



RBA Validated Audit Agreement

AGREEMENT #201XXXX-XX-VAP--...

This Validated Audit Agreement (“**Agreement**”) is made by and between **XXXXXX** (“**Auditee**”), and Responsible Business Alliance, Incorporated, a Delaware, U.S.A. nonstock corporation (“**RBA**”). This Agreement is effective from **Month, Day, Year** (“Effective Date”) and will remain in effect until otherwise mutually agreed by the parties or until otherwise terminated as set forth herein. This Agreement relates to business activities at the Auditee’s physical locations as specified in each Attachment A1 through Ax and **Auditee Authorized Recipient Distribution List** Lists B1 through Bx, and either Validated Audit (VAP) Scoping Approval Attachment C1 through Cx. or Third Party Payer Validated Audit (VAP) Costing Approval Attachment D1 thru Dx.

Attachments to this Agreement are incorporated by reference herein and form a part of this Agreement.

1.0 DEFINITIONS

“**Audit Program Manager (or APM)**” means the role assigned to RBA internal staff team which manage the RBA VAP program including contracting, scoping, costing, scheduling and appointment of audit firms and auditors as defined in the RBA VAP Operations Manual, most current version.

“**Audit Quality Manager (or AQM)**” means an independent fourth-party expert organization which monitors integrity of the VAP and the VAR as well as the quality and consistency of the VAR issued as defined in the RBA VAP Operations Manual, most current version.

“**Auditee Authorized Recipient**” means buyers and/or recipients approved by Auditee to receive the Validated Audit Report (VAR), through inclusion on **Auditee Authorized Recipient Distribution List** (Attachment B)

“**Audit Firm**” means a professional services company subcontracted by RBA to perform a Validated Audit (VA).

“**Third Party Payer**” means the organization paying for the Validated Audit, if it is not the Auditee

“**Discloser**” means RBA or Auditee who provides/discloses information as part of the VA Process in order to achieve the objective set forth under this Agreement

“**RBA Online**” means the Electronic Tool or the electronic data system used by the RBA to manage RBA supplier “risk assessment, Validated Audit, labor, ethics, environmental, health and safety, management systems and/or related information.

“**Facility**” means the entire Auditee physical location under one or multiple legal registration(s) that is the subject of a VA as defined in the RBA VAP Operations Manual, most current version. At a minimum, a Facility includes the buildings, operations and all common areas, such as plant rooms, wastewater treatment, chemical and waste storage areas, canteens, dormitories, administrative areas, etc. The Facility address will be listed in Attachment A.

“**Observer**” The Observer must be from an RBA member company listed in the Attachment B of the Auditee Agreement and have Social and/or Environmental, or RBA, auditing experience; the RBA may provide exceptions to these requirements as defined in the RBA VAP Operations Manual, most current version.

“**Operations Manual**” means the RBA document, which includes the VA Process description, definitions, RBA code provisions, roles and responsibilities, etc.

“**Personnel**” means the directors, officers, agents, contractors, volunteers and/or employees of RBA.

“**Prices**” means the agreed upon payment and currency for the Validated Audits, inclusive of Taxes and including all applicable fees, expenses and payments, as specified in Attachment C. Prices exclude



applicable Taxes otherwise paid by the Auditee and expenses which Auditee might incur as part of the Validated Audit such as but not limited to bank charges to pay invoice and PPE for auditors while on site.

“Priority nonconformance” means the highest severity audit finding requiring escalation by the Audit Firm to the AQM to RBA to the Authorized Recipients, and requiring immediate attention by the Auditee as defined in the RBA VAP Operations Manual, most current version.

“Self-Assessment Questionnaire (or SAQ)” means self-administered survey that measures performance of a company’s environmental and social practices, and management systems. The SAQ is obtained through the RBA IT platform RBA Online

“Taxes” means any and all applicable taxes, charges, fees, levies or other assessments imposed or collected by any governmental entity worldwide or any political subdivision thereof and however designated or levied on sales of VA deliverables or services, or sales, use, transfer, goods and services or value added tax or any other duties or fees related to any payment made by Auditee to RBA or its subcontractors for VA deliverables and/or services provided to Auditee under or pursuant to this Agreement; exclusive, however, of any taxes imposed upon the net income of RBA, and any taxes in lieu of such net income taxes.

“Recipient” means the organization receiving confidential information as part of the Validated Audit Process

“Validated Audit (or VA)” means a third party audit resulting from the RBA VAP. VA uses the RBA-Audit Questionnaire (or checklist) measuring conformance to the RBA Code of Conduct. Validated Audits include initial audits where the scope covers the full RBA Audit Questionnaire and Validated Closure Audits. This would also include a Supplemental Validated Audit.

“Validated Closure Audit” means a follow up audit to a Validated Audit, to assess conformance to a subset of items identified in the most recent Validated Audit Report.

