



CONTRACT FOR ASSESSMENT & SURVEILLANCE AGAINST (EC) REGULATION 834/2007

This contract is drawn up, under the law of the state of North Dakota, USA between:

IOAS of 122 1/2 Broadway N Ste 100 #45853, Fargo, North Dakota, ND 58102-5082, USA hereinafter referred to as the Supervisory body

and
of
hereinafter referred to as the Control body.

Preamble

The Supervisory body is an international supervisory and accreditation body that is specialised in organic agriculture and fulfils the requirements of ISO/IEC 17011. Under its European Recognition Programme (hereafter referred as the 'Programme') the Supervisory body offers the service of the preparation of assessment reports for equivalence against (EC) Regulation No.834/2007.

The Control body is active in the field of organic agriculture and operates outside of the European Union and wishes to submit a request to the European Commission for their inclusion in a list confirming their equivalence to Regulation (EC) No.834/2007 under the procedure described in Article 33 of that regulation and associated implementing rules.

This contract sets down the limitations and obligations and rights of both parties in the provision, by the Supervisory body, and the receipt, by the Control body, of this service.

The Supervisory body's Programme is described in the current European Recognition Programme Operating Manual and Quality Manual of IOAS both of which may be amended from time to time.

The current version of the (EC) Regulation 834/2007 and associated implementing rules and guidelines as amended are incorporated herein by reference.

For valuable consideration given, the sufficiency of which is hereby acknowledged, the parties agree as follows:

A) Limitations on Claims

1. Reference by the Control body to being under the Programme of the Supervisory body shall be limited to:
 - a) Oral representations
 - b) In writing on official stationery of the Control body
 - c) In documents, reports and promotional material of the Control body
2. Reference to being a participant in the Programme may not suggest any form of recognition or approval by the Supervisory body. Recognition under (EC) No.834/2007 may only be granted by the European Commission and is indicated by inclusion in the list referred to under Art 33(3) of that regulation. No claim of recognition by the European Commission may be made before being informed formally by the Commission and inclusion in the list;
3. The right to any claim is non-transferrable.

B) Duties of Supervisory body

The Supervisory body does agree to:

1. Assess the Control body and prepare initial and update reports covering the information required by the European Commission as detailed under (EC) No.834/2007 and associated implementing rules and guidelines;
2. Issue draft reports to the Control body which highlight issues which are obstacles to recognition and require corrective actions;
3. Respond to corrective actions which the control body takes and update and finalise the assessment report as necessary.
4. Not finalise the assessment report until all identified obstacles to recognition are closed out.
5. Include the Control body on any list published by the Supervisory body and to freely acknowledge the status of the Control body as a participant of the Programme for the term of this contract;
6. Inform the Control body of changes to the (EC) No.834/2007 and associated implementing rules and guidelines and of any substantial changes to the procedures of the programme;
7. Supply invoices to the Control body for fees due;
8. Oppose any misuse of the Programme status by other parties subject to this contract and take action against any parties fraudulently claiming to be part of the Programme by the Supervisory body.

C) Duties of Control body

The Control body does agree to:

