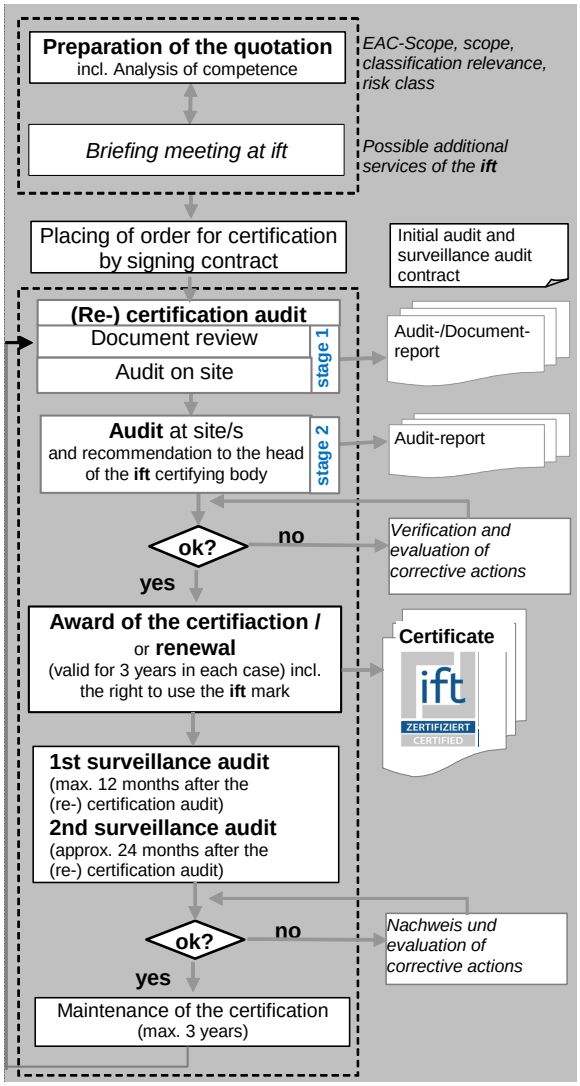
General conditions for certification of management systems:
Quality, environment, energy, occupational health and safety

The reputation and international acceptance of the ift and the accreditation of the certifying body according to the DIN EN ISO/IEC 17021 standard guarantee the international acceptance of the ift certificates and of the "ift certified" mark.

1 Purpose / Scope

These general terms and conditions are intended as information for clients on procedures, rules and requirements as well as the clarification of their rights and obligations – as organisation - in the ift certification procedure for management systems.

2 Certification scheme



2.1 Information / preparation stage

Upon request, the **ift**-certification body (**ift**-Q-Zert) will arrange a non-binding briefing meeting with you in order to clarify general questions on the content of the requirements standards and the stages of the certification procedure.

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2.2 Contract / Scope of audit

Based on the data given in the application for certification and on existing information about the structure, the area(s) of activity and the size of the company, the **ift** will verify its competence and the availability of auditors (analysis of competence) as well as the expected scope of audit and will prepare a contract quotation for the certification.

In determining the number of auditor-days required, the certifying body shall comply with the IAF guidelines and other mandatory requirements of the German accreditation body (Deutsche Akkreditierungsstelle, DAkkS).

As a general rule, the scope of audit will primarily be determined by the number of employees and the complexity of the company and of the management system (e.g. type of activity, diversity of production processes, impact of the activities on the environment, energy and/or safety and the stability of the management system). Individual conditions are taken into account according to point 3.2 and 4.3.

The order for certification is placed by signing the contract (please also refer to point 6).

2.3 The two stages of the initial audit

2.3.1 Stage 1 audit
(document review & preliminary audit)

The management documentation submitted by the company (manual, other applicable documents) is checked for compliance with the standards.

The objective of the stage 1 on-site audit is to assess the status of implementation of the established management system and determine eligibility for the stage 2 audit.

Existing weaknesses, if any, which might be classified as nonconformities in the stage 2 audit will be identified in this stage. The amount of time spent on site may be deducted from the duration of the stage 2 audit.

