

Procedure Manual Control Union Certifications
Annex A3. Terms of Contract

Terms of Contract applicable to the inspection and certification activities by Control Union Certifications, hereinafter called "the Company"

1. General

- 1.1 For those items not covered in these Terms of Contract the attached Control Union World Group Terms and Conditions of Business apply, articles 7.6 and 10 of the Terms and Conditions are excluded.
- 1.2 The Company's standard services may include all or any of the following: Inspections and Certifications of products, processes, systems or activities. Inspections are defined to include assessments, audits, inventories and surveillance.

2. Offer letter

- 2.1 By accepting any offer made by the Company the Principal enters into an agreement with the Company (hereinafter: the "Agreement") on the terms and conditions as specified in such offer letter as well as in all other documents (including these terms of contract) which are and have been declared applicable to the Agreement (hereinafter: the "Documents").

3. Obligations and restrictions of the Principal

- 3.1 The Principal must report any change or discontinuation in a production method or unit which is included in the certification program immediately to the Company.
- 3.2 The Principal may not transfer any of its rights or obligations under the Agreement and the Documents to any third party. Such rights and obligations are non-transferable.
- 3.3 Unless the Principal acts in accordance with the terms of the Agreement and the terms of the Documents, it may not refer to any Document, document or indication such that the impression could be raised that the products of the Principal were obtained or the units of the Principal are kept according to the terms of the Documents or according to the terms of a certification granted by the Company.
- 3.4 The Principal must, upon request by the Company, withdraw and/or rectify any misleading or incorrect publications, indications or information with regard to its inspected and/or certified activities to the satisfaction of the Company.
- 3.5 The Principal may never (i) use a certification granted by the Company for activities for which such certification was not given and (ii) use a Company indication on products which have not been approved of by the Company.
- 3.6 The Principal may never use a (quality) system certification granted by the Company to imply that a product or a service is approved by the Company.
- 3.7 The Principal may not act in such a way that can affect a Company indication and/or a Company certificate in a negative way.
- 3.8 The Principal must inform the Company immediately, of every noted incorrect and/or unauthorised use of a Company indication and/or any misleading or incorrect publications referring to the Company as soon as this has come to its knowledge.

4. Inspection

- 4.1 The Company will perform the inspections or will have the inspections performed by a third party on her behalf according to the terms of the Documents in order to determine whether the agreed conditions as mentioned in the Documents are being met.
- 4.2 If the Company finds it necessary and reasonable to perform additional inspections, the costs for these extra inspections shall be for the account of the Principal. These costs shall be based on the yearly fee as agreed upon by the Company and the Principal and shall be charged on the basis of real made costs.

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- 4.3 The Principal must make all necessary arrangements for the performance of the inspection activities, including but not limited to the provisions necessary for the examination of documentation by the Company. Additionally, the Principal must provide the Company access to all areas, premises and units which fall within the scope of the Agreement and records (including but not limited to internal audit reports) for the purpose of inspection and it must make personnel available for the purpose of resolution of complaints.
- 4.4 If required for the purpose of inspection samples for analysis must be made available by the Principal and must be placed free of charge at the Company's disposal.

5. Certificate

- 5.1 If the Principal is granted a scope certificate this shall be valid until the expiration date which is mentioned on the certificate, provided that:
- (i) no deviations, alterations and/or other changes have occurred with regard to the production method and units on the date they were inspected and which were certified based on that inspection; and
 - (ii) the Agreement has not been terminated due to any reason whatsoever.
- 5.2 Verbal commitments or agreements regarding the certification by or with the Company's personnel or the party performing the inspections on the Company's behalf, do not bind the Company in any way. Only if a formal written certification decision is taken by the Company a certification shall be granted by the Company to the Principal.
- 5.3 The Company scope certificate is granted to the Principal on a non-exclusive basis.

6. Confidentiality

- 6.1 The Company shall take all necessary measures to ensure that all information which has come to its knowledge in connection with the performed inspections (the "Information") shall be treated as confidential and it shall not disclose the Information to a third party without the prior written consent of the Principal, except to the extent required by law and/or the Documents.
- 6.2 The Principal shall take all necessary measures to ensure that all information which has come to its knowledge regarding the method of inspection used by the Company shall be treated as confidential and it shall not disclose any information regarding the method of inspection to a third party without the prior written consent of the Company, except to the extent required by law and/or the Documents.

7. Indications

- 7.1 If the Principal acts in accordance with and meets the requirements as mentioned in the relevant Documents (including but not limited to the relevant Document regarding the use of the Company indication), it may use the relevant Company indication(s), on products which have been certified by the Company and for which the Principal possesses a valid scope certificate.
- 7.2 The right to use the Company indication is granted to the Principal on a non-exclusive basis. The Principal is free to publish that it has the right to use the Company indication on certified products for which a scope certificate has been issued.

8. Amendment of the documents

- 8.1 The Company is entitled to unilaterally amend (the terms of) the Documents.
- 8.2 The Company shall inform the Principal in writing at first notification about any amendment of the Documents which are relevant to the Agreement and it shall notify the Principal of the day these amendments to the Documents come into effect.

