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# General Terms of Business

## 01 Scope of application and terms

These Terms of Business apply between bio.inspecta/q.inspecta and its clients. They apply to inspection/certification and other services unless other terms have been agreed in writing or are compulsory in law.

## 02 Basic principles

The basis of the contract is the particular services required by the client.

The Client hereby declares that s/he has a copy of the relevant regulations or standards, is familiar with their provisions and complies with them. The binding version applicable at a given time can be obtained at any time from the relevant authority or organization. It is the Client's responsibility to keep him/herself informed of any changes in the regulations or standards without being prompted to do so.

## 03 Rights of the Client

Holders of a bio.inspecta/q.inspecta certificate may use this certificate for their business purposes for the period of its validity. They are also entitled to use the corresponding inspection and certification marks in accordance with the provisions of Section 10.

## 04 Duties of the Client

The Client hereby declares that s/he is prepared to provide the inspectors/auditors openly and truthfully

with information on all internal business matters that are relevant to the assessment of inspection and certification status.

The Client must notify bio.inspecta/q.inspecta within 30 days of any formal changes such as changes of address, mergers, organizational changes or takeovers.

The Client undertakes:

- to comply with the statutory regulations and with standards that have been declared binding.
- to continuously maintain all necessary journals and lists on an accurate and truthful basis.
- to grant the staff of bio.inspecta/q.inspecta, at any time and without restriction, access to places of work and to the accounts and all necessary journals, records and documents.
- to notify, immediately and in writing, any complaints of third parties relating to product conformity.
- to notify, immediately and in writing, any events which could represent a possible infringement of standards.
- to pay for the services provided by bio.inspecta/q.inspecta in accordance with the applicable schedule of charges (see Section 6).
- to pay the costs of additional work (in accordance with the schedule of charges applicable at that time), laboratory analysis, legal advice and similar additional expenditure of bio.inspecta/q.inspecta, if these costs arise from his/her infringement of the regulations or of his/her obligations under this contract.

The Client must designate a responsible contact person for communication with bio.inspecta/q.inspecta.

## **05 Rights and duties of bio.inspecta/q.inspecta**

### **05a Confidentiality and data protection**

All data acquired by bio.inspecta/q.inspecta is classified as a business secret and treated as strictly confidential. The obligation to maintain confidentiality does not apply in relation to (i) official bodies charged with enforcement, (ii) accredited inspection organizations which are subcontracted to carry out inspection activities, and (iii) label holders under whose label the client markets the products. The Client authorizes bio.inspecta/q.inspecta to pass on acquired data in anonymized form for research purposes or market analysis.

For the purpose of simplifying administrative processes and supporting customers' quality assurance, bio.inspecta/q.inspecta offer Online Tools as a service. When these Online Tools are used, the Client's address and certification details can be accessed by customers. Customers are permitted to use the data they have accessed only for quality assurance purposes and to simplify internal business processes. They undertake to use the data in accordance with the Conditions of Use. The applicable Conditions of Use for Online Tools form an integral part of the General Terms of Business and apply to all users of the online services.

The certificates issued are displayed in an online certificate pool and are publicly accessible.

### **05b Release from duty of official secrecy**

The Client releases official bodies which are in possession of information necessary for the inspection and monitoring process from the duty of official secrecy in relation to bio.inspecta/q.inspecta. Data from the coordinated agricultural operator data survey is available to bio.inspecta/q.inspecta.

### **05c Right to information**

bio.inspecta/q.inspecta may notify the competent authorities/bodies of infringements of statutory regulations or standards that have been declared applicable or press criminal charges in respect of such infringements.

In order to ensure that possible purchasers are accurately informed, bio.inspecta/q.inspecta may in cases of withdrawal of certification, non-certification or label withdrawal pass on and publish the necessary details.

### **05d Services / certification / sanctions**

bio.inspecta/q.inspecta carry out the services ordered by the Client. q.inspecta subcontracts commissions for inspection, certification and other services to bio.inspecta. bio.inspecta AG can subcontract to authorized inspection/certification bodies the services rendered in Switzerland and abroad.

If the statutory regulations and the standards that have been declared applicable are complied with, bio.inspecta/q.inspecta issue certificates and written confirmation of inspection.

If the standards are not complied with in full, bio.inspecta/q.inspecta can impose sanctions and specify deadlines within which the defects must be remedied. Sanctions are based on the sanctions rules in the particular public-law regulations or the standards of private-law label programmes.

In the event of serious infringements of standards, bio.inspecta/q.inspecta reserve the right in accordance with the existing sanctions rules of the label issuers and regulations to refuse certification and/or impose marketing bans. The certification body decides whether any appeal against a refusal decision has a postponing effect.

If inspection/certification is not possible for organizational reasons or because inspection requests have been refused, access to places of work has not been granted or documents are missing or incomplete, certification can be refused or delayed until the complete inspection documents are received.