1. Comply or implement in an equivalent manner the current version of (EC) No.834/2007 and any additions, amendments and changes that might occur;
2. Comply with the relevant parts of (EC) No 1235/2008 and any guideline notes issued by the European Commission and any additions, amendments and changes that might occur;
3. Those documents as amended referred to in C1 and C2 are hereby incorporated by reference;
4. Respond to the Supervisory body on all highlighted issues which are obstacles to recognition in the draft report indicating what actions will be implemented so enabling the Supervisory body to finalise the assessment report;
5. Resolve any outstanding deficiencies that may remain outstanding at the time of issuing of the compliance report according to an agreed timetable;
6. Comply with any additions and amendments to the aforementioned conditions resulting from changes made to its operation by the Control body, or as a result of additional information received by the Supervisory body during the course of future surveillance;
7. Carry out the procedures and regulations of the Control body's certification programme as set out in the documentation which the Control body supplied at the time of entry into the programme or in documentation subsequently supplied; and to inform the Supervisory body of all changes to these procedures and regulations within three months of the decision to implement such changes; and to ensure that any such change shall not undermine recognition under (EC) No.834/2007;
8. Submit, to the Supervisory body, at the time due, an annual update that provides all the information reasonably requested by the Supervisory body, which request shall be sent at least one month before the date of the submittal;
9. Inform the Supervisory body immediately of any withdrawal of accreditation by another accreditation body or suspension/withdrawal of recognition by a government authority as well as situations that suggest the competence or integrity of the Control body is in doubt;
10. Submit to surveillance visits of Supervisory body staff or agents and all other policy and procedural requirements of the Supervisory body related thereto as set out by the Supervisory body in their European Recognition Programme Operating Manual as current at that time;

11. Allow the Supervisory body staff or the assigned evaluator full access to all premises and any documentation pertaining to the certification programme on request and secure and facilitate their access to operator premises as necessary;
12. Undergo a re-evaluation periodically in accordance with the procedures set out by the Supervisory Body for the European Recognition Programme, or when deemed necessary by the Supervisory body in accordance with the terms of this contract;
13. Submit the necessary documentation to determine the annual fee and to pay fees due (upon receipt of an invoice from the Supervisory body) at the current rate when due;
14. Refrain from using its status in a manner that brings the Supervisory body into disrepute

D) Remedies in the event of breach

In the event of breach of this contract by the Control body, the Supervisory body may undertake any one or more of the following measures:

1. Require the control body to undergo an evaluation visit at the Control body's expense;
2. Require the Control body to undergo a full re-evaluation within such interval as the Supervisory body considers appropriate and at the Control body's expense;
3. Suspend or withdraw the assessment and surveillance contract and publish the name of the Control body and the reason for the withdrawal; and
4. Inform the European Commission of the breach and actions being taken by the Supervisory body

E) Investigative Authority

In the event of the Supervisory body having reason to believe that the Control body may be in breach of the contract, either as a result of changes made by the Control body, as a result of additional information received by the Supervisory body, or when the Supervisory body, due to unforeseen circumstances or developments has reasons to believe that there is a risk of widespread non-compliance to a particular aspect of the (EC) Regulation No.834/2007 and associated implementing rules and guidelines; the Control body does by this contract authorize the Supervisory body to adopt any of the following measures:

1. Require the Control body to reply in writing to any and all questions that the Supervisory body may pose and any requests for documentation within a reasonable time-period;
2. Conduct either a partial or a full re-evaluation of the Control Body's programme, such evaluation to be at Control body's expense;

F) Validity of Contract

1. This contract remains in force for as long as the parties fulfill all obligations in sections B and C;
2. The contract may be voluntarily terminated by the Control body with three months notice in writing or by either party upon insolvency of the Control body;
3. The Supervisory body may terminate the contract if the Control body does not fulfill its obligations as set down in this contract;
4. The Supervisory body may terminate the contract on dissolution or insolvency of IOAS;
5. The parties to this contract agree that, subject to written approval by both parties, this contract may be replaced in its entirety;
6. Upon suspension or withdrawal of its participation in the Programme (however determined), the Control body shall discontinue use of all advertising matter that contains any reference thereto and shall return any documents as required by the Supervisory body;
7. If for any reason the contract is terminated by either party, the Supervisory body will inform the European Commission regarding the termination and the reasons therefore.

G) Confidentiality

1. The Supervisory body may, at its discretion, provide information on the Control body's certification programme to the European Commission and other European regulatory authorities. In such event, the Supervisory body may provide any and all information it deems necessary for such purpose.
2. Where the law requires information to be disclosed to a third party, the Control body shall be informed of the information provided, if permitted by the law.
3. Subject to the conditions stated above, the Supervisory body shall at all times treat any information concerning the Control body or the operators of the Control body as confidential, unless otherwise already disclosed by the Control Body or operator and shall not disclose same to a third party without the prior written consent of the Control body. To this end the Supervisory body shall implement and maintain a

confidentiality policy and shall obtain confidentiality agreements from all persons who come into contact with such information.

