

The logo for MSECB is a dark red trapezoidal shape with the letters "MSECB" in white, bold, sans-serif font centered within it.

MSECB

**GENERAL TERMS AND CONDITIONS FOR
AUDIT AND CERTIFICATION SERVICES**

MSECB Inc.

1 GENERAL

- 1.1 MSECB Management Systems Inc. (collectively, “**MSECB**”), offers third party certification services (the “**Services**”) for prospective and existing clients to be able to demonstrate conformity of products, services, personnel and management systems to customers and end-users.
- 1.2 The Client (as hereinafter defined) wishes to retain the services of MSECB and/or its Authorized Agent to perform the Services and MSECB agrees to perform the Services subject to the terms and conditions described herein.
- 1.3 MSECB and the Client are collectively referred to as the “Parties”, or individually referred to as a “Party”.

2 DEFINITIONS, SUBDIVISIONS AND HEADINGS

- 2.1 In addition to the terms defined elsewhere herein, the following terms shall have the following meanings:
 - “**Accreditation Body**” means an organization which formally authorized MSECB Inc. to act as a certification body by providing management system certifications under various International Organization for Standardization (ISO) Standards;
 - “**Authorized Agent**” means a third-party agent retained by MSECB to perform certain services such as audit services required under the certification process;
 - “**Certificate**” means a certificate of conformance to the Standard delivered by MSECB;
 - “**Client**” means the business or organization as identified in the Contract, whose System(s) has been or is to be Certified;
 - “**Client Group**” means the Client, its subcontractors, suppliers or customers, together with any of their employees, agents, officers or directors;
 - “**Contract**” means this document, together with the included Service Proposal Documents and Terms of Use, which together set the terms and conditions relating to the performance of the Services;
 - “**Force Majeure**” means any matter beyond a Party’s reasonable control;
 - “**Indemnitees**” means MSECB, the Accreditation Body, or any of their respective affiliates, parent, or brother or sister corporations or their successors-in-interest or assigns, or the officers, directors, members and employees thereof;
 - “**Intellectual Property**” means all intellectual property rights, titles and interests in all service marks, trademarks, certification marks, names or logos, copyright works and inventions;
 - “**Service Proposal Documents**” means the application for service proposal and other Service Proposal documents negotiated between the Client and MSECB and/or its Authorized Agent, which form part of the Contract together with this document and the Terms of Use;
 - “**Services**” shall have the meaning ascribed to such term under clause 1.1;
 - “**Standard**” means a set of conditions and requirements for the issuance of a Certificate, including (but without limiting the generality thereof) all statutes, rules, regulations issued by any statutory or other competent authority, all recommendations, codes and similar matters issued by any authority pursuant to which in compliance with which or for the purpose of which the Certificate is issued or such other

reasonable requirements of MSECB as are necessary to enable the Certificate to be issued and maintained in force in accordance with the standards reasonably expected of accredited or competent certification;

“**System**” means the organizational structure, responsibilities, activities, resources and events that together provide organized procedures and methods of implementation to ensure the capability of the Client to meet the Standard; and

“**Terms of Use**” means the terms of use of the MSECB logos and certification marks (as amended from time to time), which are available on the MSECB web site (www.msecb.com) or on request and which form part of the Contract together with this document and the Service Proposal Documents.

2.2 The inclusion of headings and subdivisions herein is for ease of reference only and shall not affect the interpretation or construction of the Contract.

3 SCOPE OF CONTRACT

- 3.1 This document, together with the Service Proposal Documents and the Terms of Use shall form the contract between MSECB and the Client (the “**Contract**”).
- 3.2 The Contract describes the rights, obligations, responsibilities, and duties of MSECB and the Client whose System’s conformance to the Standard has been or is to be certified by MSECB.

4 REPRESENTATIONS AND WARRANTIES OF THE CLIENT

- 4.1 The Client hereby warrants the completeness and accuracy of all documents and accuracy of all information supplied to MSECB for the purposes of the Contract, both at the time of supply and subsequently. The Client further warrants that in the event that it discovers that certain information provided is not accurate or complete, it will notify MSECB in writing of this as soon as it becomes aware of it.

5 REPRESENTATIONS AND WARRANTIES OF MSECB

- 5.1 MSECB hereby represents and warrants to the Client that it is the holder of the required management system certification body accreditation delivered by the relevant Accreditation Body. As such, it can deliver the Certificate which is the object of the Contract.

