

TERMS AND CONDITIONS FOR NON-ACCREDITED SERVICES

Client identified in the signature line below agrees to acquire the non-accredited assessment services (“Services”) described in each proposal signed by the parties (“Proposal”) in accordance with the provisions of this agreement (“Agreement”).

1. Definitions

The following terms, whether in the singular or plural thereof, shall have the meanings ascribed to them below.

“**Assessment Services**” means the Services provided by Perry Johnson Registrars Food Safety Inc.’s (hereinafter referred to as “PJRFSI”) to (a) assess a Management System to determine if a Management System conforms to an applicable Non-Accredited Standard or Client requirement and if relevant, issuance of a Certificate of Conformity; and (b) any advice given related to the Management System.

“**Auditor**” means PJRFSI’s employees, agents and contractors who perform the Services.

“**Management System**” means a product, process, procedure or service of Client.

“**Non-Accredited**” means the Services PJRFSI provides are in accordance with specific Client processes as described in a Statement of Work or other Proposal of Services.

“**Proposal**” means the document that describes the Services and includes the specific business terms.

“**Certificate of Conformity**” means the Certificate issued by PJRFSI to Client for a Non-Accredited Standard

“**Procedures**” means the Procedures developed by PJRFSI to complete the Services.

“**PJRFSI**” means the PJRFSI contracting party identified in the Proposal and the following entities that may perform the Services including Perry Johnson Registrars Food Safety Inc., Perry Johnson Registrars Food Safety Canada Company, or any other affiliate of each of them.

“**Significant change**” means any material change that affects the activities and operation of a Management System such as a change in ownership, management, organization, policy, technology, personnel, product and services, facilities, equipment, procedures, change of address of any relevant sites or other premises, subcontracting or outsourcing of processes.

“**Site**” means the location of Client’s Management System.

“**Standard(s)**” means the specific Client processes as described in a Statement of Work or other Proposal of Services.

2. Fees

- 2.1. The Client agrees to pay the fees set forth in the Proposal. PJRFSI shall be under no obligation to refund fees paid by the Client in the event of cancellation of this Agreement. Fees outlined in the proposal will increase 3% per year for multiple year agreements.
- 2.2. Postponement or Cancellation: If Organization postpones or cancels any Assessment within 21 days from the first day of the agreed assessment date, PJRFSI will charge a fee equal to the greater of 50% of the quoted Assessment Fee, or one day at the per-day rate applicable at that time, PLUS the cost, at the prevailing per-day rate, of any work performed to date, PLUS any non-recoverable travel and lodging expenses incurred. These charges are not credited against any subsequent charges incurred by Organization. In an emergency, Organization may request and PJRFSI may waive these charges, in PJRFSI’s sole and absolute discretion. The President of PJRFSI prior to the first day of the originally scheduled audit dates must sign such a waiver.
- 2.3. Travel expenses (i.e.: hotel, airfare, rental vehicles, etc.) will be charged at cost or as described in the Proposal. The Client may choose to handle all travel arrangements and travel related costs at their expense.
- 2.4. Use of personal vehicles will be charged at the annual posted IRS mileage rate.
- 2.5. Auditors receive a set per diem which is billable to the Organization.
- 2.6. Auditor Travel Time is an additional cost and varies by auditor.

3. Assessment Services

- 3.1. PJRFSI agrees to provide the Services identified in the Proposal or Statement of Work or as otherwise agreed by the Client and PJRFSI subject to the provisions of this Agreement.
- 3.2. The Client agrees to provide PJRFSI’s employees, agents, contractors and partners with all information, co-operation and assistance required to complete the Services including reasonable access to the premises, facilities, documents and records of the Client and the Client’s contractors and agents. PJRFSI representatives shall not be obligated to sign any agreement as a condition of site entry and if signed the Client agrees that such agreement shall be void and of no force and effect.
- 3.3. The Client agrees to comply with the applicable PJRFSI Procedures provided to Client.
- 3.4. Except as required by Client, PJRFSI will perform the Services during the Client’s normal business hours and in a

manner so as not to interfere with the performance of any work by the Client.

- 3.5. The Client accepts responsibility for the safety of Auditors at Client's Site and Client shall provide to the Auditors all necessary safety and protective clothing and/or equipment and advise PJRFSI, its employees, agents and contractors appropriately of any safety hazards or special training requirements. If specialized training is necessary for PJRFSI staff to enter the site, all costs associated with such training are not included in the Proposal unless specifically noted and will be billed to the Client separately.
- 3.6. The Client is granted the right to maintain the Certificate of Conformity so long as the Client's Management System continues to meet the requirements of the applicable Standard to which the Certificate applies. The Client acknowledges full responsibility to operate and maintain the Management System at the site (or sites) in conformance with the requirements of the Standard. The Client must promptly inform PJRFSI in writing of any Significant Change.
- 3.7. The Certificate of Conformity and any permitted copies remain the property of PJRFSI. The Client may not modify the Certificate of Conformity in any way. The Client must return the Certificate of Conformity (and all copies) to PJRFSI.
- 3.8 In the context of food safety management system audits, PJR is not certifying or attesting to the safety or fitness of any product or service or whether the organization's employees are operating in compliance with all food safety regulations at all times- Rather, PJR is only reviewing a particular management system at a particular time to assess whether it appears to be compliant with a particular standard. As such, PJR cannot guarantee and does not purport to guarantee the safety of the Organization's product or service or that its product or service meets all food safety regulations at all times.