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- 8.3 In case of an amendment to (the terms of) the Documents the Principal is unconditionally bound to the terms of these new documents. These altered terms shall replace the relevant terms of the former Documents as of the day the amendments come into effect.
9. **Responsibility, liability and indemnification**
- 9.1 The attached Control Union World Group Terms and Conditions of Business articles 1, 3, 5, 8, 9, 11, 12.1, 12.3, 13, 14, 15, 16, 17, 18, 19 and 20 are integral part of these terms.
- 9.2 The liability of the Company in respect of any claims for loss, damage or expense of whatsoever nature and howsoever arising in respect of any breach of contract and/or any failure to exercise due skill and care by the Company shall in no circumstances exceed a total aggregate sum equal to the annual fee payable in respect of the specific services required under the particular contract with the Company which gives rise to such claims provided however that the Company shall have no liability in respect of any claims for indirect or consequential loss including loss of profit and/or loss of future business and/or loss of production and/or cancellation of contracts entered into by the Principal. Where the fee payable relates to a number of services and a claim arises in respect of one of those services the fee shall be apportioned for the purposes of this paragraph by reference to the estimated time involved in the performance of each service.
- 9.3 The Principal shall hold the Company harmless and shall indemnify the Company as a result of damages suffered by the Company due to the Principal not observing the national and international governmental export and import restrictions.
10. **Fees**
- 10.1 Unless expressly indicated or agreed otherwise, the prices quoted by or agreed with The Company shall be net prices, therefore exclusive of VAT.
- 10.2 The Principal must pay a fee based on the number of inspection days needed (including travel days) and the certification costs (e.g. administration, certificates, etc.). Additional inspection visits which the Company finds reasonable and necessary will be invoiced according to the terms of the relevant Documents.
- 10.3 Other costs (e.g. travel and boarding costs, costs for analyses and costs for sending certificates by registered mail) will be invoiced directly based on real made costs.
- 10.4 The Company reserves the right to alter the agreed fee based on (inter)national index figures or the Company policy. The Company will send a notification of a change in the fee structure to the Principal at least three months before the day it comes into effect.
- 10.5 In case of cancellation of the inspection visit by the Principal or by the Company (due to non payment of the invoice), all costs already made for the inspection visit such as but not limited to costs for flight tickets, visa, vaccinations, etc will in any event be charged to the Principal.
- 10.6 If the Principal desires amendments or additions to the Agreement with regard to the units and/or products which must be inspected after the Agreement has been executed, the Company shall agree to these amendments or additions to the extent that it may be reasonably expected to do so. To the extent that the amendments and additions desired by the Principal involve extra costs, the Company shall charge these extra costs to the Principal in their entirety.
11. **Payment**
- 11.1 In case the Company has not received payment of an invoice sent for an inspection visit two weeks prior to such visit, the inspection visit will be cancelled.
- 11.2 The Principal relinquishes any right to setoff amounts charged by and between parties.

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Settlement of credit amounts and/or claims with outstanding payments to the Company is explicitly not allowed.

12. Terms and termination

- 12.1 The Agreement shall enter into effect on the date the offer letter was signed by the Principal until the end of that calendar year and shall be extended automatically each year.
- 12.2 The Agreement may be terminated by either party by way of a written notification to the other party provided that either party takes a notice period of three months into account.
- 12.3 The Agreement can be terminated by the Company with immediate effect by written notice to the Principal without having to take a notification period into account in any case if:
- (i) the Principal has acted contrary to terms of the Agreement and/or the terms of the Documents;
 - (ii) the Principal misuses the certifications obtained from the Company in any way;
 - (iii) the Principal has entered into bankruptcy or if a filing for its bankruptcy has been requested or if it has been granted a suspension of payments;
 - (iv) the Principal fails to pay any amount it owes to the Company within one month after the expiration of the payment deadline; or
 - (v) the Principal damages the Company's name, reputation or business in any way.
- 12.4 In case of termination of the Agreement for whatever reason:
- (i) the Principal shall return the scope certificates by registered mail to the Company within one week after the termination of the Agreement;
 - (ii) all rights of the Principal resulting from the Agreement shall terminate with immediate effect, including any rights to have units and/or products inspected and/or certified;
 - (iii) the Company shall not be obliged to refund the fee which has already been paid by the Principal;
 - (iv) the Company shall be obliged to maintain secrecy regarding the Information to the extent possible, except to the extent it must disclose such Information as required by law or by the terms of the Documents;
 - (v) the Principal may no longer use the Company indications and/or certificates and the Company shall withdraw these indications and/or certificates.

13. Appeals

- 13.1 The Principal may appeal against a certification decision of the Company only.
- 13.2 Appeals must be received by the Company within 6 (six) weeks after the certification decision.
- 13.3 Only written appeal in the English or the Dutch language, addressed to the Company's office in the Netherlands are handled.
- 13.4 The Company shall handle the appeal and inform the Principal in writing in the English (or when appropriate in the Dutch) language of the decision concerning the appeal together with a motivation within 3 (three) months after receipt of the appeal.

14. Disputes, applicable law and (extra) judicial costs

- 14.1 All disputes existing between parties shall be heard exclusively by a competent Court in the Netherlands, unless the Company prefers another international competent court.
- 14.2 All agreements between the Company and the Principal are subject to Dutch law.
- 14.3 All judicial and extra judicial costs incurred by the Company because payment of an invoice was not made (in good time), shall be paid by the Principal. The extra judicial costs are deemed to amount to at least 15% of the amount which is claimed.