6 ACKNOWLEDGMENTS AND COVENANTS OF THE CLIENT

- 6.1 The Client acknowledges and agrees as follows:
 - 6.1.1 The Client acknowledges and agrees to MSECB using outsourced resources in the performance of its obligations relating to this Contract, such as the services of an Authorized Agent.
 - 6.1.2 The Client agrees to comply with all applicable conditions and requirements related to the issuance of a Certificate, including (but without limiting the generality thereof) all statutes, rules, requirements, issued by relevant statutory authority and in compliance with the Certificate issued or such other reasonable requirements deemed necessary to enable the Certificate to be issued and maintained in force in accordance with the standards of accredited or competent certification

parties (collectively, the “**Standard**”). The Client recognizes that MSECB has clear and explicit rights and duties to revise the requirements of certification within the period of validity of the Certificate and shall provide prior written notice to Client so that the Client shall have the opportunity to review and comply with such revised requirements;

- 6.1.3 The Client shall ensure that its System complies with the current version of the Standard against which it is certified. Current version of the Standard can be obtained from MSECB and from the respective websites of the relevant Accreditation Body and Standard issuing authority;
- 6.1.4 The Client agrees to and will declare to MSECB any activity which may create a conflict of interest in relation to its certified System (e.g. declare that a consultant/company was used for implementing the management system and for some reason the same person/company is assigned as an auditor).

7 ACKNOWLEDGMENTS AND COVENANTS OF MSECB

7.1 MSECB acknowledges and agrees as follows:

- 7.1.1 MSECB will provide the Services with reasonable care and skill;
- 7.1.2 MSECB will appoint competent qualified auditor(s) to conduct audit(s) and assessment(s) of the Client’s System(s) in accordance with the Accreditation Body’s and MSECB’s rules and procedures and management system requirements;
- 7.1.3 MSECB will ensure that audit and assessment services are delivered at a frequency determined by MSECB in order for MSECB to maintain confidence in the ongoing efficacy of the System;
- 7.1.4 MSECB will issue audit and non-conformance reports after each audit activity;
- 7.1.5 MSECB will issue a Certificate on successful completion of the initial certification assessment to the satisfaction of MSECB; and
- 7.1.6 If MSECB is not able to verify the implementation of corrections and corrective actions of any major non- conformance within 6 months after the last day of a stage 2 audit, MSECB shall conduct another stage 2 audit prior to recommending certification.

7.2 Subject to the foregoing provisions of this clause 7, all conditions, warranties, terms and undertakings applicable to MSECB, express or implied, statutory or otherwise, are hereby excluded to the fullest extent permitted by law.

8 INTELLECTUAL PROPERTY RIGHTS AND LICENSES

- 8.1 Each Party’s Intellectual Property shall remain the property of the relevant Party and cannot be transferred or licensed by the other Party.
- 8.2 MSECB shall award a license to the Client to use its certification mark(s) and logo(s) for the duration of this Contract when used in accordance with MSECB applicable Terms of Use.
- 8.3 MSECB can and will randomly audit the use of its certification mark(s) and logo(s) for the duration of this Contract. MSECB reserves the right to substitute or withdraw the right to use any or all its certification mark(s), logo(s), certificates and audit documentation at any time in the event of non-compliance with the Terms of Use or should the Contract be terminated, for whatever reason.

- 8.4 Intellectual Property belonging to an Accreditation Body shall remain the property of said Accreditation Body. The Client acknowledges that an Accreditation Body shall retain full ownership of its Intellectual Property rights and that nothing shall be deemed to constitute a right for the Client to use or cause to be used any of the Accreditation Body's Intellectual Property.
- 8.5 Use of the Intellectual Property belonging to an Accreditation Body is governed by the applicable standards and rules which are available from the Accreditation Body or MSECB. All claims and uses of an Accreditation Body's Intellectual Property must be compliant with the requirements of the relevant standards and rules.
- 8.6 MSECB reserves the right to use any information that is brought to its attention and to investigate any potential infringements of Intellectual Property rights of the Accreditation Body.

9 SURVEILLANCE

- 9.1 The Client agrees it could be subject to short notice surveillance evaluations and/or audits as determined by MSECB. Short notice audits might need to be conducted to investigate complaints, or in response to changes to a certificate scope, or as follow upon a suspended certificate.
- 9.2 The Client shall provide MSECB with reasonable cooperation and assistance and allow MSECB access to all relevant premises, documentation and information deemed necessary by MSECB to verify the status and maintenance of the System and perform said surveillance evaluations and audits.
- 9.3 MSECB could implement higher surveillance frequencies based on a risk assessment analysis of the Client's scope of certification, System and location.
- 9.4 Should justified additional surveillance visits, deemed to be necessary by MSECB, such visit will be invoiced as per the same applicable daily rate in force to the present Contract.