4. Termination of this Agreement

- 4.1. Client may terminate this Agreement for convenience, subject to the payment of all outstanding fees, at any time upon thirty (30) days written notice to PJRFSI.
- 4.2. Either party may terminate this Agreement upon written notice if the other party breaches any material provision of this Agreement which remains uncured for 15 days or if a party becomes insolvent or bankrupt.
- 4.3. Upon termination of this Agreement for any reason, Client must return all copies of any issued Certificate of Conformity.

5. Confidential Information

- 5.1. "Confidential Information" means any non-public information including (i) technical information including but not limited to inventions, know-how, trade secrets, methods, techniques, processes, designs, drawings, diagrams, software, computer code, the structure, sequence and organization of software, formulae and analysis, and (ii) business information, including but not limited to price lists, Client lists, Client wants, needs and preferences, cost analyses, proposals and statements of work, reports, surveys and market information and data, whether communicated in tangible or intangible form.
- 5.2. Confidential Information shall be kept in confidence by the receiving party using the same degree of care as such party uses to prevent unauthorized disclosure of its own Confidential Information but in any event not less than a reasonable degree of care and the receiving party shall not disclose such Confidential Information to third parties nor use it except to carry out the purposes of this Agreement. This obligation of confidentiality shall not apply to information which (a) is or becomes in the public domain through no breach by the receiving party; (b) is previously known or independently developed by the receiving party; (c) is learned by the receiving party from a third party entitled to disclose it; or (d) is required to be disclosed by operation of law, including court orders, agency orders and subpoenas, provided that the receiving party shall use reasonable efforts to notify the disclosing party prior to disclosure.

6. Limited Warranties and Disclaimers

- 6.1. PJRFSI WARRANTS THAT THE SERVICES WILL BE PROVIDED IN A GOOD AND WORKMANLIKE MANNER. THIS IS PJRFSI'S SOLE EXPRESS WARRANTY AND PJRFSI MAKES NO OTHER WARRANTY OR REPRESENTATION AS TO ANY SERVICE. PJRFSI SPECIFICALLY DISCLAIMS TO THE FULLEST EXTENT PERMITTED BY LAW ANY AND ALL OTHER WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

7. Limitation of Liability

- 7.1. IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES

(INCLUDING LOST PROFITS) ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT OR THE PERFORMANCE OF, OR FAILURE TO PERFORM ANY OBLIGATIONS HEREUNDER, WHETHER IN CONTRACT, WARRANTY, NEGLIGENCE, TORT, STRICT LIABILITY OR OTHERWISE BUT EXCLUDING THE INDEMNIFICATION OBLIGATIONS SET FORTH IN PARAGRAPH 8 BELOW.

7.2. PJRFSI'S CUMULATIVE LIABILITY TO CLIENT ARISING OUT OF OR RELATING TO THIS AGREEMENT SHALL NOT EXCEED IN AGGREGATE THE FEES PAID BY CLIENT TO PJRFSI UNDER THE ORDER FORM GIVING RISE TO THE CLAIM WHETHER IN CONTRACT, WARRANTY, NEGLIGENCE, TORT, STRICT LIABILITY OR OTHERWISE.

8. Client agrees and acknowledges that it shall indemnify and hold harmless PJRFSI, its directors, officers, employees, assignees, agents and shareholders from and against any and all claims, demands, suits, obligations, liabilities, damages, losses and judgments, including reasonable attorney's fees, costs and expenses related thereto, arising out of or related to Client's noncompliance with local, state, or federal environmental, employment, consumer protection, food safety or other laws or regulations; Client's negligence or the negligence of its employees, contracted staff or agents, Client's failure to notify PJR of material changes, and/or incidents, recalls or legal proceedings; Client's intentional acts or omissions or the intentional acts or omissions of Client's employees, contracted staff or agents, Client's breach of the Agreement and any claims brought by Client's own suppliers and customers (collectively "Claims"); and if requested, the Client shall defend PJR against such Claims and in any action or proceeding resulting directly or indirectly from Client's own acts or omissions.

