

# TERMS AND CONDITIONS FOR CERTIFICATION SERVICES

## 1. GENERAL

1.1 Unless otherwise agreed in writing, all offers or services and all resulting contractual relationship(s) between SGS Belgium NV and/or any of their agents (each "SGS") to any person applying for certification services (the "Client") shall be governed by these General Conditions. These General Conditions are drawn up in accordance with the applicable requirements of the Accreditation Bodies of which SGS is currently the accreditation holder.

1.2 These General Conditions, and, as applicable, the Proposal, the Application, the Codes of Practice, the SGS Certification Marks License Terms and Conditions constitute the entire agreement (the "Contract") between the Client and SGS with respect to the subject matter hereof. Save as otherwise provided no variation to the Contract shall be valid unless it is in writing and signed by or on behalf of the Client and SGS.

1.3 Where a Certificate is issued to the Client, SGS will provide the Services using reasonable care and skill and in accordance with the Codes of Practice then in force of the relevant Certification Body.

## 2. DEFINITIONS

"Accreditation Body" means any organisation (whether public or private) having the authorisation to appoint Certification Bodies.

"Application" means the request for services by a Client.

"Certificate" means the Certificate issued by a competent Certification Body.

"Certification Body" means any SGS company having the authorisation to issue Certificates.

"Codes of Practice" means those codes of practice issued by a Certification Body in accordance with the relevant certification scheme.

"Proposal" means the outline of services to be rendered by SGS to the Client.

"Regulations governing the use of SGS System Certification Mark" means the terms and conditions of use of the licensed SGS Certification Mark.

"Report" means a report issued by SGS to the Client indicating whether a recommendation to issue a Certificate is to be made.

## 3. SERVICES

3.1 These General Conditions cover the following services ("the Services"):

- a) System certification services: quality, environmental, safety, health and other management system certification in accordance with international or national standards;
- b) Product conformity certification services in accordance with EC Directives or national legislation and product

certification services in accordance with non-mandatory normative documents, specifications or technical regulations;

c) Service certification services in accordance with non-mandatory normative documents, specifications or technical regulations;

d) process certification services;

e) skills certification services;

f) second party auditing;

g) inspections and/or inspection activities, and/or trainings in relation to the above.

3.2 On completion of an assessment program, SGS will prepare and submit to the Client a Report. Any recommendation given in a Report is not binding on the Certification Body and the decision to issue a Certificate or not is at the sole discretion of the Certification Body.

3.3 Client acknowledges that SGS, either by entering into the Contract or by providing the Services, neither takes the place of Client or any third party, nor releases them from any of their obligations, nor otherwise assumes, abridges, abrogates or undertakes to discharge any duty of Client to any third party or that of any third party to Client.

3.4 Certification, suspension, withdrawal or cancellation of a Certificate shall be in accordance with the present General Conditions and the applicable Codes of Practice.

3.5 SGS may delegate the performance of all or part of the Services to a subcontractor and Client authorises (i) SGS to disclose all information necessary for such performance to the agent or subcontractor and (ii) the subcontractor to disclose all information necessary for the execution of the Proposal to SGS.

## 4. OBLIGATIONS OF THE CLIENT

4.1 The Client shall ensure that all product samples, access, assistance, information, records, documentation and facilities are made available to SGS when required by SGS, including the assistance of properly qualified, briefed and authorised personnel of the Client. The Client shall in addition provide SGS free of charge suitable space for conducting meetings.

4.2 So far as it is permitted by law, the Client acknowledges that it has not been induced to enter into the Contract in reliance upon, nor has it been given any warranty, representation, statement, assurance, covenant, agreement, undertaking, indemnity or commitment of any nature whatsoever other than as are expressly set out in these General Conditions and, to the extent that it has been it unconditionally and irrevocably waives any claims, rights or remedies which it might otherwise have had in relation thereto. Any conditions or

stipulations included in the Client standard form documents which are inconsistent with, or which purport to modify or add to, these General Conditions shall have no effect unless expressly accepted in writing by SGS.

4.3 The Client shall ensure that SGS has all the authorisations and introductions necessary to enter the locations where the assignment is to be carried out, with the exception of those entry documents which SGS is deemed to have following its activity, so that its bodies, employees and representatives have free access, while being accompanied, to the buildings and installations throughout the entire duration of the assignment and during normal working hours, as well as the right to question all members of staff, get full cooperation from authorised and informed members of staff, and be provided with all records and documents considered to be relevant by SGS. The Client shall take all necessary steps to eliminate or remedy any obstacles to or interruptions in the performance of the Services.

The Client shall, if asked, permit observers to be present (e.g. accreditation auditors or auditors in training, or representatives of the relevant standard owners) during the assignment.

