

## Inspection and Certification Contract(NPOP)

**Between**

**Shivalik Natural Resources Management Society: SNRMS (Party 1)**

**Name of Operator (Party 2)**

### **Operation Handled (Tick as desired)**

- ☐ Crop production, Grower Group
- ☐ Crop production, Individual Producer
- ☐ Processing and Handling
- ☐ Trading
- ☐ Input for use in Organic Agriculture
- ☐ Livestock management
- ☐ Wild Collection (Plant Products)
- ☐ Wild Collection (Honey)
- ☐ Bee Keeping

### **Rights and duties of SNRMS (Party 1)**

1. SNRMS undertakes to check for adherence to the required terms and conditions specified in this contract in accordance with its Standard Procedures and to issue a certification of conformity to the operator in case of positive appraisal.
2. SNRMS lists the name and address of the project in a public register, covering the scope and extent of the validity of certification and notifies, in case necessary, the competent authorities.
3. SNRMS as a rule, carries out once a year a complete audit of the operator according to the requirement of the given specifications.
4. Inspection visits are agreed upon in advance. The agreed upon appointments are being regarded as binding, cancellation of the visit by either of the contractual partners is possible only under cases for which proper reasons are given and also with the corresponding cost factors taken into account. SNRMS also reserves the right to do conduct inspection without prior notice.
5. SNRMS commits itself to the deployment of well-trained and qualified people for carrying out the inspections and adheres to strict neutrality and objectivity when carrying out the surveys.
6. If during the time period of this contract the applicable laws are changed or supplemented or if new terms and conditions are being set and if these changes

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are to be taken into consideration for the inspection activities then SNRMS is committed to inform the operator about these changes in the standards. The most important changes are also submitted in regular newsletters.

### **Rights and duties of the Operator (party 2)**

1. During the time period of this contract the project commits to carry out and adhere to the terms and conditions of the NPOP standards as also to implement the conditions, procedures and precautions stipulated by SNRMS. The project will also be ready to undergo inspection (even if without pre-announcement) by the authorised personnel of SNRMS or the competent authority and to grant unhindered access to all the premises, machinery, installations, and the records of the farm /company.
2. The project agrees to place the complete information at SNRMS's disposal that would be necessary for the comprehensive description of all the business units as also for the certified products including the verification of the movement of goods:
  - Production units present cultivation plans every year to an agreed upon date according to plots / lots to the inspection and certification bodies. Further book keeping will be done on the basis of which the inspection and certifications body can check the origin, type and quantity of the bought-in items and their use and the type, quantity and purchaser of all the sold products. Daily records must be kept for all products from sales to the end user.
  - Processing and handling operations are obliged to a book keeping system, with the help of which the inspection and certification bodies can verify the origin, type and quantity of the purchased agricultural raw material/suppliers, ingredients, processing auxiliary material, as well as the type, composition, sales quantities and also purchasers of certified products leaving the operation.
  - The above-mentioned documents and details must be kept in such a way that they all are complete and fully accessible at any time. The project is committed to store them for a minimum of 3 years and to keep all the reports and documentation in the form agreed by SNRMS.
3. The project will undergo, if necessary, due sanctions in accordance with the SNRMS Sanctions policy and those of the competent authority. If during inspection a violation of any of the terms and conditions listed under item 1 is detected, then the operator herewith commits to eliminate the detected deviation within the agreed upon time frame and so also to fulfil the possible conditions imposed.
4. The project also immediately commits to implement sanctions, which result in a notification to the authorities or even to customers, in the best possible way.
5. The project also commits to allow and document random sampling by authorised personnel of SNRMS.
6. The project also commits to inform SNRMS immediately on the following:
  - Any major changes made in the business units and activities from the one described earlier.
  - If the business unit or a part of it is transferred to a different entity or the business is continued by another entity/organisation (the rights and duties of this contract will get transferred automatically to the new entity without unless stipulated in writing by either side).

