site to confirm changes.

In the case where the Client's business has been sold and the legal entity's business name was retained by the new ownership the client shall inform BVCNA within (30) days of the change in ownership to retain the SQF Certification and certification number.

In cases where ownership of the Client changes but key personnel in the management and oversight of the SQF System are retained, the existing audit frequency may be maintained.

If there are significant changes in site management and personnel, BVCNA shall complete a certification audit and issue a new certificate and a new certification number. The audit frequency applicable to a new certification shall apply.

When a certified site relocates its business premises, the site's certification does not transfer to the new site. A successful certification of the new premises must be conducted.

Where changes to the SQF Codes are made, the Client must make any amendments to their processes by the due date specified by SQFI.

UNANNOUNCED AUDIT

Unannounced audits are required to be conducted once every three (3) years. The unannounced audit shall occur in the supplier's facility within the sixty (60) day re-certification window (i.e. the anniversary date of the initial certification audit +/- thirty (30) days). Unannounced audits are not conducted during the initial certification audit or on a surveillance audit. Blackout dates are to be provided to BVCNA at least (60) days prior to the opening of an audit window. Blackout periods are to be agreed upon between the site and BVCNA and will only be approved if a site is not in season or if the site is not operating for legitimate business reasons. For the full text of the unannounced re-certification audit, refer to current SQF edition.

DISCOVERY OF LEGAL NON-COMPLIANCE

Any BVCNA auditor who observes, suspects, or becomes aware of a regulatory noncompliance will verbally inform the auditee and lead auditor, if applicable, as soon as possible. The noncompliance will not

be documented unless the auditee specifically asks the auditor to do so. The auditor will observe the organization's reaction to the noncompliance, noting how the management system responds, action taken, mitigation efforts and etc. The auditor will follow up to determine if a management system nonconformance led to the regulatory noncompliance. Any nonconformance noted will be documented against the system. The auditor will ensure that any reportable issues are handled appropriately by the site management.

Upon identification that a certified site initiates a food safety event that requires public notification (such as Class I or Class II recall, or the receipt of a regulatory warning letter), the site shall notify BVCNA and the SQFI in writing at FoodAuditsNA@bureauveritas.com and foodsafetycrisis@sqfi.com within twenty-four (24) hours of the event. BVCNA and SQFI shall be listed in the site's essential contacts lists as defined in applicable system elements. BVCNA shall notify the SQFI within a further forty-eight (48) hours of any action it intends to take to ensure the integrity of the certification.

SUSPENSION OR WITHDRAWAL OF THE CERTIFICATION

Suspension and withdrawal activities, outside of those due to non-payment, will follow the requirements outlined in the applicable Edition of the SQF Code and Criteria for SQF Certification Bodies.

APPEALS AND COMPLAINTS

Should the Client wish to appeal against or dispute the decisions of BVCNA they should do so in accordance with the BVCNA appeals procedure. Any complaints and appeals shall be sent to FoodAuditsNA@bureauveritas.com. A copy of which is available on request. Should a complaint arise about BVCNA, this should be communicated to BVCNA. All complaints that are received by BVCNA from other parties about the client will be investigated and resolved without delay.

BVCNA must ensure that clients keep records of customer complaints and take appropriate corrective actions. BVCNA must be allowed full access to these records.

All requirements listed in the applicable edition of the SQF Code and Criteria for SQF Certification Bodies shall be followed.

Please communicate complaints, disputes, appeals, and food safety incidents to: FoodAuditsNA@bureauveritas.com