

After negotiation and in accordance with stipulations in the *National Standard GB/T 19630.1~4-2011 of People's Republic of China*, the *Administrative Measures on Organic Products Certification*, the *Regulation of the Certification and Accreditation in People's Republic of China*, and other relevant laws and regulations, Beijing ECOCERT Certification Centre Co., Ltd. (hereinafter referred to as "Party B") herein enters into agreement with the Certification Principal (hereinafter referred to as "Party A") on the organic products certification to sign this contract on voluntary terms for mutual abidance.

### **1. Confidentiality and Impartiality**

- (1) Party B shall be responsible for the management of all the information obtained or produced during the certification process. Except for the information published by Party A or that agreed upon by both Party A and Party B (e.g., the information used to respond to complaints), all the information shall be regarded as proprietary and confidential information. Party B shall make advance notification to Party A when it intends to publish the confidential information. The information obtained from other resources (such as from complainans and supervisory authorities) other than Party A yet regarding Party A shall also be treated as confidential information.
- (2) If Party B is required to provide confidential information to a third party according to the stipulation of laws or contracts, it shall notify Party A of the information that it is about to provide, unless otherwise restricted by law. But providing certification information to supervisory authorities such as CNCA, CNAS, etc. shall not be subject to the limitation of this clause.
- (3) Party A shall provide Party B with information of the organizations and personnel that have provided consulting services to it when applying for the certification, to ensure that there is no conflict of interest between Party A and Party B, as well as the impartiality of the certification.

### **2. Rights and Obligations of Party A**

- (1) Party A shall ensure to conduct precisely in accordance with the organic certification standard and the requirements of relevant laws and regulations during the whole process of manufacturing, processing, transporting, storing, etc., to provide Party B on a factual basis with the certification survey table and relevant materials for certification as required in the *Practice Regulation for Organic Product Certification* and relevant requirements of Party B, and ensure the authenticity and accuracy of the materials submitted. Party A shall be responsible for all the negative consequences resulted from the inaccuracy of the information and documents provided by Party A.
- (2) Party A shall, in accordance with the stipulations of the Contract, pay the certification costs to Party B.
- (3) Party A shall be obliged to open to Party B the relevant investigation documents and records related with the application for certification (including all the original manufacturing/processing records, the sales ledger, etc.) during the on-site inspection and supervision of Party B, allow Party B to have access to the relevant equipments, sites, sectors, staff and sub-contractors of Party A and agree to let Party B take photos on site and examine

- photos in connection with the inspection. Besides, Party A shall allow Party B to involve inspectors in the process when necessary.
- (4) Party A shall keep all the existing complain records related with the conformance of the requirements for certification, and take necessary measures to include all the complaints and any defects detected in the products that may influence the conformance of the certification requirements into written documents. Party A shall provide the complain records to Party B when thus required, and make relevant arrangements if Party B decides to conduct survey on the complains.
- (5) Party A shall take effective measures in a timely manner to correct any item of non-conformities found during the on-site inspection, and accept the supervision and examination of the inspect team from Party B.
- (6) If Party A fails to reach or maintain the standards specified in the *National Standard GB/T 19630.1~4-2011 of People's Republic of China*, the *Administrative Measures on Organic Products Certification*, the *Regulation of the Certification and Accreditation in People's Republic of China*, or other requirements and conditions stipulated in relevant laws and regulations, it shall bear the risk of not obtaining or keeping the certificate.
- (7) If Party A has objection to the certification result, it may appeal to Party B within the specified period after obtaining the result. If Party A believes that Party B's behavior causes serious infringement to its legal interest, it may directly appeal to the supervisory authorities of certification.
- (8) After obtaining the certificate, Party A shall, according to the requirement of Party B or to the specification of the certifying documents,, disseminate the content of certification through medias including documents, brochures, advertisements, etc.. Party A shall ensure that the certification announcement conforms with the scope of certification, and it shall not use the certification results in a way that may damage the reputation of Party B or release any announcement that Party B believes to be misleading or that is related to uncertified products .
- (9) Only after the issue of relevant certificate can Party A be granted the right to manufacture, process and sell the products listed on the certificate, and quote relevant information according to the Contract. Party A shall ensure to properly use the relevant certification documents, certificates and logos. Party A shall apply to Party B for Sales License before selling the certified products according to the sales license application procedure, and ensure the proper use of the Sales License.
- (10) Party A shall make sure that its operation consistently conforms with the certification requirements. In case of changes (which include but are not limited to the changes in certification plans, rules, and those caused by clients) that may affect the certification, Party A shall make timely adjustment according to the notice of Party B, and take relevant measures to implement the requirements. If Party A requires to change the scope of certification, it shall submit written application to Party B, and Party B will decide whether to approve it or to conduct re-inspection in accordance with relevant regulations.
- (11) Within the valid period of the certificate, Party A shall timely inform Party B of changes in the following:
- (a) changes in the legal status, operating conditions, state of organization, or ownership.