“Validated Audit Process (or VA Process or VAP)” means the RBA audit process that results in a Validated Audit, overseen by the RBA and AQM

“Validated Audit Report (or VAR)” means the report of the findings of a Validated Audit (VA) available to Auditee Authorized Recipient(s) through means determined by RBA.

“Supplemental Validated Audit (or SVA)” means a third party audit resulting from an RBA Supplemental VAP. SVA uses an alternative RBA Audit Questionnaire (or checklist) measuring conformance to the RBA Code of Conduct. SVA would have specialized in depth scope and questions relating to a specific code element (example Forced Labor, Working Hours)

2.0 ATTACHMENTS

“Facility information Sheet” document is used to provide Auditee information to assist with preparations for a VA. This form is provided as Attachment A (1 to X).

“Auditee Authorized Recipient Distribution List” document used to list Auditee Authorized Recipients including Third Party Payers who are authorized to receive VAR through the RBA. This document (once filled out) is considered Auditee Confidential. Organizations listed on this document must not be disclosed to organizations listed on this document. This form is provided in Attachment B (1 to X).

“Validated Audit (VAP) Costing Approval” document used to provide scope and pricing information for VAs. RBA will provide to the Auditee for approval of the VA costing before proceeding to the next step within the VAP. This form is provided in Attachment C (1 to X).

“Third Party Payer Validated Audit (VAP) Costing Approval” document used to provide scope and pricing information for VAs. RBA will provide to the Third Party Payer for acceptance before proceeding



to the next step within the VAP where a Third Party Payer has engaged with RBA under separate agreement to pay for the VAP. This form is provided in Attachment D1 thru Dx.

3.0 EXCHANGE OF CONFIDENTIAL INFORMATION

Each of RBA and Auditee agrees that the following terms apply when one of such parties (Discloser) discloses confidential or proprietary information related to this Agreement or the VA Process (Information) to the other (Recipient).

3.1 DISCLOSURE

Information will be disclosed either: in writing; delivery of items; by initiation of access to Information, such as may be in a database; or by oral or visual presentation.

Information should be marked with a restrictive legend of the Discloser. If Information is not marked with such legend or is disclosed orally, the Information will be identified as confidential at the time of disclosure. Information of Discloser includes information, whether or not marked; that Recipient knows or should know is confidential or proprietary.

3.2 OBLIGATIONS

The Recipient agrees to:

Use the same care and discretion to avoid disclosure, publication or dissemination of the Discloser's Information as it uses with its own similar information that it does not wish to disclose, publish or disseminate, but in no event less than reasonable care; and

Use the Discloser's Information solely for the purpose for which it was disclosed or otherwise for the benefit of the Discloser.

The Recipient may disclose Information to:

Its volunteers, employees and contractors who have a need to know, and volunteers, employees and contractors of any legal entity that it controls, controls it, or with which it is under common control, who have a need to know. Control means to own or control, directly or indirectly, over 50% of voting shares. All contractors of the Recipient shall be bound under a confidentiality agreement with the Recipient and upon reasonable request Recipient will supply the Discloser updated lists when it adds new contractors actively conducting business with the Discloser.

Recipient also may disclose Discloser's Information to any other party with the Discloser's prior written consent.

Before disclosure to any of the above parties, the Recipient will have a written agreement with the party or its employer sufficient to require that party to treat Information in accordance with this Agreement.



The Recipient may disclose Information to the extent required by law. However, the Recipient will give the Discloser prompt notice to allow the Discloser a reasonable opportunity to obtain a protective order.

Any Information disclosed to the RBA may be shared with Personnel, to be used for purposes of the VAP and other bona fide RBA uses. Information may be used by RBA and Personnel for summary reports on the industry, but all identifying information concerning individual audits will be removed before public disclosure.

3.3 CONFIDENTIALITY PERIOD

Information disclosed under this Agreement will be subject to this Agreement for two years following the termination of this Agreement. All Information that remains confidential pursuant to the terms hereunder will be at Discloser's option destroyed.

3.4 EXCEPTIONS TO OBLIGATIONS

The Recipient, without restriction under this Agreement, may disclose, publish, disseminate, and use Information that is:

- Already in its possession without obligation of confidentiality;
- Developed independently;
- Obtained from a source other than the Discloser without obligation of confidentiality;
- Publicly available when received, or subsequently becomes publicly available through no fault of the Recipient;
- Disclosed in accordance with the order or requirement of a court, administrative agency, or other governmental body (provided, however, that the Recipient shall provide prompt notice thereof to enable the Discloser to seek a protective order or otherwise prevent such disclosure); or
- Disclosed by the Discloser to another party without obligation of confidentiality.

4.0 CONSENT TO VALIDATED AUDIT (VA) AND VALIDATED AUDIT REPORT (VAR) DISTRIBUTION

Auditee agrees to have its Facility listed in Attachment A1 through Ax undergo a Validated Audit (VA) and a Validated Closure Audit, if applicable, using the Validated Audit Process (VAP) protocol.

If more than one Auditee Facility is to undergo a VA, each Facility will be listed in a separate attachment (Attachment A1 through Attachment AX, B1 through BX, and if appropriate, C1 through CX).

Auditee acknowledges and agrees that RBA has the unrestricted right to subcontract for the performance of all VA services and deliverables under this Agreement. The VA will be conducted by an Audit Firm selected by the RBA. The VAP may be managed by AQM under contract with the RBA. The VA will ultimately result in the generation of a Validated Audit Report (VAR), which will be provided to the Auditee and Auditee Authorized Recipients specified in Attachment B. RBA will use commercially reasonable efforts to oversee the VAP including selecting the AQM and Audit Firms in accordance with the "VAP – Service Level and Quality Statement for Validated Audit Process", available upon request from RBA.

The Audit Firm and AQM are or will be subject to a reasonable non-disclosure agreement and will comply with Auditee's reasonable rules of conduct while on Auditee's premises, and abide by all restricted area access as reasonably delineated by the Auditee. Any restricted areas should be outlined to the RBA at the time of scoping (in advance of the audit) and require written documentation prior to the audit start date as per the obligations as specified in the latest version of the RBA VAP Operations Manual.



The Validated Audit Process is carried out as specified in the RBA VAP Operations Manual. The Auditee shall fulfill and comply with its role and obligations as defined in the RBA VAP Operations Manual, most current version.

In Addition to the roles and obligations in the RBA VAP Operations Manual the Auditee shall and hereby does:

- a. Grant the RBA the right to communicate to membership and other users of the VAP the existence of a VA occurring at the Facilities covered in this Agreement. This would be limited to the name of the Auditee, Facility Address, and information relating to the scheduling of the VA. No references will be made to the actual results of the VA. Auditee will comply with all laws, rules, regulations and legal requirements in connection with the VA and VAP. **NOTE: THE AUDITEE AUTHORIZED RECIPIENT DISTRIBUTION LIST IS CONFIDENTIAL AND SHOULD NEVER BE SHARED WITH ANY PARTIES OTHER THAN THE AQM AND RBA**
- b. Consent to the disclosure by the RBA and/or AQM of the final VAR to Authorized Recipients. Disclosure will be through a confidential, secure means as decided by RBA.
- c. Use reasonable efforts to ensure that all processes will be in operation and the management will be available during the date of audit and no access will be denied to the Audit Firm that is reasonably necessary or appropriate to the VA.
- d. Agree that Audit Firm(s) may conduct confidential interviews with employees who are chosen freely and interviewed privately by the Audit Firm without any influence by Auditee.
- e. Consent and agree to permit the presence of one or two Observers who will accompany the Audit Firm and who will execute a reasonable non-disclosure agreement with Auditee, comply with Auditee's reasonable rules of conduct while on Auditee's premises, and abide by all restricted area access as reasonably delineated by the Auditee.
- f. Agree to reasonably provide all relevant evidence, documents, records or proof to the Auditors when requested and within the scope of the Validated Audit. Such proof will be made reasonably available at the source (where the record or proof is kept). Auditee grants the Audit Firm(s) the right to take copies and pictures during the VA as relevant evidence and proof of conformance status. Such relevant evidence shall not include (or shall be removed from the record) any identified Auditee company, employee, or customer proprietary information. Such proof will remain only within the possession of the Audit Firm, RBA or its designee and the Audit Quality Manager and is subject to non-disclosure and confidentiality agreements between Auditee and the Audit Firm, and the Observer, or the confidentiality clauses referenced by this Agreement. Relevant evidence will only be released to Auditee Authorized Recipients through the Auditee. Any information shared with AQM may be shared with RBA Personnel.
- g. Agree that it will respect the RBA Code and the Audit Firm Code of Conduct and all RBA policies and procedures to maintain the impartiality, objectivity and integrity of Audit Firm(s) assigned to perform the VA. Any attempt to influence the Audit Firm's impartiality and integrity by offering any form of advantage to Audit Firm(s) will result in an immediate refusal and reporting to the RBA and AQM



