TERMS & CONDITIONS FOR SQF CERTIFICATION SERVICES

GENERAL

Bureau Veritas Certification North America, Inc. offers audit and certification services to its clients against appropriate recognized specification or part thereof. The audit and certification services for Safe Quality Food are subject to requirements defined per ISO/IEC 17065:2012.

To achieve and preserve their certification, our clients must develop and maintain their products and management systems in accordance with these requirements as well as specific standard requirements SQF Food Safety Certification Codes-FSC Codes (e.g. Primary Production, Manufacturing, Packaging, Storage and Distribution) and Quality Code, and ensure that ongoing production, if applicable, continues to fulfil the product requirements required by the Certification Scheme. Clients must also allow Bureau Veritas Certification North America, Inc. access to all areas, equipment, documentation and records (including internal audit reports) and personnel, including subcontractors for the purpose of the assessment (e.g. testing, inspection, assessment, surveillance, renewal) and resolution of complaints. The client keeps a record of all complaints made known to it relating to compliance with certification requirements and makes these records available to the Bureau Veritas Certification North America, Inc. when requested, and takes appropriate action with respect to such complaints and any deficiencies found in products that affect compliance with the requirements for certification as well as documents the actions taken.

The certification awarded by Bureau Veritas Certification North America, Inc. covers only those services and products supplied and manufactured under the control of the certified client. Other services and products marketed or distributed by the client under their name are considered to be outsourced processes. These may only be considered within the scope of certification when they are systematically controlled to the satisfaction of Bureau Veritas Certification North America, Inc. The Client may only make claims consistent with the scope of the certification. This document covers the scope of Bureau Veritas Certification North America, Inc’s audit and certification service and is intended to conform to ISO/IEC 17065:2012 and the applicable sections of the most current version or edition of SQF Code and the Criteria for SQF Certification Bodies issued by Food Marketing Institute (FMI) at the time of the writing of this Terms and Conditions.

FUNDAMENTAL TERMS AND CONDITIONS:

“Bureau Veritas Certification North America, Inc.” shall mean that particular Bureau Veritas Certification North America, Inc. group or company in any jurisdiction whatsoever, referring in its offer or other Bureau Veritas Certification North America, Inc. issued document to these terms and conditions. These terms and conditions constitute the sole obligations undertaken by Bureau Veritas Certification North America, Inc., 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 Bureau Veritas Certification North America, Inc. that it will, at all times during the subsistence 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) all statutes, rules, regulations issued by any statutory or other competent authority, 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 such other reasonable
requirements of Bureau Veritas Certification North America, Inc. 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. To the best of its knowledge, the client hereby warrants the completeness and accuracy of all documents and accuracy of all information supplied to Bureau Veritas Certification North America, Inc. for the purposes of this agreement.

INVOICING & TERMS OF PAYMENT

The application form upon which this agreement is entered into is attached. It 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 Bureau Veritas Certification North America, Inc.'s current rates. All fees are exclusive of travel and out of pocket expenses. The invoice will include but is not restricted to audit-days (off and on site), reports, certificate fees and expenses incurred at cost. Payments are due within 30 days of the date of invoice. Thereafter, the outstanding unpaid amount may accrue interest at the rate of 12%. Please note that the Certificate(s) will not be released until payment has been received by Bureau Veritas Certification North America, Inc. Bureau Veritas Certification North America, Inc. reserves the right to review and amend its charges. This proposal assumes an estimated annual cost of living increase of 3%.

AUDIT DATE CHANGES & AUDIT CANCELLATIONS

When a client has agreed to an audit date, Bureau Veritas Certification North America, Inc. reserves the right to add a $100 surcharge 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 45 working days written notice from the day after the last day of the agreed dates for the visits, Bureau Veritas Certification North America, Inc. will charge a fee amounting to the greater of 25% of the estimated services fee or one man-day at the current rate plus the cost at the current man-day rate of any un-invoiced work performed to date.