- (b) changes in the management level and contact address.
  - (c) changes in the managing system, manufacturing, processing, operating state, procedure or manufacturing sites of the organic products, or improvements in the manufacturing technique.
  - (d) serious animal and plant epidemics or environmental pollution that occur around the manufacturing, processing and operating areas of the certified products.
  - (e) important information about the quality safety of the organic products during the manufacturing, processing, operating and selling process, such as serious quality safety problem discovered in spot checks by relevant authorities, or material complaints from customers, etc..
  - (f) punishment for violating relevant national laws and regulations on agricultural products and food safety management.
  - (g) inconformity of raw materials or products with the certificating requirements.
  - (h) information about the withdrawal and disposal of the unqualified products.
  - (i) the use of Sales License and the cancel after verification of products.
  - (j) other important information and information provided at the requirement of Party B.
- (12) Party A shall bear the obligation of being supervised and inspected by Party B and relevant certification regulatory authorities. Rejection of such supervision and inspection will result in revocation of the certificate.
- (13) Party A shall immediately stop using the certificate and logo upon the suspension of its certificate, and cease all the advertisement and promotion activities regarding the certified content. It shall temporarily seal the inventory with certification logos
- (14) Party A shall immediately stop to use and return within a specified period the certificate and the certification logo upon the cancellation or .termination of its certificate, or shall destroy the remaining logos and the product packaging with organic product marks by itself or under the supervision of Party B according to relevant requirements. At the meantime, it shall cease all the advertisement and promotion activities in connection with the content of the certification. Party A shall recall products packed with organic products marks when necessary.
- (15) Party A shall apply to Party B for re-certification at least three (3) months before the expiry of the certificate, and accept a re-certification inspection within the validity of the certificate. When re-certification inspection cannot be conducted within the validity period of the certificate due to production process or major natural disasters, Party A shall submit a written application to Party B within the validity period of the certificate to specify the reasons. After confirmation from Party B, re-certification in such circumstances will be conducted within three (3) months after the expiry of the certificate, and in no circumstances shall exceed three (3) months. Products manufactured by Party A during such period shall not be sold as organic products. If Party A cannot accept spot inspection within the validity period of the certificate, nor can provide proper reasons for re-certification during the extended period of three (3) months, the relevant manufacturing units shall receive conversion certification.
- (16) If Party A is intended to provide others with copies of the certification documents, the documents shall be duplicated in whole or in accordance with the regulations of certification plan.

