

Scheme Agreement

referring to the bilateral agreement between QS and Belpork v.z.w.

vom: «Vertragsdatum»

Stufe: «Betriebsart»

QS ID: «QSID»

QS Qualität und Sicherheit GmbH, Schedestraße 1-3, 53113 Bonn, legally represented by the Managing Director Dr. Hermann-Josef Nienhoff,

- referred to in the following as scheme owner -

and **«Firma»**, «Straße», «PLZStadt» «Stadt», «Land»,

- referred to in the following as scheme participant -

herewith enter into the following scheme agreement:

In participating in the QS. Quality Scheme for Food. all sectors engaged in the production process acknowledge the necessity of quality assurance for food that incorporates all the stages involved.

QS is scheme owner and vehicle of the QS. Quality Scheme for Food., referred to hereinafter in brief as "QS scheme" that covers all stages of the supply chain. The standards defined by the scheme owner set forth stringent, verifiable production and marketing criteria for all stages of the supply chain – from the feed sector to the food retail. The QS scheme is distinctive for its cross stage control of these criteria and the traceability of the agricultural products and the food manufactured from them. In the food retail goods produced in accordance with the requirements of the QS scheme by QS certified companies bear the QS certification mark.

In order to facilitate product flows QS has realized a one-sided recognition of Certus audits with Belpork. Based on this agreement it is possible to become QS scheme participant referring to an audit that has been recognized as equivalent by QS.

The scheme participant has been audited within a quality assurance scheme whose audits have been recognized as equivalent by QS.

After having informed himself extensively about the QS scheme the scheme participant is willing to participate in the QS scheme on this basis.

This having been established, the scheme owner and the scheme participant agree as follows:

§ 1 Subject of Agreement

The present agreement governs participation of the scheme participant in the QS scheme, the sanctions imposed for violations and procedures in terms of crisis management.

Basically the scheme manual the scheme participant is audited against applies. Regardless of this the requirements for participation in the QS scheme are set down in the respectively valid version of the QS scheme manual.

The QS scheme manual in its respectively valid version is available under **www.q-s.de**.

§ 2 Rights and Duties

The scheme owner and the scheme participant are bound under the present agreement to the following rights and duties.

1. The scheme owner

- a) refers explicitly to the requirements stipulated within the bilateral agreement signed with the other scheme owner.

This bilateral agreement in connection with the relevant scheme manual opens up the possibility and constitutes the requirements for participating in the QS scheme.

- b) will make available any information to the scheme participant that are necessary in order to make correct use of the relevant bilateral agreement mentioned above.

The scheme owner is entitled to modify the conditions that are agreed upon between the other scheme and QS, if this is necessary for handling the QS scheme and if the scheme participant can be reasonably expected to accommodate said modification. The scheme owner will notify the scheme participant in written form of the amendment.

- c) operates a central database which will be available to the scheme participant for the in-scheme data exchange that is necessary for the scheme participants particular stage.
- d) supplies the scheme participant with an overview of the partners participating in the QS scheme, giving due consideration to data protection.
- e) is only liable itself and for vicarious agents for wilful intent and gross negligence.

2. The scheme participant

- a) undertakes to satisfy its duties defined therein of providing information to the scheme owner.

Said duties apply to all corporate locations registered by the scheme participant and admitted to the QS scheme. Under its own name, the scheme participant may only register legally dependent corporate locations for the QS scheme.

The scheme participant is obliged to register all relevant master data in the QS software platform and to keep these master data up to date. The following information have to be provided:

- companies address,
- legal representative, contact person and substitute,
- phone and fax number,
- email address,
- information about crisis management (responsible person).

The scheme participant guarantees to the scheme owner that the corporate locations it has registered for the QS scheme and which have been admitted will fulfil the duties derived from the present agreement and the scheme manual it has been audited against.

Beside this the scheme participant will inform the scheme owner directly about any issues that can influence its participation and approval within the QS scheme.

- b) will, in the event of a scheme-related legal duty to inform the authorities, inform the scheme owner to the same extent and at the same time as the body stipulated by the legislator.
- c) declares its agreement with the scheme owner publishing the name, address, location number, QS identification number (QS ID), the particular stage in the production and marketing process of the scheme participant as well as the names, addresses, location numbers and QS identification numbers of all corporate locations admitted to the QS scheme on the homepage and/or on the QS software platform of the scheme owner.

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At all times the scheme owner is entitled to remove from its homepage any scheme participant or corporate locations that have temporarily or permanently been precluded from marketing.

- d) declares its agreement with the scheme owner electronically saving and processing all of the scheme participant's data necessary for running the QS scheme.
- e) will give immediate notification of all amendments that affect the contractual status with the scheme owner or its own availability by entering them in the central data base of the scheme owner or, where there is no provision for such log-in, will duly inform the scheme owner in writing.
- f) undertakes, for purposes of company identification, to use an ILN number (international location number) or – at the discretion of the scheme owner – a comparable identification number and will notify the scheme owner of said number.

