

AGREEMENT OF EQUIVALENCE BETWEEN CONTROL UNION CERTIFICATIONS AND AGRIQUALITY LTD TO IFOAM BASIC STANDARD AND CRITERIA FOR ORGANIC CERTIFICATION

This agreement is made and entered into as of the 19th day of January 2006 by and between AgriQuality Ltd, located at Level 4, 8 Pacific Rise, Mt Wellington, Auckland, New Zealand and Control Union Certifications, an internationally accredited Organic Certifier located at PO Box 161, 8000 AD Zwolle, The Netherlands.

1 DEFINITIONS AND ABBREVIATIONS

EQUIVALENCE ~ with reference to standards and operating procedures, 'equivalence' means 'equal to' as judged by AgriQuality Ltd, and not necessarily identical in content or approach.

STANDARDS ~ guidelines and requirements for organic production and processing as defined by each signatory

CERTIFICATE ~ the document issued to a licensee of the signatory company to indicate that the operation (and in respect of a transaction certificate, the consignment) complies with the standards.

2 PURPOSE

The purpose of this agreement is the facilitation of world trade in products derived from systems of organic agriculture and processing, certified by the signatories.

3 WHEREAS

3.1 The signatories are inspection/certification bodies for organic food and farming

3.2 AgriQuality Ltd wishes to recognize Control Union Certifications as equivalent.

4 NOW IT IS HEREBY AGREED THAT:

4.1 AgriQuality has evaluated Control Union Certifications standards against the AgriQuality standards. Any additional requirements necessary for acceptance of Control Union Certifications certification decision will be listed in Annex 1.

4.2 Subject to the additional requirements provided for in 4.1, AgriQuality otherwise recognize Control Union Certifications decisions.

4.3 Subject to the additional requirements provided for in 4.1, a certificate issued by Control Union Certifications for a given production system, a given scope of activity and specified range of products is considered equivalent to a certificate issued by AgriQuality.

4.4 Notwithstanding any provision of this agreement, each party individually shall be solely responsible for complying with, and maintaining operations procedures and certification systems as provided by this agreement.

4.5 With out prejudice to the obligations of each party laid down in section 4 and 5 of this agreement, the equivalence of each other's standards and certification procedures as specified in Section 4 of this agreement does not create any right or obligation of any party, in particular as regards the certification of products certified by any signatories or the use of any trademark of any of the signatories.

5 OBLIGATIONS OF EACH PARTY

5.1 To provide AgriQuality, upon request, with copies of their own current organic standards for all products and enterprises covered.

5.2 To provide AgriQuality, upon request, a copy of their own ISO 17020/65 accreditation contract, and accreditation conditions.

5.3 To notify AgriQuality of changes or additional requirements listed in Annex 1

- 5.4 To provide to AgriQuality, upon request, further specific details (inspections reports, conditions imposed on licensee etc) and clarification of standards and operating procedures as necessary, as far as legally admitted
- 5.5 To provide to AgriQuality all decertification notices where the products may enter international trade and Control Union Certifications knows the product is destined for New Zealand.
- 5.6 To Provide AgriQuality, upon request, listings of all certified operators, as far as legally admitted.
- 5.7 To provide to AgriQuality, upon request, a sample copy of the annual certificate issued to operators that establishes their authenticity and a transaction certificate which authenticates individual consignments
- 5.8 To maintain contact with AgriQuality to ensure the smooth implementation of this agreement and to endeavour to solve any problems which may arise.
- 5.9 To inform and promote to the best of its ability the acceptability and use by customers or licensees, the certification of AgriQuality.
- 5.10 To inform AgriQuality of any complaints related to inspections received by the subcontracted body.
- 5.11 Maintain it's ISO 65 accreditation requirements and maintain compliance with IFOAM norms.

Note AgriQuality will provide information in points 5.1 to 5.11 to Control Union Certifications if requested.

6 PARTY TERMINATION

- 6.1 Any party may exclude itself from this agreement by giving one month's written notice to the other signatory but shall not affect Clauses 7 and 10, which shall remain in full force and effect. Such notice may be given at any time.

7 CONFIDENTIALITY

Control Union Certifications undertake to keep confidential any confidential information supplied by any other party in accordance with the requirements of this Agreement.

8 SEVERABILITY

If any part of this Agreement becomes invalid or unenforceable by reason of any provision of applicable law it shall be deleted and the remaining parts shall continue in full force and effect.

9 NOTICES

Any notices to be given by any party to any other shall be in writing. Notices may be delivered by hand, post, fax or e-mail.

10 ARBITRATION

Any dispute, controversy or claim arising out of or relating to this agreement, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association in accordance with its International Arbitration Rules (except as agreed hereunder) and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

11 AGREEMENT AMENDMENT

The agreement may only be modified by an instrument in writing signed by both parties.

12 SCOPE OF AGREEMENT

IN WITNES TO THIS AGREEMENT

SIGNED BY OR ON BEHALF OF:

Control Union Certifications Signature

Name

Date

G. Morris

19-01-06

AgriQuality Signature

Name

Date

David Brown 24/1/06

Annex I

List of additional requirements provided by AgriQuality

Equivalence only covers fully certified plant products. Animal products are certified to EEC Rules No 2092/91, which is not equivalent to IFOAM basic standards.