10 CERTIFICATION

- 10.1 The Client acknowledges and agrees that:
 - 10.1.1 A Certificate awarded by MSECB shall solely cover services or products manufactured and/or supplied strictly within the scope of the Client's System as certified by MSECB;
 - 10.1.2 Initial certification will only be granted once all major non-conformances are corrected;
 - 10.1.3 On-going certification is reliant on continued conformance with the requirements of the Standard which may change from time to time, including the requirement to address any non-conformance to the satisfaction of MSECB in the specified time periods agreed between MSECB and the Client;
 - 10.1.4 The Client shall inform MSECB promptly of any significant changes to its product(s), services, resources, management, System or any other circumstances, which may materially impact the continued validity of its certification, for example but without limitation: change of site, additional sites, change of process, change of ownership, change of scope. In such circumstances, the Client agrees to the payment of applicable additional fees and expenses deemed necessary by MSECB to assess the impact of such change(s) and maintain its confidence in the System.
 - 10.1.5 MSECB conducts its audit activity through a sampling process in order to determine if the System meets the requirements of the Standard. Any statement of conformance issued by MSECB in the form of reports and Certificates is based on a sampling process at the sole time and date of audit.

MSECB does not warrant, represent or undertake that these sampling processes mean that all activities are in conformance with the relevant Standard at the time and date of audit or subsequent to the audit, these audited activities will continue to be in conformance with the relevant Standard. The Client shall use reasonable efforts to make relevant customers and end users aware of the foregoing provisions of this clause as MSECB accepts no liability to the Client in the event that any loss or claim is suffered by the Client as a result of any finding that the System does not comply with the Standards.

11 SUSPENSION OR WITHDRAWAL OF CERTIFICATION

- 11.1 MSECB shall be entitled to suspend or withdraw the Client's certification on fifteen (15) days written notice and reserves the right to update applicable public accreditation and registrar databases the fact that such action has been taken when, in the reasonable opinion of MSECB:
- 11.1.1 the Client's acts, omissions or conduct bring or may bring MSECB, the Accreditation Body or the Standards into disrepute;
 - 11.1.2 the Client represents, promotes or advertises any products or System which are outside the scope of its Certificate as certified by MSECB;
 - 11.1.3 the Client makes a fraudulent misrepresentation or provides MSECB with any inaccurate or misleading information, which is not corrected within ten (10) business days after being notified by MSECB;
 - 11.1.4 the Client is in breach of any term of the Contract;
 - 11.1.5 the Client is in breach of or is not subject to a mandatory license agreement, including any attributable to the Accreditation Body; or
 - 11.1.6 the Client fails to maintain or demonstrate an effective System such that the confidence in the Certificate is adversely affected.
- 11.2 Where it considers appropriate, MSECB shall inform the Client of its intention to suspend or withdraw certification and to allow the Client a reasonable opportunity to take corrective action, within such time frame as MSECB may reasonably specify, before the suspension or withdrawal takes effect.
- 11.3 In the event of MSECB's withdrawal from accreditation or inability to continue to supply the certification accredited by the relevant Accreditation Body, MSECB will notify the Client within thirty (30) days of such withdrawal or inability and the Certificates relating to the respective scope of the Accreditation Body will be suspended ipso facto within six months after the effective date of withdrawal or inability.
- 11.4 On suspension or withdrawal of certification, the Client shall immediately cease to use any trademarks associated with MSECB and the Accreditation Body, or to sell any products that have previously been labelled or marked (or authorized for labelling and marking) using the trademarks, and cease to make any claims that imply that they comply with the requirements for certification.
- 11.5 The Client shall notify all relevant existing customers of the suspension or withdrawal through the communication medium of the client's choosing within fifteen (15) business days (or any other period as determined by MSECB) of the withdrawal or suspension taking effect, and maintain records of that notice.
- 11.6 The Client shall, at the request of MSECB, either destroy all electronic and hardcopy Certificates relating to the certification and at its own expense remove all claims, service marks, trademarks, other names or logos and copyright works from products, documents, advertising and marketing materials with immediate

effect or return all such certification materials to MSECB. The Client shall also reasonably cooperate with MSECB and the relevant Accreditation Body to confirm that these obligations have been met and shall, if requested in writing, confirm in writing the destruction or return of all such certification materials by an authorized representative of Client.