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- Any changes in the specification or production methods of the products [recipe, production process, packing, cultivation plan or quality management system (like change in the business unit head etc.)]
  - serious complaint reported by a third party with regard to the products certified by SNRMS.
  - All measures taken in case the project has to suspect that any products produced and processed by him are not in compliance with the relevant organic standards.
  - The project maintains the records about all the reported objections/complaints with respect to the conformity of all products with the specifications of the applicable ordinances and grants SNRMS access to all these records.
7. The project puts all available information which is needful for the control of organic products to the certification body's disposal.
  8. As per contract it is not allowed to the project to use this certification for other operators in the organic area.
  9. **Operator agrees to** establish, implement, and update annually an organic production or handling system plan that is submitted to an accredited certifying agent.
  10. **Operator agrees to** permit and make arrangements for on-site inspections with complete access to the production or handling operation, including non-certified production and handling areas, structures, and offices and personnel by the certifying agent.
  11. **Operator agrees to** maintain required documents to prove that the operator is fulfilling the requirements of the certification programme.
  12. **Operator agrees to** make available to the CB or the representative of the competent authority the records to check for compliance to the certification requirements.
  13. **Operator agrees to** maintain all records applicable to the organic operation for not less than 5 years beyond their creation.
  14. **Operator agrees to** make necessary arrangement for resolution of complaints against the certified operation or produce.
  15. **Operator agrees to** make claims regarding certification only in the respect of scope for which certification is granted.
  16. **Operator agrees to** not to use its certification to bring disrepute to the SNRMS.
  17. **Operator agrees to** not to make statement which is misleading or unauthorized.
  18. **Operator agrees to** discontinue the use of all advertising matter that mentions certification upon suspension or cancellation of certification.
  19. **Operator agrees to** return any certification document as required by the SNRMS on suspension or cancellation.
  20. **Operator agrees to** uses certification only to indicate that products are certified as being in conformity with specified standards.
  21. **Operator agrees to** ensure that no certificate or report nor any part thereof is used in a misleading manner.
  22. **Operator agrees to** comply with the SNRMS requirements in making reference to its certification in communication media.
  23. **Operator agrees to** Immediately notify the certifying agent concerning any: Application, including drift, of a prohibited substance to any field, production unit, site, facility, livestock, or product that is part of an operation.

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24. **Operator agrees to** ensure not to allow operators to switch in and out of the certification system.
25. **Operator agrees to** have written agreements, with clear responsibilities for all the parties involved in the chain of production of a certified product.
26. **Operator agrees to** maintain or improve the natural resources of the operation, including soil and water quality.

#### **Financial Obligations:**

1. A comprehensive inspection of the projects' business activities takes place once a year. All the costs for inspection and certification would be borne by the client in accordance with SNRMS tariffs.
2. In established cases, SNRMS is permitted to carry out additional inspections at the expense of the operator. Over and above this, the right to conduct spontaneous, unannounced, random inspections and drawing of samples, whose costs as well need to be borne by the operator.
3. The operator commits to settle all the payments, irrespective of the outcome of the inspection, within 10 days of receipt of the invoice from SNRMS.
4. Special expenses, which might arise out of unsatisfactory cooperation with SNRMS or the enquiries from statutory authorities, will also be charged to the client.
5. The liability of SNRMS for its inspection and certification activity is limited to the maximum of the amount assigned for the operator for the calendar year in which the disputed case occurred.

#### **Confidentiality:**

1. All parties commit themselves to keep all the commercial and business information, circumstances, data and events of the other business partner absolutely confidential against third parties and also commit on behalf of their employees in this respect. The same applies to all the other data, which are connected with this contract.
2. The following are exempted from this:
  - Passing on the data to the responsible statutory authority in accordance with the instructions (the inspection authorities have the right to inspect books and records).
  - The passing on of relevant data to a third party on special request of the client (release of data).
  - The list of the certified companies

#### **Indemnity:**

- **Indemnification by Operator:**  
Operator shall defend, indemnify and hold harmless SNRMS and its affiliates from and against all losses, damages, liabilities, claims and expenses including all legal expenses and related costs and howsoever arising out of operators, or operator's employee's, agent's, affiliate's or client's use, marketing, or implementation of the Intellectual Property, including but not limited to infringement by any third party of SNRMS intellectual property rights therein.
- **Indemnification by SNRMS**  
SNRMS shall indemnify and hold harmless Operator and its affiliates from and against all losses, damages, liabilities, claims, and expenses (including all legal

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costs such as attorneys' fees, court costs and settlement expenses) arising out of, connected with, or resulting from any allegation that the use of the Intellectual Property by operator infringes upon the Intellectual Property rights of any third party. Operator will hold the accreditation body harmless for any failure on the part of SNRMS the provisions of the Act and regulation in NPOP.

**Duration and termination:**

1. This contract comes into effect with its signing up and is valid for one and half years. In case of non-cooperative behaviour or non-payment, SNRMS has the right to terminate this contract at any time.
2. In case of termination of the contract, SNRMS can undertake a final audit to the normal contractual conditions before the end of the calendar year, in case this appears necessary with regard of product safety and market assurance.
3. In case during the tenure of this contract unpredicted events were to take place (eg. natural catastrophes) which considerably hinders the execution of the contract either partly or completely, then the duration of this contract is automatically prolonged until completion of the duties.
4. The right to terminate in case of higher force remains unchanged.
5. The right for cancellation of the inspection contract by neutral agreement remains unchanged.
6. The contract ends with the dissolution of the company of either party.
7. Changes and amendments to this contract need to be agreed in writing to become valid.
8. In the event of the withdrawal of the official accreditation of SNRMS this contract loses its validity.
9. The inoperativeness of individual conditions of this contract does not affect the validity of the remaining agreement.

**Arbitration:**

Disputes that occur out of this contract are settled in the jurisdiction of SNRMS.

**(Operator/Authorized Representative)**

**Place, Date**

**Shivalik Natural Resources Management Society: SNRMS (Party 1)**

**Authorized Representative**

**Date and seal**

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