JFS Audit and Conformity Assessment Agreement

(Corporate name) (hereinafter referred to as “AAAA”) and XXXX audit company (hereinafter referred to as “BBBB”) enter into this agreement as follows (hereinafter referred to the “Agreement”) with respect to BBBB’s performance of the audit and conformity assessment based on JFS audit and conformity assessment program document on the framework of food safety management of AAAA.

(Purpose)

Article 1AAAA hereby entrusts BBBB with the business related to audit and conformity assessment (hereinafter referred to as the "Business") based on JFS audit and conformity assessment program document (hereinafter referred to as "Program Document") issued by the Japan Food Safety Management Association (hereinafter referred to as "JFSM"), and BBBB hereby accepts such entrustment.

(Performance of the Business)

Article 2 BBBB will audit AAAA's food safety management structure and operation status based on the Program Document and issue a conformity certificate when AAAA’s conformity is found.

2 AAAA and BBBB shall agree in writing on the audit schedule, man-hours for audit, place of audit, audit fee, payment method of audit fee and other necessary matters in advance when BBBB conducts the Business for AAAA. Provided, however, that if there are special circumstances such as revisions to the Program Document, AAAA and BBBB may change the audit schedule, man-hours for audit, audit fees and other necessary matters through consultation between both parties.

(Fees, etc.)

Article 3 AAAA shall pay BBBB the audit fee and the actual cost agreed in the preceding article by the agreed payment method by the due date.

2 Upon receipt of the conformity certificate from BBBB after the initial audit, AAAA shall pay the initial registration fee determined by JFSM to BBBB as a substitute payee for JFSM. AAAA shall pay to BBBB as a substitute payee for JFSM the annual maintenance fee annually during the period of validity of the conformity certificate from the following year onwards.

(Information Sharing)

Article 4 BBBB shall formulate rules, regulations, procedures and other documents relating to the Business (hereinafter referred to as "Documents, etc.") and provide AAAA with the Documents, etc. necessary for AAAA to be subject to audit. BBBB shall notify AAAA in writing (including electronic documents, the same shall apply hereinafter) of any amendment to the Documents, etc. For the avoidance of doubt, the Documents, etc. include those that are established or revised after the execution of this Agreement.

(Confidentiality)

Article 5 Neither AAAA nor BBBB shall disclose or divulge to any third party, or use for any purpose other than the purpose of this Agreement, any business or technical information of the other party obtained in the course of the Business (hereinafter referred to as "Confidential Information"), without the other party's consent, except for the case specified in the following paragraph. Provided, however, that Confidential Information shall not include the following information to the extent that the receiving party can establish the basis therefor in writing.

　　(1) Information already in the possession of the receiving party at the time of disclosure;

　　(2) Information which is lawfully obtained from a third party without confidentiality obligation after disclosure;

　　(3) Information independently obtained or created after the disclosure without reference to any information disclosed by the other party;

　　(4) Information already in the public domain at the time of disclosure; or

　　(5) Information that becomes part of the public domain after disclosure for reasons not attributable to the receiving party.

2. If AAAA or BBBB is required by law to disclose the Confidential Information set forth in the preceding paragraph, it shall give prior notice to the other party and follow the other party's instructions for disclosure to the extent possible.

3. If any misconduct by either party such as leakage of Confidential Information is confirmed, the party whose Confidential Information has been leaked, etc. may claim compensation for damages to the other party.

4. Notwithstanding the preceding three paragraphs, AAAA hereby agrees that BBBB shall disclose to JFSM the records of AAAA's audit and conformity assessment, audit evidence and information relating to objections or complaints, etc. set forth in Article 6 upon JFSM's request.

(Objections and Complaints)

Article 6 AAAA must keep a record of any objections and complaints raised by third parties against AAAA and the measures taken by AAAA in response thereto, and report to BBBB without delay at the request of BBBB and on a case-by-case basis if the matter is important.

2 The information reported by AAAA to BBBB pursuant to the preceding paragraph shall be reported by BBBB to JFSM without delay. AAAA may not refuse to disclose such information to JFSM.

