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| CONFIRMED.  CHAIRMAN OF MONGOLIAN AGENCY FOR STANDARD AND METROLOGY |  | APPROVED.  ........................................ |
| . . . . . . . . . ( . . . . . . . . ) |  | /NAME OF THE OFFICIAL/ |

**THE CONTRACT OF TRANSITIONING TO ORGANIC FOOD PRODUCTION**

20 ... day of ... month of ... year No. …… Ulaanbaatar city

**One. General**

On the one hand, the Mongolian Agency for Standard and Metrology, with State Registeration No. 9070002082, Registeration No. 9096035 , represented by the head of the Product and System Certification Department. . . . . . . . . . (hereinafter referred to as "Certification body"), on the other hand, . . . . . . . . . . . . . . . . . . . LLC with the State Registeration No. . . . . . . . . . . ., Registeration No. . . . . . . . . , that maintains the organic food production, its raw materials and organic features and the compliance with organic requirements, represented by . . . . . . . /position, name/ (hereinafter referred to as "organic product producer"), in consideration of Clauses 13.2, 13.3, 14.4, 25.3.6, 27.1.1, 27.2.1, 27.2.2 and 31.2 of the Law on Standardization, technical regulation and accreditation of conformity assessment, “Decree No.291 on approving List and procedures” approved by the Government in 2018, Order No.A/380 by the Chairman of Mongolian Agency for Standard and Metrology approved in 2019, the agreement concluded with “International Organic and sustainable Accreditation (known as IOAS)” and other related laws, regulations, procedures and standard respectively, the signed this concract on the basis of mutual agreement on validity period of the organic production and on commitment to its fulfillment of the following conditions.

1.1. The products to be supplied to the market with the organic mark shall be certified by conformity certification and have a certificate of conformity in accordance with “ the procedure of supplying the products with conformity certification to Mongolian market and permitting them through border” approved by the Appendix 2 of Decree No, 291 in 2018 of the Government of Mongolia.

1.2. In the event of a conflict of interest arising or likely to arise in the conclusion and implementation of this contract, an officer of Mongolian Agency for Standard and Metrolog has a right to submit a statement on the conflict of interest.

**Two. Rights and obligations of the Certification body**

2. 1. Certification body ensures that the Law on Standardization, technical regulation and accreditation of conformity assessment, Law on organic food, “Decree No.291 on approving List and procedures” approved by the Government in 2018, Order No.A/380 by the Chairman of Mongolian Agency for Standard and Metrology approved in 2019, the procedure of “The mark of conformity, mark design and use of mark for organic products” approved by the Minister of Food, agriculture and light industry, the agreement concluded with “International Organic and sustainable Accreditation (known as IOAS)” and other related laws, regulations, procedures and standards are implemented, monitored and fulfilled.

2.2. Certification body notifies the holder of certificate and mark about every change or invalidation that has occured in the international (IFOAM, etc) and national standards, technical regulations related to the product that is applied for organic food certification and makes relevant changes if it is required on the contract.

2.3. Certification body shall conduct a course inspection and assessment on the production of organic food products according to a special schedule.

2.4. Certification body shall conduct an unannounced inspection on the production operation of certified organic producer if necessary.

**Three. Rights and obligations of organic food producer**

3.1. Complying the requirements and standards of certification and providing information required for the assessment in regards to the product certification.

3.2. Permitting certification and accreditation officers to enter non-organic factories inside of the facility or near to the facility (owber or administration units).

3.3. Permitting to conduct unannounced inspections

3.4. Allowing certification and accreditation officers to review all the relevant documents such as financial reports.

3.5. Submitting claims only related to the scope of certification that was granted.

3.6. Not submitting a claim that is no in the scope of certification granted by the certification body or that is misleading.

3.7. In case of suspension and cancellation, the certification body shall take necessary actions.

3.8. Notifying every change related to production, production process, area size, management and ownership.

3.9. Organic food producer shall keep a record on appeals and complaints on certified products applied by customers and their resolutions and notify about it to the certification body each time it occurred.

3.10. The authorized solutions that were permitted through the Appendix 2 “The list of solutions to be used for agricultural organic production and organic food manufacturing” approved by the Order No.A/09 by the Minister of Food, agriculture and light industry on 15th of January, 2018 and IFOAM norms shall be used in the all stages of storing, transporting and selling of organic products.

**Four. Contract period**

4.1. This contract is effective within the timeframe when the certification body conducts preliminary audit on organic food production and concludes its result.

**Five. Conditions for termination of contract**

5.1. In the following circumstances that were detected during the course inspection, the transitioning stage will be terminated. It includes:

51.1. Violation of specifications and requirements of laws, regulations, standards and technical regulations is proved;

5.1.2. Organic food producer did not take any action towards the violation found during the preliminary audit.

5.1.3. Consumers and receivers have repeatedly filed valid complaints about products with certificates of conformity, and have not compensated for the damages ;

5.1.4. Overuse of contractual obligations, breach of trust, used or transferred to others;

5.1.5. The payment for the services specified in Clause 6.1 of this contract has not been paid within 30 days after the specified period;

5.1.6. Breach of contract.

**Six. Payment**

6.1. All costs associated with the transitioning process to organic food production are the responsibility of the organic food producer.

6.2 The mark holder shall pay the charges of 209000₮ for the conformity sustainability monitoring, analysis and organizational activities to the bank account 100900009012 of the Mongolian Agency for Standard and Metrology in accordance with clauses 25.3.6 and 30.4 of the “Law on Standardization, technical regulation and accreditation of conformity assessment”.

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| **On behalf of the contracting parties:** | | |
| Representing the certification body:  Head of Product and System Certification Department of MASM  . . . . . . . . . ( . . . . . . . . )    Head of the Finance Unit of MASM  . . . . . . . . . ( . . . . . . . . )  Legal Affairs Specialist of the Administration and Management Department    . . . . . . . . . ( . . . . . . . . )  Address: Peace Avenue-46  Account: Main office of State Treasury Bank 100 900009012 |  | Representing the organic food producer :  Head of quality department. . . . . . . .  . . . . . . . . . ( . . . . . . . . )  Accountant:  . . . . . . . . . ( . . . . . . . . )  Company address:  Contact name and phone number: |