CHANGES TO CERTIFICATION

The Client is required to inform Bureau Veritas Certification, 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. Bureau Veritas Certification will then take the appropriate action, such as conducting a special visit and/or changing the certification. Special visits can be conducted as well to investigate complaints received about the Client.

TERMINATION OF CONTRACT

Either party may terminate this Agreement: BY NOTICE: Either party to the other may give three months written notice. BY DEFAULT immediately upon either party being notified by the other of any material breach of this agreement. If either party goes into liquidation or a receiver or administrator is appointed for all or part of the undertaking thereof. 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 Bureau Veritas Certification North America, Inc. certificate of approval issued pursuant hereto shall forthwith become invalid and the client shall cease to use the same and return to Bureau Veritas Certification North America, Inc. all documentation and other matters issued pursuant thereto or bearing an indication of such certification of approval.

LIABILITY, INDEMNITY & FORCE MAJEURE

Bureau Veritas Certification North America, Inc. 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 shall fully indemnify Bureau Veritas Certification North America, Inc. against all costs, claims, actions and demands arising from the services provided by Bureau Veritas Certification North America, Inc. Only to the extent that such claims arise from the neglect of Bureau Veritas Certification North America, Inc., its employees or agents. The use or misuse by the client of any product certification in such a manner as to bring the Bureau Veritas Certification North America, Inc. into disrepute and does not make any statements regarding its product certification which Bureau Veritas Certification North America, Inc. may consider misleading or unauthorized. The client remains solely liable for any defects in their product.

Bureau Veritas Certification North America, Inc. 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 herein as above appearing or as may be subsequently notified by the other.

CONFIDENTIALITY

Except as may be required by law, Bureau Veritas Certification North America, Inc. and the client will treat as strictly confidential all information and will not disclose to any third party without prior written consent of the other, any information which comes into their possession, the possession of their employees, agents or others by virtue of this agreement, with the exception of office and witness audits, as required by the accreditation bodies.

WITNESSED AUDITS

Bureau Veritas Certification North America, Inc. clients must allow a representative of an accreditation body to witness Bureau Veritas Certification North America, Inc. auditing their audit activity if the client being audited is using the relevant accreditation body mark. This is an accreditation body rule and one that cannot be changed by Bureau Veritas Certification North America, Inc. This requirement also applies to other oversight authorities as determined by individual sector schemes.

REQUEST FOR CERTIFICATION

Bureau Veritas Certification North America, Inc. uses a request for quote form as the basis for a proposal and subsequent agreement with a client seeking certification. Clients are requested to complete this form as accurately and clearly as possible since the details will be used to produce a unique proposal for the services requested.

Following preparation of the proposal, this form will be returned to the client. If the proposal is acceptable the form is signed and returned to Bureau Veritas Certification North America, Inc. This acts as the instruction to proceed with the confirmation of the date of commencement of the certification services.

CERTIFICATION PROCESS

The details of the services to be provided will be agreed between the client and Bureau Veritas Certification North America, Inc. This is noted in the man-days/cost allocated in the first page of this proposal. However, at any point during the stages of desk audit or certification process as described below or during the recertification, the auditor in charge is to discuss with client how to remedy this situation before further continuing the audit process. The auditor then would call BVCNA Management concerned to provide this information and request for further instruction (e.g. increase or decrease duration with discussions and agreement with client).
general guide, outlined below are the key stages of the certification process.

**DOCUMENTATION REVIEW – DESK AUDIT**

A Desk Audit - documentation review will be conducted prior to the Certification audit. It may be done on site or off-site. It is designed to ensure that client’s SQF system meets the requirements of the relevant SQF Code, that SQF plans have been derived as required in the relevant SQF Code and that they have been developed, validated and verified by an SQF expert and that there is substantiated evidence to show that Food Safety Plans were derived using the HACCP Method. A report detailing the findings of this review will be provided to the client before the certification audit and in due time to take any appropriate actions resulting from the findings. The audit planning activity is conducted at this point.

