

Terms of Contract applicable to the Verification and Validation activities by Control Union Services S.A.C., hereinafter called the “Company” and the Applicant, hereinafter called the “Principal”

1. GENERAL

- 1.1 The Company’s standard services may include all or any of the following: Verification, Validation, Mutually Agreed Projects, or a combination for projects or organizations.

2. OFFER LETTER

- 2.1 By signing and returning an offer made by the Company, the Principal enters into a formal agreement with the Company (hereinafter: the “Agreement”) on the terms and conditions as specified in such offer letter as well as in all other documents (including these terms of contract) which are and have been explicitly declared applicable to the Agreement (together hereinafter: the “Documents”).
- 2.2 Prior to any quotation or agreement, sufficient information shall be obtained as to the scope, objective, criteria, level of assurance and materiality of the v/v. The proposal will be prepared on the basis of the information obtained.

3. OBLIGATIONS AND RESTRICTIONS OF THE PRINCIPAL

- 3.1 The Principal may not transfer any of its rights or obligations under the Agreement and the Documents to any third party.
- 3.2 Unless the Principal acts in accordance with the terms of the Agreement and the terms of the Documents, it may not refer to any Document, document, or indication such that in the public’s perception, the impression could be created that the products of the Principal were obtained, or the units of the Principal are kept according to the terms of the Documents.
- 3.3 The Principal must, upon request by the Company, withdraw and/or rectify any misleading or incorrect publications, indications, or information regarding its validated or verified activities and take any other action to the satisfaction of the Company.
- 3.4 The Principal may never (i) use a certification granted by the Company for activities for which such certification was not given and (ii) use a Company indication on products which have not been approved by the Company in accordance with the validation or verification procedures, and (iii) if the Principal provides copies of the validation or verification documents to other (third) parties, the documents shall be reproduced in their entirety or as specified in the validation/verification scheme.
- 3.5 The Principal shall refrain from using a (quality) system certification granted by the Company in such a manner to imply that a product or a service is approved by the Company.
- 3.6 The Principal shall refrain from acting in such a way that could potentially affect a Company indication and/or a Company certificate in a negative way.
- 3.7 The Principal must inform the Company immediately upon becoming aware of every incorrect and/or unauthorised use of a Company indication and/or any misleading or incorrect publications referring to the Company.

4. VALIDATION/VERIFICATION

- 4.1 The Company will perform the validations or verifications or will have the inspections performed by a third party on her behalf according to the terms of the Documents to determine whether the agreed conditions as mentioned in the Documents are being adhered to by the Principal.
- 4.2 If the Company, in its sole discretion, finds it necessary and reasonable to perform additional verifications, the costs for these extra verifications shall be for the account of the Principal. These costs shall be based on the yearly fee as agreed upon by and between the Company and the Principal and shall be charged based on real made costs.

- 4.3 The Principal must make all required arrangements for the performance of the validation/verification activities, including but not limited to the provisions necessary for the examination of documentation by the Company. Additionally, the Principal must provide the Company and any authorities involved with the validation/verification process (including but not limited to accreditation body, scheme owners, observers) access to all areas, equipment, premises, personnel and units which fall within the scope of the Agreement and records (including but not limited to internal audit reports), and subcontractors of the Principal when pertinent, for the purpose of inspection and it must make personnel available for the purpose of resolution of complaints.
- 4.4 If the Company indicates that sample is required for the purpose of the validation/verification, samples for analysis must be made available by the Principal and must be placed free of charge at the Company's disposal.
- 4.5 The Principal gives consent to the Company to send their samples and use of contract laboratories by the Company, if required laboratory tests.

5. OPINION

- 5.1 If the Opinion is confirmed to the Principal, the Opinion will be given taking into account the period to which the information in the Principal's Opinion relates.
- 5.2 Verbal commitments or agreements regarding the Opinion made by or with the Company's personnel or the party responsible for validation/verification on behalf of the Company shall not bind the Company in any way. Only after the Opinion is confirmed by the Company's formal written statement, the Opinion will be provided by the Company to the Principal.

6. CONFIDENTIALITY

- 6.1 The Company shall take all necessary measures to ensure that all information which has come to its knowledge in connection with the performed validations/verifications (the "Information") shall be treated as confidential and it shall not disclose the Information to a third party without the prior written consent of the Principal, where required, except to the extent required by law and/or the Documents.
- 6.2 To gain or maintain confidence in certification, the company will provide appropriate access to, or disclosure of, non-confidential information about the conclusions of specific validations/verifications (e.g., audits in response to complaints) to specific interested parties.
- 6.3 The Principal shall take all necessary measures to ensure that all information which has come to its knowledge regarding the method of validation/verification used by the Company shall be treated as confidential and it shall not disclose any such information about the method of validation/verification to a third party without the prior written consent of the Company, except to the extent required by law and/or the Documents.
- 6.4 Information about the Principal obtained from sources other than the client (e.g., whistleblowers, regulators) is confidential between the Company and the Principal. The provider (source) of such information is confidential to the Company and will not be disclosed to the Principal unless the source agrees.
- 6.5 The Company shall be responsible under the Agreement for the management obtained and created during the validation/verification.
- 6.6 The Company shall inform the Principal, a priori, of the information it intends to disseminate to the public.
- 6.7 Except for information made public by the client or when agreed with the client, all information is considered private and shall be treated as confidential.
- 6.8 When the Company is required by law or authorized by contract to disseminate confidential information, the Client will be notified of the information to be disseminated, unless prohibited by law.