### **05e Spot checks / residue analysis**

For quality assurance purposes bio.inspecta/q.inspecta can at any time in addition to the regular inspections carry out spot checks and take samples for residue analysis. In such cases access to premises and to documents and records must be granted to the same extent as for a regular inspection.

### **05f Liability**

bio.inspecta/q.inspecta are liable in the context of the activities undertaken by them only for intention and gross negligence. They reject all further liability. In particular, they cannot be held liable if third parties do not recognize the certificate or recognize it only to a limited extent. The same applies to any claims for compensation made by third parties (especially customers of the certificate holder) on account of non-fulfillment of their quality expectations or non-recognition of the certificate as a means of proof in product liability disputes.

## 06 Charges

The charges are laid down in the schedule of charges of bio.inspecta/q.inspecta. Clients will be notified in writing of changes by 31 August each year. The current schedule of charges forms an integral part of these General Terms of Business and can be viewed at any time on the website.

## 07 Duration and termination of the contract

Registration for services gives rise to a contractual relationship for an indefinite period. Notice, which takes effect at the end of the year, must be given in writing and submitted by registered post by 30 September. The notice must reach bio.inspecta/q.inspecta by the notice deadline. Upon termination of the contract certificates that have been issued cease to be valid and must be returned.

Certification that is pending when notice is given or at the date of termination of the contract will be completed despite the giving of notice. The services carried out will be charged for in accordance with the schedule of charges and possible notifications to label issuers or official bodies will be made.

## 08 Breach of contract

### 08a Major breach of contract

Major breaches of contract may result in refusal of services, refusal of the certificate, refusal of inspection and certification marks and/or dissolution of the existing contractual relationship. Major breaches of contract include for example submission of incomplete or inaccurate documents, non-payment of invoices, failure to notify changes, misuse of the business names bio.inspecta/q.inspecta or misuse of the inspection and certification marks.

If continuation of the contractual relationship in good faith cannot be expected, bio.inspecta/q.inspecta are entitled to dissolve the relationship without notice. In this event certificates issued will be immediately cancelled/recalled and the dissolution of the contract may be publicized.

### 08b Compensation for breach of contract

In the event of repeated or major breach of contract by clients, bio.inspecta/q.inspecta are entitled to a contractual penalty of 10,000.00 Swiss Francs. In addition they are entitled to compensation for any further damage.

### 08c Non-payment of invoices

bio.inspecta/q.inspecta's invoices are payable within the stipulated periods. Costs of warnings, debt collection and legal disputes will be charged to the Client. In the event of non-payment of invoices services may be refused and the contractual relationship may be terminated without notice.

## 09 Appeals

bio.inspecta/q.inspecta have an independent Appeals Service made up of experts. The rules of the Appeals Service form an integral part of the existing contractual relationship.

An appeal against a decision of the certification body can be lodged with the Appeals Service no later than 30 days from delivery of the decision. If the decision is not collected, it is regarded as delivered upon expiry of the collection deadline. The appeal, which must be clearly marked as such, must state the grounds for the appeal and quote any available sources of evidence. Appeals should be sent by registered post to bio.inspecta/q.inspecta, Ackerstrasse, 5070 Frick, Switzerland. Receipt of an appeal will be immediately confirmed in writing.

Decisions of the certification body are in principle binding as soon as they are issued. In the case of negative decisions the certification body may rule that an appeal has a postponing effect. In addition, the President of the Appeals Service may at the appellant's request grant postponing effect to an appeal.

If the Appeals Service turns down the appeal, it will normally charge the costs of the appeals procedure to the appellant in accordance with the current schedule of charges.

## **10 Use of inspection and certification marks**

During the validity and within the scope of a certificate that has been awarded certificate holders are entitled to use the inspection and certification marks corresponding to the successfully carried out certification or assessment and to label products with the marks or a text variant of them.

Use of the labels by the Client must comply with bio.inspecta/q.inspecta's Design Manual. In the event of misuse and after one unsuccessful written warning the Client's right to use the certification marks may be withdrawn. In the event of unauthorized labelling bio.inspecta/q.inspecta reserve the right to enforce the claim to cease using the label through the courts and to assert claims for compensation. The applicable Design Manual forms an integral component of this contractual relationship.

## **11 Place of jurisdiction**

The place of jurisdiction for all disputes is Frick. The contractual relationship is governed by Swiss law.

## **12 Integral components of the General Terms of Business**

- Design Manual of bio.inspecta/q.inspecta
- Current Schedule of Charges of bio.inspecta/q.inspecta
- Conditions of Use for Online Tools of bio.inspecta/q.inspecta
- Rules of the Appeals Service of bio.inspecta/q.inspecta

Valid from 16 October 2008