As part of the stage 1 audit, the audit findings are named and documented, as well as indications for the best possible preparation for the stage 2 audit, any shifts or cancellations of stage 2 arising from the results will be informed. The completed review of the documents is a prerequisite for the stage 2 audit (initial audit).

If in stage 1 major modifications influencing the management system are detected, the certification body is able to repeat the whole or parts of the stage 1 audit.

In order to have sufficient time for implementing the recommendations, you must provide us with the management documentation approved by your company **2 months prior to the stage 1 audit date**.

2.3.2 Stage-2-Audit (initial audit)

In the stage 2 audit, the **ift** auditors in charge will verify the completeness, suitability and effectiveness of the established management system by inspecting the records and interviewing responsible employees. To the extent that other applicable documents, such as process instructions, have not been verified in advance together with the manual, they will be inspected on site. This may increase the time planned for the audit on site.

Basic requirements

- a fully completed internal audit
- management evaluation of the board of directors
- proven functioning of the management system over a period of at least three months
- obligation and capability of compliance with statutory and administrative requirements

2.3.3 Audit results / evaluation

In the final meeting the audit team will summarize its impressions and results and give recommendations for possible potential for development or comment on deviations / nonconformities, which prior to certification need to be eliminated according to their

importance for the effectiveness of the management system.

The chief auditor will recommend certification only after it has been verified that major nonconformities, if any, have been eliminated in due time and satisfactory plans have been made for corrective actions to eliminate minor nonconformities. If there are any major deviations not sufficiently cleared of during 6 months after the state 2 audit, it is necessary to start a new state 2 audit form the beginning.

It is generally possible to correct any non-conformities during the audit itself or to submit written proof of corrective actions to the certifying body at a later date.

Follow-up audit

In case of major nonconformities, the chief auditor decides in agreement with the head of the **ift** certifying body whether a follow-up audit is required for assessing the effectiveness of the corrective actions.

2.4 Award or denying the certification and the certificate

The head of the **ift** certifying body will decide on whether the certification will be awarded on the basis of the audit report and the recommendation by the chief auditor.

A prerequisite for awarding the certificate is the existence of a certification contract between the organization and the **ift** certifying body.

The certificate awarded will be valid for 3 years from the date of issue and can be renewed for another 3 years on the basis of a re-certification audit. The issue date of the new certificate must correspond to the date of the re-certification decision or a later one. The certified organization thereby acquires the right to use the "**ift** certified" mark in accordance with the **ift**'s "Rules on the use of the **ift** mark".

The certification and allocation of the certificate will be denied in the case of serious grounds, e.g. non-compliance with certification requirements, in case of non-timely or sufficient processing of major deviations.

2.5 Surveillance procedure

The certifying body will carry out surveillance audits at least once per year; in this context the first surveillance audit must be carried out at the latest 12 months after the stage 2 audit (initial audit), while the second surveillance audit must be carried out after approx. 24 +/- 2 months.

In the procedure, the fully completed internal audits (audit report and corrective actions), the management assessment, changes to the management system and on a spot check basis other requirements and processes will be audited.

The organization to be audited will submit the following documentation to **ift**-Q-Zert for the purpose of preparation for the audit:

- the current management documentation including a list of changes carried out,
- the current organizational chart
- the current number of employees,
- information concerning new or changed environmental aspects if applicable

2.6 Re-certification

A renewal of the certification by another 3 years, respectively, will be awarded under the following conditions and without requiring another application:

- Maintenance of the certification contract
- Implementation of the annual surveillance audit
- Positive result of the re-certification audit including a review of the documents and a stage 1 audit, if appropriate (if it is required due to significant changes to the management system, in the organisation or in connection with the functioning of the management system, for example amendments to existing legislation)

The re-certification audit should be carried out not later than 2 months before expiry of the certification, so that corrective actions with regard to nonconformities can be taken and completed before the expiry date of the certificate. If the audit can be carried out only after the expiry date of the certificate, the „Suspension“ rule can be applied in accordance with clause 2.8.