- h. Agree that if the Auditee is uncooperative or threatening to an audit team or there is any evidence indicating acts of bribery, the Audit Firm or RBA has the authority to cancel the VA. The RBA will be notified as soon as is possible and will inform the RBA and the Auditee Authorized Recipients.
- i. Agree to contact the RBA to report feedback about the Audit Firm(s) as needed during the audit. If the Audit Firm is unreasonable or not trustworthy or there is any evidence indicating solicitation of bribery, the Auditee has the authority to contact the RBA to request cancelation of the VA and/or rescheduling with a different Audit Firm or Audit team, with final decisions on such matters subject to the discretion of the RBA.
- j. Agree, notwithstanding anything in this Agreement to the contrary, that the Audit Firm(s), AQM, RBA and RBA may disclose to Auditee Authorized Recipients any identified VA "Priority" nonconformities immediately (not exceeding 48 hours) after discovery, once Auditee has been given an opportunity to provide additional evidence. Additionally, the Priority nonconformance must be contained by Auditee within 48 hours. "Containment" means temporary control or elimination of the nonconformity until implementation of a permanent solution. Auditee's additional evidence and "containment" plan shall be included in the disclosure to Auditee Authorized Recipients.
- k. Consent and agree to prepare and submit a Corrective Action Plan to the Auditee Authorized Recipients and the AQM within two calendar weeks following the on-site audit for any identified VAR "Priority" non-conformances and agrees to undergo a Priority Closure Audit at the identified time from closing meeting as defined in the latest version of the RBA VAP Operations Manual. Priority Closure audits are conducted at an additional fee.
- l. Agree that Auditee must be present and accompany the Audit Firm and Observer during the VA.
- m. Agree to allow representatives of the AQM and/or RBA staff to accompany the Audit Firm to Shadow Audit the VA with the objective of Audit firm and VA Process improvement.
- n. Agree to review the draft VAR and provide written feedback to the AQM within one calendar week of receipt. Feedback is specific to disputed findings, data accuracy, and any Auditee trade secrets or confidential information which needs to be removed from the VAR.
- o. Agree to cooperate if AQM mediates disputed findings with the Audit Firm and the Auditee prior to the release of the VAR to the Auditee Authorized Recipients.
- p. Agree that it is entitled to add comments to the VAR to contest any information therein (a Contesting Statement) the form of which shall be provided by the AQM. This Contesting Statement shall be included as an integral part of the VAR.
- q. Agree that RBA or AQM can release the VAR to the Auditee Authorized Recipients as per the process and timelines as defined in the RBA VAP Operations Manual, most current version
- r. Consent to the use by RBA of summary audit finding information from the VAR to create and publish industry trending information. Industry trends will be aggregated information and will not identify Auditee's or its affiliate's trademarks, trade names, or service marks or the Auditee Authorized Recipients relationships to the findings.
- s. Assume ownership rights to the VAR document. Third Party Payer may have additional ownership rights to the VAR document
- t. Consent and agree to prepare and submit a corrective action plan to the Auditee Authorized Recipients, Third Party Payers, and/or the AQM (upon direction) within



two calendar weeks of receipt of the final VAR for the following nonconformity types (major, minor, and risk of nonconformance). Auditee agrees to a Validated Closure Audit(s) for findings of the Initial Validated Audit and Auditee participation will be conducted in the same manner as defined in the RBA VAP Operations Manual, most current version. Validated Closure Audits are conducted at an additional fee.

5.0 PRICING

For VAs paid by Auditee (as indicated by execution of Attachment C1 to CX), Auditee will pay RBA the Prices as specified in Attachments C (1 to X), inclusive of Taxes and including all applicable fees, expenses and payments. Prices exclude applicable Taxes otherwise paid by Auditee and expenses which Auditee might incur as part of the Validated Audit such as but not limited to bank charges to pay RBA invoice, PPE for auditors while on site. Prices, invoices and payment will be in U.S. dollars. For any currency conversion required under this Agreement, the parties agree to use the rate of exchange published by Reuters Financial Services at 1600 hours Greenwich Mean Time on the day such conversion is required.

6.0 PAYMENTS

1. For VAs paid by Auditee, RBA will invoice Auditee upon signature of Attachment C (1 to X) for the full amount of the VA costs associated with such Attachment. Payment terms are net sixty (60) days following the date of receipt of the invoice by Auditee. For any amounts not paid within 60 days following the date of receipt of the invoice to Auditee, RBA shall have the right to suspend any activities under this Agreement, including distribution of the VAR, until all past-due payments are paid in full. In addition, the prevailing party in any litigation or alternative dispute resolution proceeding shall be entitled to recover from the non-prevailing party all costs and expenses incurred (including, without limitation, reasonable attorneys' fees) in enforcing this Agreement or collecting amounts due hereunder
2. For VAs paid by a Third Party, RBA will invoice Third Party as listed on Attachment D upon signature of Attachment D (1 to X) for the full amount of the VA costs associated with such Attachment. Payment terms are net sixty (60) days following the date of receipt of the invoice by the Third Party. For any amounts not paid within 60 days following the date of receipt of the invoice to the Third Party, RBA shall have the right to suspend any activities under this Agreement, including distribution of the VAR, until all past-due payments are paid in full. In addition, the prevailing party in any litigation or alternative dispute resolution proceeding shall be entitled to recover from the non-prevailing party all costs and expenses incurred (including, without limitation, reasonable attorneys' fees) in enforcing this Agreement or collecting amounts due hereunder. If a Third Party Payer is listed on Attachment D, the Auditee remains responsible for all associated cancellation and/ or rescheduling fees.

Per section 7.0 below, No direct payment from Auditee to Audit Firm or AQM is allowed.

7.0 CANCELLATION AND/OR RESCHEDULING FEES

Notwithstanding anything in this Agreement to the contrary, in the event of Auditee's termination of this Agreement and/or termination or rescheduling a VA and/or in the event of RBA's termination of this Agreement and/or a VA and/or rescheduling of a VA for Cause, Auditee will fully compensate RBA for the reasonable costs accrued and reasonable expenses incurred by RBA or AQM (together with all Taxes) for completed work, and work in process made up to and including the date of termination or rescheduling, as applicable. If a Third Party Payer is listed on Attachment D, the Auditee remains responsible for all associated cancellation and/ or rescheduling fees.



For each Facility to undergo a VA, the Auditee and the Audit Firm shall agree to the date(s) the VA will take place. When this date or date(s) have been established, the following Cancellation and/or Rescheduling Fees shall be due and owing to RBA in the event of cancellation or rescheduling of the VA by Auditee and/or in the event of RBA's termination or rescheduling of a VA for Cause. (Please note: the day of cancellation and the day of audit are not included in determining the number of business days remaining.)

1. Cancellation or rescheduling more than 20 business days before the scheduled VA date may be done at no cost or penalty
2. Cancellation 16 to 20 business days prior to the scheduled VA date – 20 percent of the agreed auditor labor cost in addition to all documented, reasonably incurred audit expenses (including travel) and administration costs (including 500 USD for RBA administration)
3. Cancellation 0 to 15 business days prior to the scheduled VA date - full auditor labor cost in addition to all documented, reasonably incurred audit expenses (including travel) and administration costs (including 500 USD for RBA administration)
4. Rescheduled 16 to 20 business days prior to the scheduled VA date – all reasonably incurred audit travel expenses and 20 percent of the agreed auditor labor cost in addition to all documented, reasonably incurred audit expenses and administration costs (including 350 USD for RBA administration)
5. Rescheduled 0 to 15 business days prior to the scheduled VA date – all reasonably incurred audit travel expenses and 30 percent of the agreed auditor labor cost in addition to all documented, reasonably incurred audit expenses and administration costs (including 350 USD for RBA administration)
6. Denied access or cancelled audit on VA date – full RBA cost, auditor labor cost plus reasonable audit travel and other documented, reasonable expenses plus 350 USD for administration

The Parties agree that the foregoing amounts represent a good faith attempt to liquidate damages of RBA resulting from a termination or rescheduling and are not a penalty, and the parties agree that such amounts constitute a reasonable provision for liquidated damages. Payment terms for the foregoing liquidated damages are net sixty (60) days following the date of receipt of the invoice by Auditee. For any amounts not paid within 60 days following the date of receipt of the invoice to Auditee, RBA shall have the right to suspend any activities under this Agreement and the distribution of the VAR until all past-due payments are paid in full. In addition, the prevailing party in any litigation or alternative dispute resolution proceeding shall be entitled to recover from the non-prevailing party all costs and expenses incurred (including, without limitation, reasonable attorneys' fees) in enforcing this Agreement or collecting amounts due hereunder.

8.0 DISCLAIMER OF WARRANTIES; RELEASE FROM LIABILITY

RBA will use commercially reasonable efforts to oversee the VAP including selecting the AQM and Audit Firms in accordance with the RBA VAP Operations Manual.

EXCEPT AS EXPLICITLY SET FORTH HEREIN, RBA DOES NOT MAKE ANY REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THE SERVICES OR DELIVERABLES UNDER THIS AGREEMENT OR THE VA, VAP OR VAR. THE SERVICES AND DELIVERABLES UNDER THIS AGREEMENT AND THE VA, VAP AND VAR ARE PROVIDED ON AN "AS IS" AND ON AN "AS AVAILABLE" BASIS. EXCEPT AS EXPLICITLY SET FORTH HEREIN, RBA HEREBY DISCLAIMS ALL WARRANTIES OF ANY NATURE, EXPRESS, IMPLIED OR OTHERWISE, OR ARISING FROM TRADE OR



CUSTOM, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY, NONINFRINGEMENT, QUALITY, TITLE, FITNESS FOR A PARTICULAR PURPOSE, COMPLETENESS OR ACCURACY.

TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAWS, EXCEPT IN CASES OF FRAUD, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT BY RBA AND EXCEPT FOR RBA'S INDEMNIFICATION OBLIGATION FOR THIRD PARTY CLAIMS IN SECTION 10.0, RBA SHALL NOT BE LIABLE FOR ANY LOSSES, EXPENSES OR DAMAGES OF ANY NATURE, INCLUDING SPECIAL, INCIDENTAL, PUNITIVE, INDIRECT OR CONSEQUENTIAL DAMAGES OR LOST INCOME OR PROFITS, RESULTING FROM OR ARISING OUT OF THIS AGREEMENT, THE SERVICES OR DELIVERABLES UNDER THIS AGREEMENT OR THE VA, VAP OR VAR, INCLUDING AUDITEE'S OR ANY OTHER PERSON'S OR ENTITY'S USE THEREOF, WHETHER ARISING IN TORT, CONTRACT, STATUTE, OR OTHERWISE, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAWS, EXCEPT FOR FRAUD OR WILLFUL MISCONDUCT BY RBA, IN THE EVENT THAT RBA IS FOUND LIABLE TO AUDITEE, AUDITEE SHALL ONLY BE ENTITLED TO RECOVER ACTUAL AND DIRECT DAMAGES IN AN AGGREGATE AMOUNT NOT TO EXCEED \$100,000.

TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAWS, EXCEPT IN CASES OF FRAUD, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT AND EXCEPT FOR AUDITEE'S INDEMNIFICATION OBLIGATIONS FOR THIRD PARTY CLAIMS IN SECTION 10.0, AUDITEE SHALL NOT BE LIABLE FOR ANY SPECIAL, INCIDENTAL, PUNITIVE, INDIRECT OR CONSEQUENTIAL DAMAGES OR LOST INCOME OR PROFITS, RESULTING FROM OR ARISING OUT OF THIS AGREEMENT OR THE VA, VAP OR VAR, WHETHER ARISING IN TORT, CONTRACT, STATUTE, OR OTHERWISE, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

EXCEPT FOR FRAUD, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT AND EXCEPT FOR AUDITEE'S INDEMNIFICATION OBLIGATIONS FOR THIRD PARTY CLAIMS IN SECTION 10.0, AND EXCEPT FOR AUDITEE'S PAYMENT OBLIGATIONS TO RBA UNDER THIS AGREEMENT AND ATTACHMENTS C (1 TO X) INCLUDING PAYMENT OF RBA'S ATTORNEY FEES IN CASE OF NONPAYMENT, IN THE EVENT THAT AUDITEE IS FOUND LIABLE TO RBA, RBA SHALL ONLY BE ENTITLED TO RECOVER ACTUAL AND DIRECT DAMAGES IN AN AGGREGATE AMOUNT NOT TO EXCEED \$100,000.

9.0 INTELLECTUAL PROPERTY

The parties acknowledge and agree that the VAR, and evidence used to support VAR findings, and its copyright are to be owned by Auditee, and RBA hereby assigns to Auditee any and all RBA rights therein. RBA shall not be liable for any losses or damages resulting from use, release or disclosure of the VAR by any party other than RBA once the VAR is formally released to the Auditee. Neither this Agreement nor any disclosure of Information made under it grants the Recipient any right or license under any trademark, copyright or patent now or subsequently owned or controlled by the Discloser.

This Agreement does not grant either party the right to use the other party's or their affiliates' trademarks, trade names or service marks.

10.0 INDEMNIFICATION

10.1 RBA will defend, hold harmless and indemnify Auditee against all third party claims of: losses, liabilities, costs, damages and expenses, including payment of reasonable attorneys' and legal fees, which arise as a result of RBA's breach of this Agreement.

10.2 Auditee will defend, hold harmless and indemnify RBA, RBA Personnel (including the AQM) against all third party claims of: losses, liabilities, costs, damages and expenses, including payment of reasonable attorneys' fees and legal fees, that arise as a result of: (i)



Auditee's breach of this Agreement, (ii) the negligence, acts or omissions of Auditee or its employees, agents, contractors or representatives, and/or (iii) the VAP, any VA or any VAR, as applicable to Auditee (except to the extent caused by RBA's breach of this Agreement), provided that (iv) Auditee is given prompt notice of any claim; and (v) Auditee has the right to control the defense, settlement, or compromise of any such claim; provided the same is subject to RBA approval, not to be unreasonably withheld; and (vi) RBA provides reasonable assistance in the matter as requested by Auditee, at Auditee expense.

11.0 RBA AND RBA PERSONNEL

This Agreement does not create an agency, partnership, or joint venture relationship between Auditee and RBA or RBA Personnel.

12.0 TERMINATION

12.1 TERMINATION OF THIS AGREEMENT

Subject to Auditee's payment obligations set forth in Sections 5.0, 6.0 and 7.0, either party may terminate this Agreement for a material breach of this Agreement by the other party or if the other party becomes insolvent or files or has filed against it a petition in bankruptcy ("Cause"), to the extent permitted by law. Such termination will be effective at the end of a thirty (30) day written notice period if the Cause remains uncured.

Subject to Auditee's payment obligations set forth in Sections 5.0, 6.0 and 7.0, either party may terminate this Agreement without Cause, upon 30 days prior written notice to the other party.

