



## § 1 SUBJECT OF THE CONTRACT

1. AGRECO is entrusted by the Customer with carrying out the control procedure according to AGRECO STANDARD <sup>1)</sup> and its procedural instructions. The terms of the AGRECO STANDARD (AS) in its valid version and their procedural instructions are basis of this agreement.
2. The Customer acknowledges the AGRECO STANDARD as obligatory and submits the activity as described in the specification of undertaking to the control procedure of AGRECO in its valid version.

## § 2 AGRECO's OBLIGATIONS

1. The Customer shall be inspected by AGRECO using the control procedure for adherence to the terms of the AS and its procedural instructions. The procedure shall include at least one regular, full physical inspection visit per year and can be extended by inspection visits to be carried out at random check. A regular inspection date shall be agreed on with the Customer, and this date may only be changed for good reason. The date may be changed at AGRECO's discretion.
2. AGRECO shall decide on compliance with the AS on the basis of the control procedure. In case of compliance with the AS, the Customer shall receive from AGRECO the certificate of equivalence, equivalent to Art. 29 (CR), to this effect to proof equivalence of the production methods and control procedures applied,
3. The use of the AGRECO-logo is permitted only on basis of a special agreement between Customer and AGRECO.
4. AGRECO is obliged to secrecy and will be released only on demand of a competent authority or in consent with the Customer.

## § 3 THE CUSTOMER's OBLIGATIONS

1. The Customer acknowledges the control procedure and AGRECO's exclusive right to design the process.
2. The Customer ensures that the inspection requirements listed in the AS may be carried out and that the appropriate arrangements will be made. He ensures to register all complaints to his products concerning the AS as well as their solution and to present them at the annual inspection.
3. The Customer is obliged to support AGRECO in carrying out the control procedure; in particular, to give all necessary information, to admit access to all production sites and to open book-keeping and respective vouchers as far as necessary for carrying out of the procedure mentioned in § 1. The Customer is obliged to admit access for a competent authority in the Third Country to all production sites, buildings and documents to the same extent as to AGRECO, if need be, and to accept their control.
4. The Customer ensures that in case of production-service by third party the respective third party processing products for the Customer meets the rules of the AS, and the Customer agrees that AGRECO can include the respective third party into the control procedure in the same extent as in the case of the Customer.
5. The Customer agrees that his name and address may be registered in a list of companies and may be passed on to competent persons according to statutory prescriptions. He agrees that AGRECO can hand out to the competent authority all documents and information necessary in context with the import license application procedure or with imports into the EU. The Customer keeps all relevant documents and vouchers for at least five years after receiving the inspection report.

## § 4 SANCTIONS

1. The measures to be considered by AGRECO under AGRECO STANDARD in the case of irregularities and infringements are laid down in AGRECO's sanctions regulation in their valid version, which is a component part of this agreement.
2. In case of deficiencies, irregularities and/or infringements against AGRECO STANDARD the Customer accepts the measures imposed according to the sanctions regulation, especially the carrying out of measures equivalent to Art. 30 (CR N° 834/2007) and Art. 91 (CR N° 889/2008).
3. AGRECO reserves the right to change the sanctions regulation. The new version of the AGRECO sanctions regulation and any modification enters into force one month to the end of the month after the Customer has received it.
4. In cases where there exists a well-founded suspicion of an infringement of the terms of the AS or of its procedural instructions, or in which it is deemed necessary by AGRECO on the ground of findings in earlier inspections to assess compliance with the AS, AGRECO may carry out special billable inspections as well as sampling and analyses in the company and of products.
5. The Customer ensures to accept special inspections, sampling and analyses if necessary to assess compliance with the AS and to bear the inspection costs plus costs of analyses and associated expenses.
6. The Customer accepts that the certificate of equivalence or the transaction certificate for a delivery of a lot and the certificate of inspection for import of organic products into the EU may be refused or withdrawn if an infringement of the AS is found or the competent authority demands for it or the Customer does not make his contributions to the costs. In each of these cases, AGRECO's claims shall continue to exist in full.