4.4 In order to allow SGS to comply with the applicable health and safety legislation the Client shall provide SGS with all available information regarding known or potential hazards likely to be encountered by SGS personnel during their visits. SGS shall take all reasonable steps to ensure that whilst on the Client's premises, its personnel comply with all health and safety regulations of the Client, provided that the Client makes SGS aware of the same. The Client shall provide SGS' staff with all necessary facilities to enable them to carry out their assignment properly, responsibly and in a safe manner.

4.5 For product conformity certification under an EC Directive the Client shall comply with all the provisions of that Directive. In particular, the Client may only affix the EC mark of conformity when all the requirements of that Directive are met.

4.6 The Client may only reproduce or publish extracts of any Report of SGS if the name of SGS does not appear in any way or the Client has obtained the prior written authorisation of SGS. SGS reserves its rights to lodge a complaint in case of disclosure in breach of this clause or disclosure which SGS considers in its sole discretion is abusive. The Client shall not publish details of the way in which SGS performs, conducts or executes its operations.

4.7 The Client shall immediately inform SGS of any and all changes in their premises which may affect their management system, their service, their products, their process or their

skills. Any breach of this obligation to inform may lead to the withdrawal of the Certificate. Furthermore the Client is bound to inform SGS of any major non conformity identified during internal audits undertaken by the Client, its partners or public authorities.

4.8 The Client guarantees timely payment of SGS' invoices.

## 5. FEES AND PAYMENT

5.1 SGS' proposals, subject to other provisions in the relevant proposal, are valid for 6 months. The fees quoted to the Client cover all stages leading to completion of the assessment program or operations and the submission of a Report and of the periodic surveillances to be carried out by SGS for the maintenance of the Certificate. As fees are based on the charge rate applicable at the time of submitting a Proposal, SGS reserves the right to increase charges during the registration period. SGS may also increase its fees if the Client's instructions change or are found to be not in accordance with the initial details supplied to SGS prior to it providing the relevant fee quotation. Clients will be notified of any increase in fees.

5.2 Additional fees shall be charged for operations that are not included in the Proposal and for work required due to non-conformances being identified. These will include, without limitation, costs resulting from:

- a) repeats of any part, or all, of the assessment program or operations due to the registration procedures and rules not being met;
- b) additional work due to suspension, withdrawal and/or reinstatement of a Certificate;
- c) reassessment due to changes in the management system or products, process or services; or
- d) compliance with any subpoena for documents or testimony relating to work performed by SGS;
- e) Follow up visits and short notice audits: are calculated on the basis of the price of a surveillance visit, as provided for in the proposal and consist of at least a ½ day audit. Each half-day started shall be charged as a half-day.

5.3 Without prejudice to clause 5.2, additional fees will be payable at SGS' charging rates in force from time to time in respect of rush orders, cancellation or rescheduling of services or any partial or full repeats of the assessment program or operations which are required as set out in the Codes of Practice.

5.4 A copy of SGS' prevailing charging rates is available on request from SGS.

5.5 Cancellation fees. An assessment, just as any other service planned to be performed by SGS in one of the Client's sites, which is cancelled by the Client or which cannot take place for reasons not due to SGS will be paid for as follows: in the case of cancellation or deferral between 42 and 29 days before the set audit date, the Client shall pay 25% of the planned costs of the audit; in the case of cancellation or deferral between 29 and 8 days before the set audit date, the Client shall

pay 50% of the planned costs of the audit; in the case of cancellation or deferral less than 8 days before the set audit date, the Client shall pay 100% of the planned costs of the audit. In any case of such cancellation, SGS shall be relieved of all liability whatsoever for damage or loss due to the partial or total non-performance of the planned Services.

5.6 Unless otherwise stated all fees quoted are exclusive of travelling and subsistence costs (which will be charged to the Client in accordance with SGS Travel Expense Policy). All fees and additional charges are exclusive of any applicable Value Added Tax, Sales Tax or similar tax in the country concerned.

SGS shall issue invoices to the Client as the work proceeds. Unless advance payment has been agreed upon, all invoices are payable within thirty (30) days of the date of each invoice (the "Due Date") regardless of whether the Client's system or products qualify for certification, failing which interests and additional costs will become due in accordance with the applicable law stated in clause 14 hereof. Any use by the Client of any Report or Certificate or the information contained therein is conditional upon the timely payment of all fees and charges. In addition to the remedies set out in the Codes of Practice, SGS reserves the right to cease or suspend all work and/or cause the suspension or withdrawal of any Certificate for a Client who fails duly to pay an invoice.

5.7 Client shall not be entitled to retain or defer payment of any sums due to SGS on account of any dispute, counter claim or set off which may allege against SGS.

5.8 SGS may elect to bring action for the collection of unpaid fees in any court having competent jurisdiction.

5.9 Client shall pay all SGS' collection costs including reasonable attorney's fees and related costs.

## 6. ARCHIVAL STORAGE

6.1 SGS shall retain in its archive for the period required by the relevant Accreditation Body or by law in the country of the Certification Body all materials relating to the assessment program and surveillance program relating to that Certificate.

6.2 At the end of the archive period, SGS shall transfer, retain or dispose of the materials at its discretion, unless timely instructed otherwise by the Client in writing. Fees for carrying out such instructions will be invoiced to the Client.

## 7. REPORT AND CERTIFICATE OWNERSHIP AND INTELLECTUAL PROPERTY

Any document including, but not limited to any Report or any Certificate, provided by SGS and the copyright contained therein shall be and remain the property of SGS and the Client shall not alter or misrepresent the contents of such documents in any way. The Client shall be entitled to make copies for its internal purposes only. Copies or reproductions for the benefit of third parties are only permitted if the word 'COPY' is clearly marked thereon. Duplicates of Certificates are available upon request for

external communication purposes. All use of or reference to the Certificate or the Certification mark or Report in breach of the present clause or which could be misleading or abusive shall result in the immediate suspension or withdrawal of the Certificate or Report and of the right of use over the mark, and/or legal steps and/or publication of the infringement, and SGS shall be entitled to demand a rectification of the publication in question at the expense of the Client, without prejudice of the right of SGS to claim possible damages.

## 8. COMMUNICATION

The Client may promote its certification in accordance with the terms set out in the Regulations governing the use of SGS System Certification Marks. Use of SGS' corporate name or any other registered trademarks for advertising purposes is not permitted without SGS' prior written consent.

## 9. CONFIDENTIALITY

9.1 As used herein, "Confidential Information" shall mean any oral or written information, marked 'Confidential' or the like, or which, failing such marking, a reasonable and prudent person in the industry would qualify as confidential, that a party may acquire from the other party pursuant to the Contract or information as to the business of the other party provided, however that Confidential Information shall not include any information which (1) is or hereafter becomes generally known to the public; (2) was available to the receiving party on a non-confidential basis prior to the time of its disclosure by the disclosing party; (3) is disclosed to a party by an independent third party with a right to make such disclosure.

9.2 Unless required by operation of law, by a judicial, governmental or other regulatory body, or as required by an accreditation body as part of the accreditation process, neither party nor their agents or subcontractors shall use the Confidential Information other than for the purpose of the Contract nor disclose the other's Confidential Information to any person or entity without the prior written approval of the other party except as expressly provided for herein.

9.3 The confidentiality obligation hereunder remains in force for both parties for a period of five years following termination or expiry of the Contract.

9.4 Notwithstanding the foregoing clauses 9.1 to 9.3, the Client recognizes and accepts that his company name, address, scope of certification and contact numbers, among other things, will be included in SGS' register with certified clients. This register is publicly accessible via the SGS website.

## 10. DURATION AND TERMINATION

10.1 Unless otherwise agreed, the Contract shall continue (subject to the termination rights set out in these General Conditions) for the term set forth in the Proposal (the "Initial Term"). On expiry of the Initial Term, the Contract shall renew automatically unless and until either party notifies the other in writing that the Contract will terminate at least three months prior to the expiry of the

Initial Term or on three months' notice any time after the Initial Term.

With regard to system certification each party has the right to unilaterally terminate the assignment provided a six months' notice is given. In such a case, SGS shall withdraw the Certificate at the latest 6 months after receipt respectively its expedition of the termination letter. The termination must be done in writing and by registered letter. The notice period starts on the date of the post stamp of the termination letter.

Moreover, SGS shall have the right to unilaterally terminate its assignment at any time and without notice period and to withdraw the Certificate immediately if the Client infringes public order, morals, and/or criminal law, and SGS reserves the right to claim compensation for any damage arising as a result.

Furthermore, termination of the certification assignment by SGS has the same consequences as specified in the relevant Codes of Practice.

- 10.2 SGS is entitled, at any time prior to the issuance of a Certificate, to terminate the Contract if the Client is in material breach of its obligations and, following receipt of notice of such breach, the Client fails to remedy to the satisfaction of SGS such breach within 30 days.
- 10.3 Either party shall be entitled to terminate immediately the provision of the Services in the event of any arrangement with creditors, bankruptcy, insolvency, receivership or cessation of business by the other party.
- 10.4 Unless otherwise agreed in writing, the rights and obligations of the parties defined in clauses 8, 9, 12, 13 and 14 shall apply notwithstanding the completion of the Services or termination of the Contract.
- 10.5 In case the Client transfers its activities to another organisation, the transfer of the Certificate is subject to the Certification Body's prior written consent. Where such consent is given, the use of the Certificate by such new organisation shall be governed by the Contract.

#### 11. FORCE MAJEURE

If SGS is prevented from performing or completing any service for which the Contract has been made by reason of any cause whatsoever outside SGS' reasonable control, including, but not limited to, acts of god, war, pandemic, terrorist activity or industrial action; failure to obtain permits licenses or registrations; illness, death or resignation of personnel or failure by Client to comply with any of its obligations under the Contract, the Client will pay to SGS:

- a) the amount of all abortive expenditures actually made or incurred;
  - b) a proportion of the agreed fees equal to the proportion (if any) of the service actually carried out;
- and SGS shall be relieved of all responsibility whatsoever for the partial or total nonperformance of the required Services.

#### 12. LIMITATION OF LIABILITY AND INDEMNITY

12.1 SGS undertakes to exercise due care and skill in the performance of the Services and accepts responsibility only in cases of proven gross negligence.

12.2 Nothing in these General Conditions shall exclude or limit SGS' liability to the Client for death or personal injury or for fraud or any other matter resulting from SGS' negligence for which it would be illegal to exclude or limit its liability.

12.3 Subject to clause 12.2, the total liability of SGS to the Client in respect of any claim for loss, damage or expense of any nature and howsoever arising shall be limited, in respect of any one event or series of connected events, to an amount equal to the fees paid to SGS under the Contract (excluding Value Added Tax thereon) with a maximum of 30.000 EUR per occurrence and in the aggregate.

12.4 Subject to clause 12.2, SGS shall have no liability to the Client for claims for loss, damage or expense unless arbitration proceedings are commenced within one year after the date of the performance by SGS of the service which gives rise to the claim or in the event of any alleged non-performance within one year of the date when such service should have been completed.

12.5 Subject to clause 12.2, SGS shall not be liable to the Client nor to any third party:

- a) for any loss, damage or expense arising from (i) a failure by Client to comply with any of its obligations herein (ii) any actions taken or not taken on the basis of the Reports or the Certificates; and (iii) any incorrect results, Reports or Certificates arising from unclear, erroneous, incomplete, misleading or false information provided to SGS;
- b) for loss of profits, loss of production, loss of business or costs incurred from business interruption, loss of revenue, loss of opportunity, loss of contracts, loss of expectation, loss of use, loss of goodwill or damage to reputation, loss of anticipated savings, cost or expenses incurred in relation to making product recall, cost or expenses incurred in mitigating loss and loss or damage arising from the claims of any third party (including without limitation product liability claims) that may be suffered by the Client; and
- c) any indirect or consequential loss or damage of any kind (whether or not falling within the types of loss or damage identified in (b) above).

12.6 Except for cases of proven gross negligence or fraud by SGS, the Client further agrees to hold harmless and indemnify SGS and its officers, employees, agents or subcontractors against all claims (actual or threatened) by any third party for loss,

damage or expense of whatsoever nature including all legal expenses and related costs and howsoever arising (i) relating to the performance, purported performance or non-performance, of the Services or (ii) out of or in connection with the Client's product, process or service the subject of the certification (including, without limitation, product liability claims).

12.7 Each party shall take out adequate insurance to cover its liabilities under the Contract.

#### 13. MISCELLANEOUS

13.1 If any one or more provisions of these General Conditions are found to be illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

13.2 Except as expressly provided for herein, the Client may not assign or transfer any of its rights hereunder without SGS' prior written consent.

13.3 A party giving notice under these General Conditions must do so in writing to the address of the other party as set out in the Application.

13.4 The Client is prohibited from hiring or poaching SGS or SGS' affiliate's personnel or making use of their services unless with the prior written consent of SGS. Any infringement of this prohibition shall enable SGS to immediately terminate the Contract and entitles it to damages to the amount of twice the gross annual salary of the employee hired or poached from SGS or SGS' affiliate.

13.5 The Parties acknowledge that SGS provides the Services to the Client as an independent contractor and that the Contract does not create any partnership, agency, employment or fiduciary relationship between SGS and the Client.

13.6 Any failure by SGS to require the Client to perform any of its obligations under these General Conditions or the Contract shall not constitute a waiver of its right to require performance of that or any other obligation.

#### 14. DISPUTES

Unless specifically agreed otherwise, and except for the recovery of undisputed invoices for which the ordinary courts shall be competent, all disputes arising out or in connection with these General Conditions or the Contract shall be governed by the laws of Belgium and all disputes except as stated in Clause 5.8, shall in absence of an amicable settlement, be finally settled under the Rules of Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the said Rules. The arbitration shall take place in the city of Antwerpen, Belgium. The arbitration proceedings shall be conducted in the English language.

WHEN YOU NEED TO BE SURE