12 APPEALS AND COMPLAINTS

12.1 Shall the Client wish to complain or appeal a decision of MSECB, it shall do so in accordance with the MSECB Complaints and Appeals Processes (as amended from time to time) which are posted on MSECB's website (www.msecb.com) and available on request.

13 TERM AND TERMINATION

13.1 The Contract shall remain in force for as long as the Client holds a valid MSECB Certificate.

13.2 The Contract shall terminate:

13.2.1 upon expiry of a sixty (60) day written notice given by either Party to the other;

13.2.2 immediately upon either Party being notified in writing by the other of any material breach of the Contract and the material breach not being remedied within fourteen (14) days from the date of receipt of said notice;

13.2.3 immediately if a Party applies for a bankruptcy order or one is filed against it, if a trustee is appointed to administer its property or if a Party benefits from any provisions of any applicable bankruptcy or insolvency law or, more generally, if it becomes insolvent; or

13.2.4 immediately if either Party ceases to conduct commercial activities, whether in whole or in part.

13.3 In the event of the Contract being terminated (except in the case of material breach by MSECB) the Certificate issued by MSECB shall immediately become void and the Client shall cease to be entitled to use same or any logo or mark of MSECB and the relevant Accreditation Body and shall destroy all electronic and hardcopy Certificates relating to the certification. It shall also at its own expense remove all claims, service marks, trademarks, other names or logos and copyright works from products, documents, advertising and marketing materials with immediate effect. The Client shall provide full co-operation to enable MSECB and the relevant Accreditation Body to carry out any necessary verification activities.

14 LIMITATION OF LIABILITY

14.1 The Client agrees to the following with respect to MSECB's liability:

14.1.1 A MSECB Certificate does not imply any guarantee or warranty, express or implied, including but not limited to any warranty of merchantability or fitness for any particular purpose, of any services inspected by MSECB or its Authorized Agent or certified by MSECB, or any guarantee or warranty of any nature by the Accreditation Body concerning any certification activity conducted by MSECB or its Authorized Agent;

14.1.2 The Client shall have no cause of action or claim against MSECB, the Accreditation Body, or any of their respective affiliates, parent, or brother or sister corporations or their successors-in-interest or assigns, or the officers, directors, members and employees thereof (collectively, the "**Indemnitees**") from any Certificate delivered pursuant to the Contract;

- 14.1.3 Other than in the case of gross negligence, the Client shall have no cause of action or claim against the Indemnitees, arising from any services delivered by or actions performed by the Authorized Agent pursuant to the Contract, any other agreement between the Client and Authorized Agent, or otherwise.
- 14.1.4 Subject to clause 14.1.3, the aggregate liability of each Party, or its respective officers, subcontractors, representatives and employees, to the other Party for all direct and indirect loss in contract, tort or otherwise arising out of or about this Contract shall be limited to 150% of the Services Fees for the calendar year of the date that such liability arises;
- 14.1.5 Except in respect of gross negligence or fraudulent misrepresentation in respect of which liability shall be unlimited, neither Party shall be liable to the other Party for any loss of profit (whether direct or indirect), contracts or goodwill, loss or corruption of data or for any indirect, special or consequential loss or damage which arise out of or in connection with performance or non-performance of the Contract by the Party and/or Authorized Agent.

14.2 This clause 14 shall survive the termination or expiry of the Contract.

15 INDEMNITY

- 15.1 The Client agrees to hold the Indemnitees harmless, and to protect, defend and indemnify them, with respect to any claim, liability, demand, action, judgment, proceeding, costs, damages and expenses (including legal advisors' fees) arising from: (i) any defect in its products, services or System; or (ii) the use or operation by any person of any product or services certified by MSECB.
- 15.2 The Client further agrees to hold the Indemnitees harmless, and to protect, defend and indemnify them, with respect to any claim, liability, demand, action, judgment, proceeding, costs, damages and expenses (including reasonable legal advisors' fees) whether for personal injury, wrongful death, property damage, or any type of injury or damage whatsoever, arising from:
- 15.2.1 The misuse by the Client of any Certificate, license, logo, service mark or trademark provided by MSECB or the Accreditation Body in accordance with the Contract;
- 15.3 The Client hereby acknowledges that a breach, default, non-compliance or non-observance by its duties and obligations under the Contract or otherwise could result in MSECB being in breach, default, non-compliance or non-observance of its duties, liabilities and obligations owed to accreditation authorities such that MSECB could be liable in damages. Consequently, any such damages are hereby agreed to be within the contemplation of the parties as a potential cause of such breach, default, non-compliance.