### **3. Rights and Obligations of Party B**

- (1) Party B shall, in accordance with relevant national laws and regulations as well as its internal regulations, provide Party A with fair and equitable certification service, all the public documents related to certification and the latest standards and procedures for organic certification;
- (2) Party B shall timely notify Party A for changes in the certification requirements;
- (3) Party B shall, after confirming the payment of inspection fee from Party A, appoint an inspection team to conduct spot inspection and notify Party A; after receiving confirmation from Party A, Party B shall delegate the inspection team to conduct spot inspection at the time as agreed upon by the two parties, and any member of the inspection team shall bear no conflict of interest with Party A. If the failure of conduction of spot inspection at the agreed time is resulted from disagreement from local certification regulatory authorities, the two parties can set another time for inspection under mutual agreement. If Party B finds one or more than one inconformity, and Party A still wishes to continue with the certification process, then Party B shall provide Party A with relevant information about the additional inspection required so as to correct the inconformity. If Party A agrees to complete the additional inspection, then the inspection process shall be repeated to complete the additional inspection.
- (4) Party B shall issue related organic or organic conversion certificate to Party A when all the operations of Party A proved compliance with the standard. When the decision of denying certification is made, Party B shall explain the reason to Party A.
- (5) Party B shall have the right to conduct supervision and inspection to Party A at least one time per year, and to implement inspections without prior notification when necessary.
- (6) When major changes are taking place in Party A's quality management system, Party B shall have the right to decide whether to conduct consequential inspection for the major changes and decisions, and charge accordingly.
- (7) For operations that do not conform with the manufacturing, processing and trading requirements for organic products during the supervision inspection or routine inspection, Party B shall have the right to suspend or revoke Party A's qualification for certification, and timely publish it to the public.
- (8) Party B shall, in accordance with the requirements of *Practice Regulation of Organic Product Certification*, have the right to sample and analyze the products applied by Party A for certification. After confirmation from both parties, the sample shall be regarded as the property of Party B. Party B shall be responsible for the sending of samples, and the appointment of laboratory for the analyzing of items.
- (9) If there are improper advertising of the certification system in the advertising or other propagating materials, or misuse of the certificate and logos, Party B shall have the right to take measures to correct the violation, revoke the certificate, publish the violation, announce the violation to the authorities in charge, etc., and shall reserve the right to take other legal measure.
- (10) Party B shall, at the requirement of the certification regulatory authorities (including but not limited to the Certification and Accreditation Administration of the People's Republic of China),

have the right to publish the relevant certification information which includes but not is not limited to the name, the contact detail, the list of products for certification, etc..

- (11) Party B shall have the right to publish the list of organizations that are under approval, suspension, revocation and cancellation of the certificate.
- (12) Party B shall deal with the appeal from Party A within thirty (30) business days from the day it receives the appeal, and notify Party A of the result in written forms.
- (13) Party B shall perform all the services stipulated in the Contract on the basis of the information and documents provided by Party A, and shall be able to prove the completion of all the work within the range of its responsibility, while excluding:
  - (a) the responsibility to examine whether the products conform with requirements stipulated outside the *National Standard of GB/T 19630.1~4-2011 of People's Republic of China*, for example, requirements in laws and regulations regarding products as a whole and marks and logos. Party A shall solely be responsible for ensuring that its products are sold as introduced agricultural products on designated markets.
  - (b) the responsibility to check the experts and suppliers submitted by Party A, or to examine the result recorded in the certificated issued by certain authorities. However, if Party B believes that it may have influence on the implementation of regulations or on the certification procedures, it may need to conduct survey of the accuracy of the actual fact. For example, Party B may require Party A to provide other evidence.

#### **4. Certification Fees and Payment**

- (1) Certification fees: the certification fee shall be calculated by Party B on the basis of the detailed information of the items intended for application of certification provided by Party A. A quotation list shall be made and sent to Party A for confirmation. The quotation list shall be enclosed to the Contract as Appendix which shall have the same legal effect with the Contract.
- (2) Payment of the certification fees: Party A shall make a full payment of the related certification fee before Party B decides upon each annual inspection plan of items for Party A; otherwise, Party B shall have the right to suspend services covered in the Contract, until all the outstanding accounts paid off. Under such circumstances, Party B shall not bear the responsibilities of unfulfilled services.
- (3) Party A shall bear all the actual expenditures incurred by the inspection team for dining, lodging and transporting, as well as the detection and analyzing fee for the site sampling, etc..
- (4) For increases in the number of inspection members, the inspection time or the inspection fees due to inadequate preparation of Party A, the increased expenditure shall be borne by Party A.
- (5) The two parties agree that the inspection fee shall be unrelated to the inspection result.