**CERTIFICATION AUDIT**

Before any certification activity can be undertaken, a complete round of Internal Audits and one System Review shall have been completed. 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 inter-action 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 arise 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.

**UNANNOUNCED AUDIT**

Within three (3) certification cycles the certification body shall conduct one (1) unannounced re-certification audit of the supplier. 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). Currently certified SQF suppliers shall be required to undertake one (1) unannounced audit within the three (3) year certification cycle. Unannounced audits are not conducted on the initial certification audit or on a surveillance audit. For the full text of the unannounced re-certification audit, refer to current SQF edition.

**ISSUANCE OF CERTIFICATION**

Certification will be granted and certificates issued according to the current requirements of SQF and 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 Bureau Veritas Certification and the SQF Guidelines when making reference to its certification in communication media such as documents, brochures or advertising. The use of the SQF logos must be in accordance with the SQF requirements for use of trademark (SQF Certification Trade Mark Rules for Use – current version). The client complies with any requirements that may be prescribed in the certification scheme relating to the use of marks of conformity, and on information related to the product Bureau Veritas Certification North America, Inc. will monitor these requirements during required audits. Any failure to follow these guidelines will result in a non-conformity being raised and 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.

**CERTIFICATION MAINTENANCE**

Certification is maintained as defined in current SQF FSC and Quality Code. All audit events are given a rating based on performance. Every three years (contract life) a new Bureau Veritas Certification Contract Execution Plan will be developed for the next three year period.

In the event Bureau Veritas Certification North America, Inc. intends on making changes to its certification service, all clients will be notified. As such, Bureau Veritas Certification North America, Inc. requires client to inform us promptly for: any customer complaint involving a critical or major nonconformity, for any changes to its product(s), services, management system(s), or 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 surveillance visit.

In the case where the clients business has been sold and the legal entities business name is retained the client shall inform Bureau Veritas within 30 days of the change in ownership to retain the SQF Certification and certification number.

In cases where ownership of the client changes and the staff with major responsibilities in the management and oversight of the SQF System are retained, the existing audit frequency may be retained.

If there are significant changes in site management and personnel, Bureau Veritas 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 their business premises, the site’s certification does not transfer to the new site. A successful certification of the new premises must be conducted. An initial certification audit of the new premise shall apply, i.e. a desk audit and site audit.

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

**DISCOVERY OF LEGAL NON-COMPLIANCE**

Any Bureau Veritas Certification North America, Inc. auditor who observes, suspects, or becomes aware of a regulatory noncompliance will verbally inform the auditee and lead auditor 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 the Bureau Veritas Certification North America and the SQFI in writing at CertificationNA@us.bureauveritas.com and foodsafetycrisis@sqfi.com within twenty-four (24) hours of the event. Bureau Veritas Certification North America and SQFI shall be listed in the site’s essential contacts lists as defined in applicable system elements. Bureau Veritas 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 will follow the requirements outlined in the applicable Edition of the SQF Code and Criteria for SQF Certification Bodies.
APPEALS, DISPUTES AND COMPLAINTS

Should the client wish to appeal against or dispute the decisions of Bureau Veritas Certification North America, Inc. they should do so in accordance with the Bureau Veritas Certification North America, Inc. appeals procedure. A copy of which is available on request. Should a complaint arise about Bureau Veritas Certification North America, Inc., this should be communicated to Bureau Veritas Certification North America, Inc. All complaints that are received by Bureau Veritas Certification from other parties about the client will be investigated and resolved without delay.

Bureau Veritas Certification North America, Inc. must ensure that clients keep records of customer complaints and take appropriate corrective actions. Bureau Veritas Certification North America, Inc. must be allowed full access to these records.

Should the client receive a complaint involving a critical or major nonconformity the client shall notify Bureau Veritas Certification without delay. In addition, the client shall establish cause of the nonconformity and implement immediate and appropriate corrective action.

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:
CertificationNA@us.bureauveritas.com