H) Transfer of contractual obligations

1. In event of withdrawal of the Supervisory body 's recognition to offer the service of assessment and surveillance under the equivalence against (EC) Regulation No.834/2007 for whatever reason, all contractual obligations of the Supervisory body as stated in this contract shall be transferred to the European Commission or its designated party or as may be prescribed according to the European Commission requirements in force at the time.
2. The Certification Body agrees that all Certification Body obligations stated in this contract shall remain in force and that such obligations shall be to the European Commission or its designated party and not to IOAS. The Certification Body accepts the transfer of the Supervisory body's obligations to the European Commission or its designated party as stated in paragraph H1 above.

I) Liability

1. Following from A2, the role of the Supervisory body is to provide an assessment report to the Control body. The Supervisory body cannot be held responsible for the decision on recognition which rests with the European Commission;
2. The Control body agrees to defend, indemnify and hold harmless, t IOAS Inc., including its directors, officers and employees against any loss, costs, legal fees and expenses arising out of or in connection with the operation of the Control body's certification programme, or resulting out of any misuse by the Control body of the participant status, or arising out of any violation by the control body of the terms and conditions of this contract.

J) Disputes

1. The control body agrees to refer any disputes arising from this contract, including disputes over assessment reports and disputes over sums of money to IOAS appeals and complaints procedures.
2. The parties shall be bound under a separate agreement (IOAS document [PL0526](#)) to to a process of arbitration. In event of the failure to resolve disputes through the appeals process the parties' legal recourse shall be exclusively to the agreed process of arbitration.

K) Validity of the parts

PL0502-EU v9b

EU surveillance contract: CB & YEAR

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Initials

European Recognition Programme Contract - CB

If any part of this contract is found to be invalid under the law of North Dakota it shall not affect the validity of the remaining parts.

Signed (for the
Supervisory body) :

Position:

Executive Director

Date:

Place:

United States

Signed (for the Control
body) :

Position:

Date:

Place:

THE SCHEDULE

This schedule forms part of the assessment and surveillance contract between IOAS of:

122 1/2 Broadway N Ste 100 #45853, Fargo, North Dakota, ND 58102-5082, USA

hereinafter referred to as the Supervisory body;

and

hereinafter referred to as the Control body.

The scope of the assessment and surveillance is as follows:

CB is under surveillance for equivalence/compliance for the programme specified by them for certification of organic production and processing with respect to the

‘(EC) Regulation No.834/2007 and associated implementing rules’

The scope of this contract will be updated as necessary from time to time and be displayed on IOAS web site at www.ioas.org. The latter listing takes precedence over that detailed above.

The Control body agrees that a full re-evaluation visit shall take place at least every 5 years or as specified in the current procedures set out by the Supervisory Body for the European Recognition. The Supervisory body may at any time prior to this require a re-evaluation pursuant to Section C12. In cases where the Control body operates in territories outside their home-base, the Supervisory body may require, in line with its foreign visits policy, audits of foreign operations.

The Control body agrees to the Supervisory Body conducting visits to offices that conduct key activities and to a representative sample of operator sites in accordance with the procedures set out by IOAS for the European Recognition Programme.

The Control body agrees to submit the annual update as specified in Section C8 of this contract each year starting in **YEAR**.

This contract begins on the date of signing by Supervisory Body and remains in effect subject to the conditions specified in Section F.

European Recognition Programme Contract - CB

Signed (for the
Supervisory body) :

Position:

Executive Director

Date:

Place:

United States

Signed (for the Control
body) :

Position:

Date:

Place: