



**TIMBER PRODUCTS SERVICES, INC.**  
**-CONFORMANCE AUDIT AGREEMENT-**  
**FOR**  
**AUDIT SERVICES RELATED TO THE FUMIGATION OF**  
**WOOD/WOOD PACKAGING MATERIAL**

This agreement is for:

**Registered Fumigator:** An entity that is licensed to apply an approved fumigant as per the requirements of the International Plant Protection Convention (IPPC) *Guidelines for Regulating Wood Packaging Material in International Trade* and mark wood packaging material with specified Timber Products Services, Inc. registered trademarks.

From here out the above will be referred to as the Licensee.

This agreement effective \_\_\_\_\_ is between Timber Products Services, Inc. (hereinafter referenced as "TPS") and \_\_\_\_\_ (Company)

\_\_\_\_\_ (Address)

\_\_\_\_\_ (City, State & Zip)

\_\_\_\_\_ (Phone & Fax)

\_\_\_\_\_ (E-mail)

## SCOPE:

This contract and agreement defines the independent contractor relationship between TPS and \_\_\_\_\_(Licensee) relating to the auditing of fumigation records and certified mark application associated with the treatment of Wood Packaging Material (WPM) in accordance with the American Lumber Standard Committee, Incorporated (ALSC) Fumigated Wood / Fumigated Wood Packaging Material Enforcement Regulations. TPS's Quality Auditing Program for Fumigated Wood/WPM shall establish a common basis for uniform, industry-wide inspection of fumigation related to previously assembled or repaired WPM and the fumigation of new Wood/WPM end-products by Registered Fumigators in compliance with the requirements of the IPPC *Guidelines for Regulating Wood Packaging Material in International Trade* (referred to as ISPM 15).

Periodic auditing of the Registered Fumigator shall be carried out by TPS which is accredited by the American Lumber Standard Committee, Incorporated (ALSC). ALSC activities involve verification of TPS's abilities and monitoring of TPS performance.

### A. *TPS's Roles, Responsibilities and Specific Understandings:*

#### **TPS Shall:**

1. Verify that the Licensee has treated the end-product in accordance to the requirement as defined by ISPM 15
2. Verify that the Licensee has designated a defined area and/or process for fumigated Wood/WPM and segregate marked from unmarked Wood/WPM.
3. Track location of all TPS marking material at all times.
4. Verify that end-products in the TPS Quality Auditing Program are properly and legibly identified and marked.
5. Review fumigation records that indicate dosage rate, concentration, exposure temperature and time in order to determine end-product conformance
6. Verify that the applicable fumigation marking contains the necessary information.
7. Recover all TPS marking material within a reasonable time of notice of change in status, once the Licensee enters an inactive or suspended status or if the Licensee's contract with TPS is terminated.
8. Report audit summaries and all such data to the ALSC upon request.
9. Audit each authorized Registered Fumigator a minimum of 12 times a year (Generally once per month).
10. Remove or cause to be removed any fumigation marks placed end-products that are determined not to conform to the fumigation specifications as outlined in the American Lumber Standard Committee, Incorporated (ALSC) Fumigated Wood / Fumigated Wood Packaging Material Enforcement Regulations and other applicable documents.
11. Address any circumstances or conditions that result in a non-conforming fumigated end-product in a reasonable period of time.

12. All information obtained or created during the performance of inspection activities shall be treated confidentially by TP. TP shall inform the client, in advance, of any information it intends to place in the public domain unless the client makes publicly available, or unless agreed between TP and the subscriber (e.g. for the purpose of responding to complaints), all other information is considered proprietary information and shall be regarded as confidential. In the event TP is required by law or authorized by contractual commitments to release confidential information, the subscriber concerned shall, unless prohibited by law, be notified of the information provided. Information about the subscriber obtained from sources other than the subscriber (e.g. complainant, regulators) shall be treated as confidential.