7. INDICATIONS

- 7.1 The Principal shall upon receiving notice of suspension or withdrawal of its management system certification, discontinue all use of all advertising matter/declarations that contains a reference to

verification/validation, as instructed by the Company, and revise all advertising matter accordingly when the scope of certification has been reduced.

- 7.2 The right to use the Company indication is granted to the Principal on a non-exclusive basis.
- 7.3 The Principal is allowed to use the Company indication on certified products for which a product scope certificate has been issued by the Company.
- 7.4 When making reference to the validation/verification statement granted by the Company in media such as documents, brochures or advertising, the Principal shall at all times comply with the requirements imposed by the validation/verification body or as specified in the validation/verification scheme.
- 7.5 The Principal shall comply with any requirements that may be prescribed in the validation/verification program relating to the use of marks of conformity, and on information related to the product.

8. AMENDMENT OF THE DOCUMENTS

- 8.1 The Company is entitled to unilaterally amend (the terms of) the Documents.
- 8.2 The Company shall inform duly the Principal in writing about any amendment of the Documents which are relevant to the Agreement and it shall notify the Principal of the day these amendments to the Documents come into effect.
- 8.3 In case of an amendment to the terms of the Documents as contemplated by Article 8.1 hereof, the Principal agrees to be unconditionally bound to the terms of these new documents. The Company and the Principal acknowledge and agree that any such revised terms shall replace the relevant terms of the former Documents as of the day the amendments come into effect.
- 8.4 The PCC Common Agreement Procedures may be developed or modified during the engagement if the intended users take responsibility for the adequacy of these procedures for their purposes.
- 8.5 If circumstances prevent the verifier from implementing the procedures, the verifier should attempt to obtain the agreement of the intended users to modify the procedures. If agreement cannot be reached, the verifier should describe the limitation in the report or withdraw from the engagement.

9. RESPONSIBILITY, LIABILITY, AND INDEMNIFICATION

- 9.1 The liability of the Company in respect of any claims for loss, damage or expense of whatsoever nature and howsoever arising in respect of any breach of contract and/or any failure to exercise due skill and care by the Company shall in no circumstances exceed a total aggregate sum equal to 10 (ten) times the amount of the fee or commission payable in respect of the specific services required under the particular contract with the Company which gives rise to such claims provided however that the Company shall have no liability in respect of any claims for indirect or consequential loss including loss of profit and/or loss of future business and/or loss of production and/or cancellation of contracts entered into by the Principal. Where the fee or commission payable relates to a number of services and a claim arises in respect of one of those services the fee or commission shall be apportioned for the purposes of this paragraph by reference to the estimated time involved in the performance of each service.
- 9.2 The Principal shall hold the Company harmless and shall indemnify the Company as a result of damages suffered by the Company due to the Principal not observing the national and international governmental export and import restrictions.
- 9.3 A verifier may perform a CCP Common Agreement Process if the intended users agree to the evidence gathering activities and assume responsibility for the procedures for their purposes.
- 9.4 Intended user roles and responsibilities:
 - a) are responsible for the subject matter;
 - b) assume responsibility for the adequacy of the PCC Common Agreement Processes for their purposes;
 - c) assume the risk that they might misinterpret or otherwise inappropriately use the verifier's adequately reported findings; d) assume the risk that they might misinterpret or otherwise inappropriately use the verifier's adequately reported findings.
- 9.5 Roles and responsibilities of the verifier:
 - a) is impartial with respect to the intended users and subject matter;
 - b) assumes the risk that misapplication of procedures may result in inappropriate findings being reported;
 - c) assumes the risk that appropriate findings may not be reported or may be reported inaccurately;

- d) is not responsible for establishing the differences between the PCC Common Agreement Processes and an assurance engagement.

10. FEES

- 10.1 Unless expressly indicated or agreed otherwise in writing, the prices quoted by or agreed with the Company shall be net prices, therefore exclusive of VAT.
- 10.2 The Principal must pay a fee based on the number of validation/verification days needed (including travel days) and the validation and/or verification costs (e.g., administration, verification and/or validation opinion, etc.). Additional validation and/or verification visits which the Company finds reasonable and necessary will be invoiced according to the terms of the relevant Documents.
- 10.3 Other costs (e.g., travel and boarding costs, subsistence costs, costs for analyses and costs for sending validation and/or verification statements by registered mail) will be invoiced directly based on real made costs.
- 10.4 The Company reserves the right to alter the agreed fee based on (inter)national index figures or the Company policy. The Company will send a notification of a change in the fee structure to the Principal at least three months before the day it comes into effect.
- 10.5 In case of cancellation of the validation and/or verification visit by the Principal or by the Company (due to non payment of the invoice), all costs already made for the validation and/or verification visit such as but not limited to costs for flight tickets, visa, vaccinations, etc will in any event be charged to the Principal.
- 10.6 If the Principal desires amendments or additions to the Agreement regarding the units and/or products which must be inspected after the Agreement has been executed, the Company shall agree to these amendments or additions to the extent that it may be reasonably expected to do so. To the extent that the amendments and additions desired by the Principal involve extra costs, the Company shall charge these extra costs to the Principal in their entirety.