## § 5 COMPENSATION

1. AGRECO's activity shall be compensated on the basis of the agreement of § 2 of the service contract in context with the AGRECO-fee schedule.
2. The AGRECO-fee schedule is a component part of this agreement. AGRECO may change the fee schedule, the tariffs and the tariff classes. The new version of the fee schedule and any modification enters into force one month to the end of the month after the Customer has received it.
3. In case of examination of additional or association guidelines, the additional costs shall be borne by the Customer on the basis of the relevant position in the AGRECO-fee schedule.
4. The Customer agrees to bear the entire costs that arise according to the schedule of tariffs when AGRECO already has carried out an activity according to § 1 respectively § 2, or announced it and already took action, but is restricted or impeded to fulfill by either:
  - a) an activity of a competent authority active instead of AGRECO, or
  - b) a hindrance on side of the Customer.
5. The Customer agrees to pay the cost according to the service contract, with notification to the control procedure.

1) AGRECO-Standard (AS): Standard Collection of relevant EU-legislation on organic farming (CR) or equivalent standards, 2) AGRECO-Equivalency-Gleichwertigkeits-Standard (AES), or private standards; in valid version. 3) worldwide relevance, EU excluded. For companies in the EU separate AGRECO-GTC apply.

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6. Claims of AGRECO are due immediately after presentation of invoice and to be paid free of charges in the currency mentioned in the invoice and without any deduction.

#### § 6 DATA PROTECTION CLAUSE

AGRECO is entitled to process personal and company data obtained due to this contractual relationship for the purpose of its task, or to have them processed by third parties. In this context AGRECO must guarantee the secrecy and meet all needs of data protection .

#### § 7 LIABILITY LIMIT, EXCLUSION OF LIABILITY

1. The liability of AGRECO is limited to the case of mayor infringement of AGRECO's duties and in such case is limited to the amount that has been paid by the Customer during one year for those positions of the service of AGRECO which are identified to be reason for liability.
2. A liability of AGRECO is excluded in all other cases, except on the proof of infringement of the contract by intention or severe negligence on the part of the management in charge of AGRECO.

#### § 8 DURATION AND TERMINATION OF THE CONTRACTUAL RELATIONSHIP

1. The service contract comes into effect on the date mentioned in § 3 of the service contract for the duration of two years. It shall be tacitly extended from year to year unless written notice of termination has been delivered to the other party at the latest three months before the end of the contractual period.
2. On good reason, AGRECO may still carry out billable inspections during the period of notice.
3. Regardless of the agreement in Par. 2, an extraordinary termination of the service contract is possible for the respective party on good reason with a period of one month after reception of the written termination of the contract.

#### § 9 AMENDMENT CLAUSE

In case of a change in legislation or on instruction or recommendation on part of the competent authority or AGRECO's insurance company, AGRECO may adapt the contract and relevant annexes unilaterally. A change of contract comes into effect one month to the end of the month in which the Customer has received notice or, in the case of a change of contract on mutual agreement at the time agreed upon and missing a fixed time, at the end of the month in which the change has been agreed upon.

#### § 10 RELEASE CLAUSE

If a competent government authority performs one of the tasks under the service contract in place of AGRECO, AGRECO is released in each such case from its obligations under the service contract.

#### § 11 FINAL CLAUSES

1. Should individual terms of the service contract be ineffective, or become invalid as a result of change in the legislation or a decision by the highest court, the validity of the remaining terms shall remain unaffected thereby. The ineffective terms shall be replaced by valid agreements which will fulfill as far as possible the purpose of the valid terms.
2. All amendments and additions to this contract must take the written form. Verbal amendments, additions or other agreements shall be invalid.
3. The service contract shall also be binding on any legal successors of the parties. AGRECO shall be notified immediately and in written form about changes in designation and ownership of the Customer's company.
4. The parties to the contract agree on confidential treatment of all procedures and information in connection with the service contract. The copyright and all rights of usufruct concerning the inspection system used shall remain in the hands of AGRECO. The Customer may only pass on control documents (e.g. questionnaires or inspection reports) with the prior written consent of AGRECO and eventual compensation.
5. The service contract is under jurisdiction of the country in which the defendant party has its company residence. Place of fulfillment for all matters arising from the service contract is the residence of AGRECO, as far as legally admissible. The service contract is concluded in the good faith of both parties.
6. Appendices: a) "Specification of Undertaking"; b) AGRECO Fee Schedule; c) AGRECO Sanctions-Regulation,  
d) AGRECO-Standard –Collection (AS) with relevant EU-legislation on organic farming (CR) or equivalent standards, including AGRECO-Equivalency-Standard (AES), in valid version

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