12.2 TERMINATION OF A VA WITH RESPECT TO A FACILITY OR FACILITIES

Upon termination, with respect to the applicable Auditee Facility or Facilities where the VA is being terminated, RBA will:

1. use commercially reasonable efforts to cease work;
2. prepare and submit to Auditee an itemization of all completed and partially completed VA deliverables and services;
3. deliver to Auditee VA deliverables completed up to the date of termination; and
4. deliver any work in process.

13.0 GENERAL

13.1 AMENDMENTS

This Agreement may only be amended by a writing specifically referencing this Agreement, which has been signed by authorized representatives of the parties.

13.2 ASSIGNMENT

RBA may subcontract to the AQM and Audit Firms. RBA will provide Auditee with notification of any assignment of this Agreement to third parties (aside from the AQM and Audit Firm). Subject to the foregoing, neither party may assign this Agreement, in whole or in part, without the prior written consent of the other party.

13.3 CHOICE OF LAW; WAIVER OF JURY TRIAL; LIMITATION OF ACTION

This Agreement and the performance under this Agreement will be governed by the laws of the State of Delaware U.S.A. (but not including the choice of law rules thereof).

The United Nations Convention on Contracts for the International Sale of Goods does not apply. The parties expressly waive any right to a jury trial regarding disputes related to this Agreement.



13.4 COMMUNICATIONS

All communications between the parties regarding this Agreement will be conducted through the parties' representatives as specified on the signature page of this Agreement or as otherwise indicated by a party. All notices required in writing under this Agreement will be effective upon actual receipt. Notices may be transmitted electronically, by registered or certified mail, or courier. All notices, with the exception of legal notices, may also be provided by facsimile.

13.5 COUNTERPARTS

This Agreement may be signed in one or more counterparts, each of which will be deemed to be an original and all of which when taken together will constitute the same Agreement. Any copy of this Agreement made by reliable means (for example, photocopy, scanned copy or facsimile) is considered an original. This Agreement may be executed by original, fax or electronic signature and may be delivered by email, facsimile or other means.

13.6 FORCE MAJEURE

Except with respect to payment defaults, neither party will be in default or liable for any delay or failure to comply with this Agreement due to any circumstance, condition or event beyond the control of such party.

13.7 PRIOR COMMUNICATIONS

This Agreement replaces any prior oral or written agreements or other communication between the parties with respect to the subject matter of this Agreement, between the parties.

13.8 SEVERABILITY

If any part of any provision of this Agreement shall be invalid or unenforceable under applicable law, said part shall be ineffective to the extent of such invalidity or unenforceability only, without in any way affecting the remaining parts of said provision or the remaining provisions of said agreement.

13.9 SURVIVAL

The provisions set forth in Sections 3, 4, 5, 6, 7, 8, 9, 10, 11, 12 and 13 of this Agreement will survive after termination or expiration of this Agreement and will remain in effect.

13.10 WAIVER

An effective waiver under this Agreement must be in writing signed by the party waiving its right. A waiver by either party of any instance of the other party's noncompliance with any obligation or responsibility under this Agreement will not be deemed a waiver of subsequent instances.

13.11 ADDITIONAL AUDITEE REPRESENTATION

Auditee hereby represents, certifies, and warrants to RBA that Auditee is not: (1) in violation of any Anti-Terrorism Law; (2) conducting any business or engaging in any transaction or dealing with any Prohibited Person, including the making or receiving or any contribution of funds, goods, or services to or for the benefit of any Prohibited Person; (3) dealing in, or otherwise engaging in, any transaction relating to any property or interest in property blocked pursuant to Executive Order No. 13224; (4) engaging in or conspiring to engage in any transaction that evades or avoids, had the purpose of evading or avoiding, or attempts to violate any of the prohibitions set forth in any Anti-Terrorism Law; or (5) a Prohibited Person, nor are any of its partners, members, managers, officers, or directors a Prohibited Person. As used herein, "Anti-Terrorism Law" is defined as any law relating to terrorism, anti-terrorism, money laundering, or anti-money laundering activities, including, without limitation, Executive Order No. 13224 and Title 3 of the USA Patriot Act. As used herein, "Executive Order No. 13224" is defined as Executive Order No. 13224 on Terrorist Financing effective



September 24, 2001, and relating to "Blocking Property and Prohibiting Transactions With Persons Who Commit, or Support Terrorism", as the same may be amended from time to time. "Prohibited Person" is defined as (i) a person or entity that is listed in the Annex to Executive Order No. 13224, (ii) a person or entity with whom Auditee or RBA is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law, or (iii) a person or entity that is named as a "specially designated national and blocked person" on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control (OFAC) at its official website, <https://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx>, or at any replacement website or other official publication of such list from time to time. "USA Patriot Act" is defined as the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Public Law 107-56), as the same may be amended from time to time.

13.12 CONSTRUCTION

(a) For the purposes of this Agreement, (i) words in the singular shall be held to include the plural and vice versa and words of one gender shall be held to include the other gender as the context requires, (ii) the word "including" and words of similar import when used in this Agreement shall mean "including, without limitation," unless the context otherwise requires or unless otherwise specified, and (iii) the word "or" shall not be exclusive.