3 AAAA may object to BBBB based on the Program Document and the Documents, etc. prescribed by BBBB.

(Liability for Damages)

Article 7 A party who violates this Agreement shall be liable to compensate the other party for any direct damages (limited to ordinary damages) caused by such violation only when it is due to intention or negligence.

(Termination of Agreement)

Article 8 The term of this Agreement shall be three (3) years from the date of execution hereof. However, this Agreement shall be automatically renewed for successive periods of three (3) years each under the same terms and conditions unless either party gives to the other party a written notice of termination or amendment at least 90 days prior to the expiration of the initial term, and the same shall apply thereafter.

(Cancellation of Agreement)

Article 9 Either party may cancel this Agreement if the other party breaches any of the provisions of this Agreement and fails to cure such breach within a reasonable period of time after receipt of notice specifying a reasonable period of time. Provided, however, that this shall not apply if the violation of this Agreement at the time of expiry of such period is minor in light of this Agreement, individual agreement and social conventions in business.

2 AAAA may immediately cancel this Agreement without any notice if any of the events set forth in each of the following items occurs to BBBB. However, if such reason is attributable to the cancelling party, the party may not terminate this Agreement for the reason.

　(1) When BBBB commits a material breach or act of disloyalty in connection with this Agreement.

　(2) When BBBB is unable to perform its obligations in whole or in part, or BBBB clearly indicates its intention to refuse to perform its obligations in whole or in part. Provided, however, that if BBBB is unable to perform part of its obligations, this Agreement may be cancelled only with respect to such part.

　(3) In addition to the cases listed in the preceding items, if it is obvious that BBBB has failed to perform its obligations and, even if demand is made, it is unlikely that BBBB performs its obligations sufficiently to achieve the purpose of the Agreement.

　(4) When BBBB becomes subject to revocation or suspension of its business license by a supervisory authority.

　(5) If any other material event that makes the continuation of this Agreement difficult occurs.

3 Either party may immediately cancel this Agreement without any notice if any of the events set forth in each of the following items occurs to the other party. However, if such reason is attributable to the cancelling party, the party may not terminate this Agreement for the reason.

　(1) When a petition for commencement of bankruptcy proceedings, civil rehabilitation proceedings, corporate reorganization proceedings or special liquidation proceedings is filed against or by the other party, or a notice of debt arrangement is given to the other party.

　(2) When the other party adopts a resolution of extinction, capital reduction, discontinuation or change of business, or dissolution due to merger.

4 If this Agreement is cancelled pursuant to the preceding three paragraphs and any damage is caused thereby, the cancelling party may claim compensation for such damage from the other party.

5 If BBBB intends to cancel this Agreement in accordance with this article and AAAA requests the continuation of conformity assessment, BBBB shall pass on the conformity assessment to another audit company in accordance with the Program Document.

(Obligations after Termination)

Article 10 The provisions of Articles 5, 7 and 11 shall survive the termination or cancellation of this Agreement.

2 If any credit obligation or performance obligation accrued during the effective term of this Agreement remains unperformed at the time of expiration or termination of this Agreement, the relevant portion of this Agreement shall remain effective until the completion of the performance of such obligation.

(Jurisdiction and Governing Law)

Article 11 This Agreement shall be construed in accordance with the laws of Japan. Any dispute arising out of or in connection with this Agreement shall be subject to the agreed exclusive jurisdiction of the XX District Court for the first instance.

(Consultation)

Article 12 Any doubt or ambiguity as to this Agreement or any matter not provided for in this Agreement shall be resolved through consultation between both parties in good faith.

IN WITNESS WHEREOF, AAAA and BBBB have caused this Agreement to be executed in duplicate by placing their signatures and seals thereon, and each party shall keep one copy of the originals.

MM DD, YYYY

AAAA : (Address of the organization to be audited)

　　(Company name)

　　(Title of representative) Name Seal

BBBB : (Address of audit company)

○○○○ Audit Company

(Title of representative) Name Seal