Memorandum of Understanding between:

ACO certified operator (the “Operator”)

and its subcontractor (the “Subcontractor”)

regarding inclusion of the subcontracted production or handling activities within the Operator’s ACO organic certification.

Both parties hereby agree to the following:

1. The Operator shall be held fully responsible for the compliance of the Subcontractor to the relevant organic standards and shall be subject to sanctions from ACO in the event of non-compliance by the Subcontractor.
2. The Operator shall be responsible for raw materials supply and the marketing and sales of certified products.
3. The Operator shall be responsible for product formulations and labels and obtaining ACO approval thereof.
4. The Subcontractor shall consent to annual audits by ACO, as well as additional or unannounced audits where required.
5. The Subcontractor shall provide any relevant information that ACO requests from time to time in a timely manner.
6. The Subcontractor shall own and understand current versions of the relevant organic standards.
7. ACO shall be informed without delay of any change by either party that may affect its ability to comply with the relevant organic standards.

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| Operator Name: |  |
| Operator Signature: |  |
| Date: |  |

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| Subcontractor Name: |  |
| Subcontractor Signature: |  |
| Date: |  |