#### **5. Contract Amendments and Taking Effect**

- (1) Party B shall have the final interpretation power to this Contract. If it is necessary to make amendments to the Contract, Party B will:
  - (a) give Party A the opportunity to express its opinions;

- (b) listen to the suggestions of Party A before determining the effective amendment date, so to facilitate Party A to introduce the corresponding adjustments into its management system within the specified period of time.
- (2) This Contract will come into effect from the date of signing and sealing. Unless one party or both parties decide(s) to terminate the Contract, this Contract will have continuous effect. Any party intended to terminate the Contract shall give a written notice to the other party thirty (30) days in advance.

#### **6. Cancellation of the Contract**

Each party shall have the right to cancel the Contract in the case of any of the following situation taking place. The cancellation of the Contract will take effect from the day on which the party intended of cancellation sends the notice:

- (1) one party fails to perform the obligations stipulated in the Contract, and the non-performance continues for thirty (30) days after the warning notice;
- (2) one party fails to perform the terms agreed by both parties for more than two times (including two times);
- (3) one party brings a cease to all or most of its business;
- (4) declaration of bankruptcy, regardless of being forced, voluntary, or for the reason of debts with recipients taking over all or most of its property after reaching an agreement with the creditor.

Party A shall pay all the payable expenses and costs to Party B before the termination of the Contract in any situation. At the same time, the certificate and logos and marks issued by Party B to Party A shall expire at the date of termination of the Contract. Party A shall cease to use and return the certificate and the unused certification marks or destroy the remaining marks and product packages with organic product logos under the supervision of Party B, and it shall stop the advertising and promotion activities related to the content of the certification. Party A shall recall the relevant products marked with organic product/ certification logos when necessary.

#### **7. Limitation of Liability**

- (1) Party B shall be liable only for fundamental breach of the Contract.
- (2) If any legal action is taken to investigate the liability of Party B, the indemnity shall only be limited to any direct, personal and already occurred loss, rather than any indirect losses.
- (3) For any claim incurred in this Contract in any situation, the maximum amount of indemnity from Party B shall be equivalent to the amount of the certification fee paid by Party A to Party B in the year when the event of claim takes place.
- (4) Party A agrees to try its best to take any necessary measure to limit any loss caused by the negligence of Party B.
- (5) The two parties agree that Party B shall have the immunity right for the failure of, or being prohibited from certifying all or part of the products according to relevant laws and regulations as a result of possible revision or complete deletion of services covered in this Contract due to amendments in domestic laws and regulations or the interpretations of them (general amendments or amendments of the definition of the organic agriculture and/or amendments related to certification).

(6) If Party B fails to perform or abide by any obligation stipulated in this Contract due to Force Majeure events, including but not limited to natural disasters, wars, terrorism, labor action, or the failure to obtain permission, authorization, visa or other recorded types, Party B shall not be liable for such non-performance.

**8. Others**

- (1) Any dispute arising from this Contract between the two parties shall be resolved through amiable negotiation. Those that cannot be thus resolved shall be submitted to Beijing Arbitration Commission for arbitration or to the local People's Court for court proceedings in Party B's residence;
- (2) For matters unaccomplished herein, the two parties shall resolve through negotiation;
- (3) The applicable law of this Contract is Chinese law.

**9. This Contract is duplicated into two copies of the same legal effect and each party shall have one.**

**Party A:**

**Party B: Beijing ECOCERT Certification Centre Co., Ltd.**

Representative:

Representative:

(Signature/ Official Seal)

(Signature/ Official Seal)

Year    Month    Day

Year    Month    Day