2.7 Audits due to special reasons

Outside the certification and monitoring cycle, further audits (announced or unannounced) may be necessary, e.g.:

- for complaints that need to be investigated by the certification body;
- consequences of changes (for example in the management system, organization, legislation);
- as a consequence of suspended customer certifications;
- if the requested extension of the scope requires it;
- for OHSAS audits: if there is a serious incident (e.g. an accident) and thus the function of the OHSAS manager has to be checked.

The certification body informs the customer in advance about the necessary audit conditions.

2.8 Suspension / Limitation / Withdrawal of the certification

A suspension of the certification is possible or necessary, if

- the certified organisation (client) applied for this,
- the planned surveillance audits are not made possible within the defined time limits,
- major nonconformities identified are not successfully corrected within the defined time limits (6.3).
- the certified management system permanently or seriously fails to meet the requirements for the effectiveness of the management system.

Under ***suspension***, the certification of the management system will be temporarily invalidated. During this period of time the right to use the certification for marketing purposes expires. The certifying body is obliged to make the status of suspension accessible to the public and may take further measures it deems appropriate.

The certification may be suspended for a maximum period of 6 months and resumed with a Re-audit. After longer interruptions (over 6 months) the certification can only be resumed in the scope of an initial certification audit.

The limitation of the certification or its withdrawal by ift-Q-Zert may become necessary if violations within the meaning of point 6.4 have been identified.

The withdrawal shall be made in accordance with the sanction conditions under point 6.5. The certified organization is obliged to give notification of any changes in the company as they may also give rise to limitations of the scope.

2.9 Publications

The certifying body will publish a list of certified companies, including publication of their certificates and links to their company websites, on its website www.**ift**-rosenheim.de. Suspensions and withdrawals / terminations of certifications will also be announced there.

3 Combined surveillance and certification procedures

3.1 Advantages

In determining the audit duration for management systems, synergies arising from other **ift** services which have been carried out or are planned to be ordered for the respective site may be taken into account.

3.2 Procedures

Within the scope of the application and preparation of the quotation, the head of the **ift** certifying body will check whether the combination of services (multiple qualifications of the auditors, frequency of visits, etc.) is generally possible. Within the scope of preparing the quotation, he will decide on whether reductions (in terms of content and duration/time) may be taken into account for the management certification and give reasons for his decision.

ift-Q-Zert will centrally coordinate the planning and performance of the management / product audits and send suitable qualified auditors to the individual sites.

To the extent that surveillance services may have to be invoiced that have not been rendered by the **ift**, the content of these services will have to be verified and evaluated on the basis of the documents and pieces of evidence to be submitted by the organization, where this is not already known to the **ift** by other means.

4 Multi-site organizations

If a company / association of firms comprise multiple sites, the multi-site regulation may under certain circumstances be applied to the audit and certification procedure. The auditing of sites will then be carried out on a sample basis and allows the costs of certification and surveillance to be reduced.

4.1 Requirements

The central office and the sites are required to file a joint application for certification by the central management. The multi-site regulation is subject to several requirements:

4.1.1 Sites

The production sites are required to produce products of the same type using identical procedures. The sales branches are required to offer products and services of the same type. The processes at all locations must be essentially the same and use similar methods and procedures.

All sites must be subject to a joint (central) management system which has been determined and established by the central office and is subject to regular surveillance and internal audits by the central office.

4.1.2 Main company (central office)

The central office has established a central management system compliant with the relevant management system standard, and the entire organization complies with the requirements of this standard. This includes consideration of relevant regulations.

The central office has legal power to enforce the management system, i.e. the legally independent sites are required to waive, by formal agreement, their independence with regard to the management system and related measures in favour of the central office.

ift-Q-Zert reserves the right to request a copy of such a formal agreement for its records.

The central office has carried out the internal audits of all associated locations in accordance with the internal audit scheme before the **ift** certifying body starts its auditing.