(b) This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting or causing any agreement, instrument or document to be drafted.



**ACCEPTED AND AGREED TO:
RESPONSIBLE BUSINESS ALLIANCE
INCORPORATED**

**AUDITEE ACCEPTED AND
AGREED TO**

**RBA ACCEPTED AND AGREED
TO**

By:

By: Robert Lederer

Signature Date

Signature Date

Robert Lederer

Printed Name

Printed Name

RBA, Executive Director

Title & Organization

Title & Organization

Address:

Address:
1737 King St. Suite 330
Alexandria, VA 22314
United States of America



ATTACHMENT A (1 to X)

Facility Information Sheet

| | |
|--|--|
| VAP Scoping Form | |
| Facility Name | |
| Facility Address | |
| Audit Date (Auditee requested Audit date) | |
| Facility Profile Info | |
| Total number of direct hired workers working in core business:* | |
| Total number of direct hired workers working in non-core business and covered by OT law:* | |
| Total number of indirect workers working in core business:* | |
| # of Buildings: | |
| Are there any buildings (such as hostels) that are more than 1 hour drive away from factory? | |
| Languages spoken by workers: | |
| Languages spoken by management: | |
| Has there been a VAP before? (Y/N) | |
| Invoicing Info: | |
| Person responsible for payment | |
| Name: | |
| Email Address: | |
| Phone #: | |

* For more information regarding Worker types, please visit the Worker Type Chart on the RBA website located here:
<http://www.responsiblebusiness.org/media/docs/WorkerChart-RBAVAPopsManual6.0.0.pdf>



ATTACHMENT B (1 to X)

Validated Audit Process (VAP) – Auditee Authorized Recipient Distribution List

AUDITEE CONFIDENTIAL,

This Agreement relates to business activities at the Auditee’s following physical location:

| Authorized Recipient Company Name | Authorized Recipient Contact Name | Auditee Approval, Approver’s Name | Approval Date |
|-----------------------------------|-----------------------------------|-----------------------------------|---------------|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

Note: If Authorized Recipient is rejected by Auditee, please indicate reason in comments section

AUDITEE ACCEPTED AND AGREED TO

RBA ACCEPTED AND AGREED TO

By:

By: Robert Lederer

Signature Date

Signature Date

Printed Name

Robert Lederer

Printed Name

Title & Organization

RBA, Executive Director

Title & Organization

Address:

Address:
1737 King St. Suite 330
Alexandria, VA 22314
United States of America



**ATTACHMENT C (1 to X)
Validated Audit (VAP) Scoping Approval (SA)**

| Auditee Location | Assigned Audit Firm and Auditors | EHS Person Days | L&E Person Days | Audit Cost (\$ USD) | Scheduled Audit Start Date | Auditee Initials to confirm date |
|------------------|----------------------------------|-----------------|-----------------|---------------------|----------------------------|----------------------------------|
| | | | | | | |

Cost for Validated Audit associated with this Attachment = \$ USD _____

In addition, Auditee also will be responsible for applicable Taxes and expenses. Auditee agrees to pay this amount to RBA upon invoice as required by RBA Auditee Agreement.

AUDITEE ACCEPTED AND AGREED TO

RBA ACCEPTED AND AGREED TO

By:

By: Robert Lederer

Signature Date

Signature Date

Printed Name

Printed Name

Title & Organization

RBA, Executive Director
Title & Organization

Address:

Address:
1737 King St. Suite 330
Alexandria, VA 22314
United States of America



ATTACHMENT D (1 to X)
Third Party Payer Validated Audit (VAP) Costing Approval

Table with 7 columns: Auditee Name and Location, Assigned Audit Firm and Auditors, EHS Person Days, L&E Person Days, Audit Cost (\$ USD), Scheduled Audit Start Date, Auditee Initials to confirm date

Cost for Validated Audit associated with this Attachment = \$ USD _____

In addition, Third Party Payer also will be responsible for applicable Taxes and expenses.

Third Party Payer agrees to pay this amount to RBA upon invoice as required by RBA Auditee Agreement.

The undersigned party, if other than the Auditee ("Payer"), agrees to pay this amount to RBA upon invoice as required by RBA Auditee Agreement. Payer also agrees to abide by the Third-Party Payer Process and Agreement found at http://www.responsiblebusiness.org/media/docs/VAP3rdPartyPayerProcess.pdf

Third Party Payer information:
Name of Company:
Contact name:
Contact email address:

Company Name:
ACCEPTED AND AGREED TO

By:

Signature Date

Printed Name

Title & Organization

Address:

RBA ACCEPTED AND AGREED TO

By: Robert Lederer

Signature Date

Robert Lederer

Printed Name

RBA, Executive Director

Title & Organization

Address:
1737 King St. Suite 330
Alexandria, VA 22314
United States of America