9. Anti-Bribery and Corruption

8.1 Conflict of Interest. Except as permitted in their respective policies neither party nor their employees, consultants or agents shall: (i) give to or accept from any director, employee or agent of either party or their affiliates in connection with the Services contemplated hereunder any gift, entertainment or other benefit of significant cost or value or any commission, fee or rebate; or (ii) enter into any business arrangement with any director, employee or agent of either party or its affiliate intended to directly or indirectly influence the decision to enter into this Agreement without giving prior written notice to the other party.

8.2 Improper Influence. Neither party nor its employees, consultants or agents may offer or make any payment or offer or give anything of value to any Government Official, any immediate family member of a Government Official or any political party to influence the Government Official's or organization's decision or to gain any other advantage for either party or anyone else directly or indirectly arising out of performance of this Agreement. In addition, neither party nor its employees, consultants or agents shall, relating to performance of this Agreement, offer or make any payment or offer or give anything of value to any person if the provider knows or has reason to believe that any portion of the payment or gift will be given directly, indirectly or through a third party to any Government Official, any immediate family member of any Government Official or any political party.

8.3 Reporting Violations, Reimbursement and Termination. Both parties agree to immediately notify the other party of any violation of this Section.

10. General

10.1. Neither PJRFSI nor any of its employees, contractors and agents shall be deemed to be employees of Client and PJRFSI shall be solely responsible for payment of compensation to all of PJRFSI's employees, contractors and agents and as to them, shall maintain in force, at its sole cost and expense, any worker's compensation insurance coverage required by law.

10.2. Except as expressly stated herein, there is no intention by either party to exchange or license intellectual property pursuant to this Agreement. Any such exchange or license will require an executed amendment to this Agreement.

10.3. Neither party is liable for any failure to perform or delay in performing its obligations under this Agreement if that failure or delay is due to flood, fire, earthquake, pandemic, riot, war, act of terrorism or other occurrence beyond that party's reasonable control. If that failure or delay exceeds 60 days, the other party may terminate this Agreement upon thirty (30) days written notice to the other party.

10.4. If any part of this Agreement is held to be unenforceable in any jurisdiction the validity of the remaining parts shall be unaffected, and the unenforceable part shall be rewritten to reflect as closely as possible the intent of the parties.

10.5. A waiver of any breach of this Agreement shall not constitute a waiver as to future breaches.

- 10.6.** This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and may not be modified except in writing signed by both parties. Client may use its form of purchase order for convenience but may not vary the terms of this Agreement thereby. This Agreement shall supersede any conflicting on-line terms that may appear on PJRFSI's Internet Site.
- 10.7.** Use of Contractors: The Organization hereby acknowledges that PJRFSI may use external resources, including contracted auditors, to provide assessment services to the Organization and consents to the use of said external resources. PJRFSI shall take responsibility for the activities of all external resources, including contracted auditors.
- 10.8.** Employment of Auditors: The Organization agrees not to hire or contract with, directly or indirectly, any PJRFSI auditor, or contracted auditor, who participated in the performance of auditing or assessment services at any of the Organization's facilities, for a period one year after completing said services or the expiration or termination of the Agreement for any reason. Should the Organization violate this restriction, it agrees to pay PJRFSI an amount equal to the revenues generated by the auditor in the prior 12 months in U.S. Dollars in liquidated damages, and the Organization agrees that such an amount is a fair and equitable sum and is reasonable and appropriate in such a situation.
- 10.9.** Law, Jurisdiction, Venue: This Agreement shall be interpreted and enforced in accordance with the laws of the State of Michigan, as if fully performed in the State of Michigan, without giving effect to any choice or conflict of law provision or rule (whether of the State of Michigan or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Michigan. The parties agree that State of Michigan shall be the exclusive jurisdiction for all disputes in connection with the Agreement. Any dispute between the parties relating to the Agreement or the performance of the parties hereunder shall be subject to venue of the 52nd District - 4th Division Court in Troy, Michigan, Circuit Court of Oakland County, Michigan, or the United States District Court for the Eastern District of Michigan, as a convenient venue for both parties.
- 10.10.** Nothing in this Agreement shall be deemed to create an agency, joint venture or partnership relationship between the parties.
- 10.11.** Notices shall be given in writing to the addresses set forth above or to such other address as may be notified by either party to the other, shall be delivered by hand or by overnight delivery by a nationally recognized carrier and shall be deemed received upon delivery.
- 10.12.** This Agreement may be executed in counterparts, all of which shall be deemed to constitute one agreement. When the authorized representative of either party signs this Agreement, a copy, duplicate, electronic file or facsimile of such signed Agreement shall have the same force and effect as one bearing an original signature.
- 10.13.** All provisions of this Agreement that expressly or by implication are intended to survive the termination or expiration of this Agreement and remain in force according to their terms.
- 10.14.** PJRFSI and the Client acknowledge that they have required that this Agreement and all documentation, notices and judicial proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto be drawn up in English.
- 10.15.** Technology Fee: If organization possesses a billing/accounting system that PJR is required to use in order to process invoicing services, a fee of \$50.00 is assessed for each billing.