16 FORCE MAJEURE

- 16.1 Neither Party shall be liable in any respect should it be delayed or prevented from performing its obligations under the Contract as a result of an event of Force Majeure and the time allowed to a Party for performance of their respective obligations shall be extended by the duration of the event of Force Majeure.

17 CONFIDENTIALITY

- 17.1 The Client shall grant the Accreditation Body and its representatives, access to any applicable part of the audit or surveillance process for the purposes of witnessing MSECB's or the Authorized Agent's audit team performing the Services to assess MSECB's management system and/or determine conformity with

the requirements of the Standard. This will include the right of access to confidential information that is directly applicable to the audit process in question and does not contravene privacy regulations.

- 17.2 The Client agrees that information that will appear in the Certificate, related to the certification and scope of certification can be made publicly available by MSECB and the Accreditation Body.
- 17.3 Except as provided under clause 17.2 and as may be required by law or required by the Accreditation Body, MSECB and the Client will treat as strictly confidential and will not disclose to any third party without prior written consent of the other, any information which comes into their possession, the possession of their employees, agents or others by virtue of the Contract, provided that this clause shall not extend to information which was rightfully in the possession of such party prior to the commencement of the negotiations leading to the Contract or which was already public knowledge or becomes so at a future date (otherwise than as a result of a breach of this clause) or which is required to be disclosed by law. MSECB may disclose confidential information to its Authorized Agent, subcontractors, auditors and legal advisors, however any such Authorized Agent, subcontractor, auditor and legal advisor will be caused to comply with the obligations of confidentiality set out in this clause of the Contract.
- 17.4 The Client will be responsible for protecting its own systems and interests and, to the fullest extent permitted by law, MSECB will not be responsible on any basis (contract, tort or otherwise) for any loss, damage or omission in any way arising from the use of the internet or other technological means by MSECB or its personnel, including any Authorized Agent, subcontractor, auditor or legal advisor, to access the networks, applications, electronic data or other systems of the Client.
- 17.5 This clause 17 shall survive the termination and expiry of the Contract.

18 GOVERNING LAW

- 18.1 This contract shall be exclusively governed and construed in accordance with the laws of the Province of Quebec and the laws of Canada applicable therein.

19 WAIVER OF REMEDIES

- 19.1 Any delay or omission on the part of either Party to exercise or avail itself of any right power or privilege that it has or may have hereunder shall not operate as a waiver of any breach or default by the other Party. A right under the Contract may only be waived if in writing and signed by all parties to the Contract.

20 ASSIGNMENT

- 20.1 A Party may assign the Contract or any of its rights and/or obligations thereunder, whether in whole or in part, to any affiliated corporation or to any successor in interest or transferee.

21 INVALIDITY AND SEVERABILITY

- 21.1 Shall any provision of the Contract be found invalid or unenforceable by any court or administrative body of competent jurisdiction, the invalidity or unenforceability of such provisions shall not affect the other provisions of the Contract and all provisions not affected by such invalidity or unenforceability shall remain

in full force and effect. The parties hereby agree to attempt to substitute for any invalid or unenforceable provision a valid or enforceable provision which achieves to the greatest extent possible the economic legal and commercial objectives of the invalid or unenforceable provision.

22 NOTICES

22.1 Any application, notice or any other communication to be given hereunder by a Party to the other shall be in writing by facsimile or similar telecommunications device or by email and shall be deemed to have been effectively delivered and received, if delivered and received on the date of such delivery (confirmation of receipt by confirmed facsimile transmission being deemed receipt of communication sent by telecopy or other telecommunications device) provided, however, that if such date is not a business day then it shall be deemed to have been delivered and received on the business day next following such delivery.

23 INDEPENDENT CONTRACTORS

23.1 The parties to the Contract are independent contractors and nothing in the Contract shall be deemed to place the parties in the relationship of employer/employee, principal/agent, partners, or a joint venture.

ACCEPTANCE OF TERMS AND CONDITIONS BY THE CLIENT

Company name:	
Signature:	
Date:	