§ 3 Rights and duties in terms of crisis management

1. In the event of an incident or crisis Belpork can conduct additional audits of special purpose as they see fit in order to clarify and evaluate the circumstances.
2. The scheme participant accords the owner of the scheme it is audited against free access to corporate grounds during normal business hours, to operational premises, to employees and to all records and registers by way of which compliance with and application of the criteria of the relevant scheme manual can be verified. Such controls can basically be accompanied by a person mandated by the scheme owner.
3. In the event of an incident or crisis the scheme participant undertakes to provide scheme-specific information immediately. This requirement applies as well if the scheme owner requests the other scheme owner to initiate such investigations.

Belpork can provide this information to QS.

4. QS is entitled to demand that audits of special purpose are being conducted, and to accompany them in justified exceptional circumstances.
5. QS can conduct its own audits of special purpose in the affected company if Belpork does not comply with its obligation to pass on information within the agreed deadline. Belpork is entitled to accompany this audit.

§ 4 Sanctions

1. The scheme participant is subjected exclusively to the sanction conditions stipulated within the relevant scheme it is audited against.
2. The scheme participant commits itself to inform the scheme owner immediately if a sanction is imposed against him.

§ 5 Coordinators

In addition, the following applies to coordinators:

1. Companies and branches may be incorporated into the QS scheme subject to the QS scheme manual by means of a coordinator. Coordinators become scheme participants. They undertake to assert the duties set down in the present scheme agreement in respect of their associated companies or branches.
2. Coordinators will ensure that the scheme owner is able to access the data of the companies and branches incorporated in the QS scheme at any time in its central database.

The coordinator will enter said data over an interface or the appropriate internet access into the database of the scheme owner.

Solely the coordinator will be liable for any costs and damages incurred with the companies or branches of the coordinator or with the scheme owner from a delay or error in providing this data.

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§ 6 Term and Termination of Agreement

1. The agreement will take effect immediately upon being signed. It has a fixed term of one year.
2. The agreement will renew automatically by one year, unless one of the parties serves three months' notice to the end of its respective term to terminate it. Notice will be served by registered mail.
3. Should duties set down in the agreement be significantly amended by the scheme owner subject to § 2 (1) a), the scheme participant will be entitled to file objection to the amendment within a period of two weeks of receiving the notification of change.

Should the scheme participant lodge its objection, the scheme owner will be entitled to terminate the scheme agreement without notice for good cause.

4. This agreement is basically linked to the bilateral agreement the scheme owner has signed with the other scheme owner. In the case that the underlying agreement between the scheme owner and the relevant other scheme owner is cancelled the validity of this agreement expires simultaneously.
5. The scheme participant commits itself to inform the scheme owner immediately if a change to another certification system is performed for at least one location. If the scheme participant changes for at least one location to a certification against the QS scheme, a new QS scheme agreement has to be signed.
6. The right to serve exceptional notice of termination for good cause will be unaffected hereby. A good cause specifically prevails if
 - a) one of the parties violates a provision of the present agreement and despite a cease-and-desist letter fails to cease said violation.
 - b) a judgement in the first instance has been pronounced on the scheme participant or its legal representative for the violation, under penalty of the law, of regulations governing food products or other regulations that are

of significance for implementing the present agreement or for the reputation of the QS scheme.

- c) the scheme participant suffers financial losses, in particular insolvency proceedings are opened on its assets or not opened for lack of assets.
- d) if a legal successor takes over one of the two parties, whether by inheritance or takeover of assets or for other reasons.

§ 7 Choice of Law, Place of Performance and Jurisdiction

1. The present agreement is subject to German law.
2. Place of performance and jurisdiction for all disputes derived from the present agreement is the registered seat of the scheme owner, where this is permitted by statute.

§ 8 Ancillary Provisions

1. The scheme participant confirms it has received one copy of the present agreement together with the annexes to said agreement. The scheme participant recognises said annexes as effective, integral parts of the agreement.
2. No verbal agreements relating to the present agreement have been reached. Amendments and additions will require the written form to be operative, unless otherwise stipulated by the agreement. The parties may only waive the requirement of the written form likewise by written agreement.
3. Should any provisions of the present agreement prove to be ineffective, the validity of the other provisions of the agreement will not be affected hereby. In such a case, the agreement will be so revised as to achieve the business purpose originally intended by the invalid provision. The same applies if, in implementing the present agreement, an omission transpires which requires remedy.

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4. The present scheme agreement replaces any previous agreement. In spite of that, the contract date of the first scheme

agreement/system agreement remains applicable for the assessments of term and termination.

Bonn, _____
Place, Date

Place, Date

QS Qualität und Sicherheit GmbH

scheme participant (signature, stamp)

Annexes to Scheme Agreement:

- Form for company master data