11. PAYMENT

- 11.1 In case the Company has not received payment of an invoice sent for a validation and/or verification visit two weeks prior to such visit, the validation and/or verification visit will be cancelled.
- 11.2 The Principal relinquishes any right to setoff amounts charged by and between parties. Settlement of credit amounts and/or claims with outstanding payments to the Company is explicitly not allowed.

12. TERMS AND TERMINATION

- 12.1 The Agreement shall become effective on the date the Offer Letter is signed and returned by the Principal and shall remain in effect until the stated validation/verification is performed. If the Principal requires another validation/verification to be performed, he/she must resubmit a request with the appropriate activities until a new quote is received, for which the annual fee may be increased as determined by the Company.
- 12.2 Unless expressly provided otherwise in this ToC or, failing that, in writing between the Company and the Principal, during the Initial Term, the Agreement may not be terminated early. In case the Principal decides to unilaterally terminate this Agreement within the Initial Term or its renewals, it shall pay in favor of the Company a penalty equivalent to 20% of the annual license fee set forth in paragraph 2 of the Letter of Offer or the new fee communicated in due time in case of renewals.
- 12.3 The Agreement may be terminated by the Company with immediate effect on grounds of material breach, by giving written notice to the Principal, without having to take any notification period into account, in the following events:
 - (i) the Principal has acted contrary to terms of the Agreement and/or the terms of the Documents.
 - (ii) the Principal misuses validation/verification statements obtained from the Company in any form;
 - (iii) the Principal has entered into bankruptcy or if a filing for its bankruptcy has been requested or if it has been granted a suspension of payments.

- (iv) the Principal fails to pay any amount it owes to the Company within one month after the expiration of the payment deadline; or
 - (v) the Principal damages the Company's name, reputation, or business in any way.
- 12.4 In case of termination of the Agreement for whatever reason:
- (i) the Principal shall return the validation/verification statements by registered mail to the Company within one week after the termination of the Agreement.
 - (ii) all rights of the Principal resulting from the Agreement shall terminate with immediate effect, including any rights to have units and/or products inspected and/or certified.
 - (iii) the Company shall not be obliged to refund the fee which has already been paid by the Principal.
 - (iv) the Company shall be obliged to maintain secrecy regarding the Information to the extent possible, except to the extent it must disclose such Information as required by law or by the terms of the Documents.
 - (vi) the Principal may no longer use the Company indications and/or certificates, shall withdraw these indications and/or certificates, and shall inform the Company about this.

13. APPEALS

- 13.1 The Principal may appeal against a certification decision of the Company, or request to the company for reconsideration of a decision it has made relating to the item of validation/verification only.
- 13.2 Appeals must be received by the Company within 6 (six) weeks after the validation/verification opinion.
- 13.3 Only written appeal in the Spanish or English language, addressed to the Company's office in the Peru are handled.
- 13.4 The Company shall handle the appeal and inform the Principal in writing in the Spanish or English language of the decision concerning the appeal together with a motivation within 3 (three) months after receipt of the appeal.
- 13.5 The Company shall be responsible for all decisions made during the appeals process and these decisions shall be made by persons who were not involved in the decision being appealed in order to ensure impartiality.
- 13.6 The investigation and resolution of appeals shall not result in any discriminatory action.
- 13.7 The appeals process shall include at least the following:
- A description of the process for receiving, substantiating, investigating, and deciding what action to take in response to the appeal;
 - Tracking and recording the complaint, including actions taken to resolve the complaint;
 - Ensuring that appropriate action is taken.
 - The company receiving the complaint should be responsible for gathering all information necessary to determine whether the complaint is justified.
 - The company should acknowledge receipt of the appeal and provide the appellant with the outcome and, where appropriate, progress reports.
- 13.8 The decision on the appeal shall be made or reviewed and approved by persons who were not involved in the decision being appealed.

14. DISPUTES, APPLICABLE LAW AND (EXTRA) JUDICIAL COSTS

- 14.1 All disputes existing between parties shall be heard exclusively by a competent Court in Peru unless the Company prefers another international competent court.
- 14.2 All agreements between the Company and the Principal are subject to Peruvian laws.
- 14.3 All judicial and extra judicial costs incurred by the Company because payment of an invoice was not made (in good time), shall be paid by the Principal. The extra judicial costs are deemed to amount to at least 15% of the amount which is claimed.