***B. Licensee's Roles, Responsibilities and Specific Understandings:***

**The Licensee Shall:**

1. Meet the requirements of the ALSC Fumigated Wood / Fumigated Wood Packaging Material Enforcement Regulations and the TPS Quality Auditing Program as to produce material that conforms to ISPM 15.
2. Make available fumigation records for TPS review, indicating the quantities of fumigated material each month.
3. Allow TPS to review fumigated end-products to verify legibility and conformance of marking. The Licensee shall mark, stencil, or brand each manufactured end-product.
4. Notify TPS immediately when TPS marking materials are removed from the assigned location.
5. Include the following information on fumigated end-products.
  - a.) The international symbol approved by IPPC for compliant WPM.
  - b.) The two-letter ISO country abbreviation followed by a unique number assigned by TPS to the fumigation or WPM facility.
  - c.) The identifying symbol, logo or name of the accredited agency.
  - d.) The IPPC abbreviation for the approved fumigant (i.e. "MB").
  - e.) Lot number and date of treatment. Required on WPM but not necessarily with the treatment mark.
6. Allow TPS access to Licensee's records and facilities a minimum of once per month during regular business hours.
7. Allow TPS to obliterate any agency marks placed on the end-product that is determined not to conform to the fumigation specifications detailed in the ALSC Fumigated Wood / Fumigated Wood Packaging Material Enforcement Regulations.
8. [Licensee will] Indemnify and hold TP and TP's affiliates, shareholders, directors, managers, officers, employees, agents and representatives and the American Lumber Standard Committee, its directors, officers, employees, agents and representatives, and the Board of Review and its members

(collectively, the “Indemnitees”) harmless from any claims, damages, charges, liabilities, demands, expenses, lawsuits or other obligations of any nature (including, but not limited to, attorneys’ fees and costs), that are threatened, asserted or secured against, or are incurred, sustained or suffered by, an Indemnitee in connection with, resulting from, arising out of, or incident to Licensee’s acts or omissions. Licensee’s indemnification obligations pursuant to this Agreement shall survive cancellation or termination of this Agreement, regardless of the reason for such cancellation or termination.

9. Allow TPS to recover all such trademarked or trademarking material within a reasonable time of notice of the change of status once the Licensee enters an inactive or suspended status or if the Licensees contract with TPS is terminated.
10. Give ALSC the continuing right to have a representative examine any accredited agency treatment marked WPM at the point where the Agency official treatment mark is being used.
11. Give the ALSC the right to spot check at destination points any end-products bearing its treatment mark, and shall incorporate a similar provision in its contract with WPM facilities and fumigation facilities.
12. Maintain its accreditation by the appropriate regulatory agencies and promptly advise in writing of any actual or proposed limitation, suspension, or termination of such accreditation.

### ***C. Fees and Payments:***

#### ***1. The Licensee agrees to pay TPS:***

##### **Registered Fumigator:**

- For routine quality services, the sum of **\$275 (US) per month or .36/MBF of material marked with Registered Fumigator assigned stamps—whichever is greater.**

Destination charges (for onsite spotchecks) will be assessed (and invoiced when accumulated) when Licensees apply fumigant to wood packaging materials **and** mark each with specified TPS registered trademarks, allowing WPM (and associated consignment) entry into ports of participating IPPC nations.

*Monthly service checks are conducted at Licensee location(s) deemed by Timber Products Services as certifying mark dispatch sites and record keeping facilities as well as a percentage of Registered Fumigator marked certified fumigant treatment sites.*

2. For fumigators/manufacturers in Alaska, Hawaii or areas outside routine travel areas, fee structures will be developed on a case by case basis.
3. For **follow-up** and **reinspection** services the sum **\$95.00 (US) per hour**, plus reasonable related expenses for Licensees located in the United States.

### ***D. Contract Terminations:***

1. It is agreed by Licensee that TPS shall have the right to suspend or revoke this license if the Licensee fails to maintain the aforementioned standards, or the Licensee should be found to

have mislabeled any end-products, or if the Licensee should be found to have used the fumigation marks in an unauthorized manner.

2. Failure on the part of the Licensee to fulfill any of the agreements contained herein, or any reasonable rules and regulations in relation to official industry standards, shall be grounds for immediate termination of this agreement on notice to the Licensee.
3. If a Licensee is “inactive (stamps in TPS possession) for” 30 days or more, the fee to reactivate service is \_\_\_\_\_ which is to be paid before re-qualification begins.
4. This agreement may be terminated immediately by Licensee in the event that TPS ceases to be accredited by the Enforcement Committee or any successor entity.
5. Notwithstanding any provision in this agreement to the contrary, either party may terminate this agreement without cause by providing sixty days written notice of such termination to the other party.

***E. Additional Terms***

1. This agreement shall supersede all previous understandings, negotiations, or agreements between the parties and may not be changed without the written approval of both parties.
2. This one year contract shall automatically renew itself for a second year unless either party advises the other in writing within sixty days of the termination of this agreement of its decision not to renew.

**AGREED AND ACCEPTED**

**FOR THE LICENSEE**

**FOR TIMBER PRODUCTS SERVICES, INC.**

\_\_\_\_\_  
DATE

\_\_\_\_\_  
DATE

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
SIGNATURE

Matthew D. McGowan

\_\_\_\_\_  
NAME

\_\_\_\_\_  
NAME

Wood Packaging Material Program Manager

\_\_\_\_\_  
TITLE

\_\_\_\_\_  
TITLE