4.1.3 The central management system

- defines the management policy,
- centrally organizes the documents and records.

4.2 Issue of the certificate

The certified group of firms will be granted one single certificate in which the central office and all sites are listed.

Upon request, certificates may also be granted to sites.

If central functions are carried out under the leadership of the central office and the results are made available to the sites, the certificates will comprise a paragraph to the following effect:

„This certificate has been awarded under application of the multi-site regulation. The main company (central office) is responsible for maintaining and further developing the management system and for controlling the central functions."

4.3 Scope of audit / sampling

4.3.1 Type of site

The procedure to be followed depends on the type of site (refer to types). The types may also be combined.

Type 1
Sales branches or production sites with the same types of product and production processes:

The documentation of the central office entity and of the sites to be audited will be reviewed.

The sites will be audited by sampling. As soon as a follow-up audit is required at a specific location, the scope of sampling will be increased.

Type 2
Production sites with different products or production processes:

The management documentation of the central entity and of all sites will be reviewed.

In the initial auditing and in the re-certification auditing procedures, all sites will be audited. The surveillance audits will be based on sampling, however.

4.3.2 Audit duration

In addition to the provisions under point 2.2, if the multi-site regulation is applied, the minimum time measured in auditor days will be made dependent on the number of persons employed at the central office and all sites.

The certifying body will, as a rule, audit the central office first, and reserves the right to take the results from such audit into account when selecting the sites.

The central office, sites considered as problematic, and sites falling into specific risk categories from the point of view of the environment, energy and occupational health and safety, will be audited once per year. A sample will be selected from the pool of all other sites.

As a rule, one third of the sites per year will be selected for auditing so that each certified site will be audited at least once within the validity period of the certification.

4.3.3 General information

Samples will be selected from the entire pool of sites, so that depending on the group size not all sites may be audited or some sites may be audited several times.

Approx. six weeks before the planned audit date, the sites selected for auditing will be informed to this effect by **ift**-Q-Zert. A basic fee will be charged to all sites selected for auditing. The dissemination of information, coordination, and settling of accounts will be organized by the central office, unless otherwise agreed.

4.3.4 Nonconformity

If any of the sites selected for sampling fails the audit, the certifying body will enlarge the scope of sampling in order to investigate whether the other sites may be affected. The

size of sample will be increased until **ift**-Q-Zert is satisfied that control is re-established.

In case of nonconformity at any of the sites, the certification of the whole group will be refused until satisfactory corrective actions have been implemented.

Awarded certificates will be fully withdrawn if the central office or any of the sites fail to meet the criteria for maintaining the certification.

4.3.5 Enlargement of the group scope

If, upon request of the central office, it is planned that the number of locations included in the certification should be increased during the certification cycle, the newly included sites will form a separate group, from which separate samples will be selected. This sample will be audited as an on-site re-certification audit, either on the next regular audit dates, or in exceptional cases also on a separately agreed date. Provided that the audit shows positive results, the group of newly included sites will be granted a certificate valid for the remaining term of certification of the whole group. If the results are negative, the sampling within this group will be extended (4.3.4).

After the group has been included in the group-certificate, the sum of all sites will be the basis for the sampling of future surveillance and / or re-certification audits.

5 Transfer of certificates from other certifying bodies

A transfer procedure is in place which enables an organization to change over to another certifying body, and provides rules for this. This may save time and money in comparison to a new certification.

Upon request of an organization and on the basis of the documents to be filed (inter alia the certificate and the last audit reports), the **ift** will review whether and to what extent this certification may be recognized and maintained, as the case may be, by the certifying body of the **ift**.

6 Contract terms

6.1 Records / reports

The respective organization or, as the case may be, the central office which ordered the audit, will receive a written report and accordingly a stage-1- protocol on all reviews and audits carried out.

Records of the certifying body regarding the (re-) certification procedure and current surveillance audits will be kept by **ift**-Q-Zert in contract-specific client files and retained for a minimum period of 10 years after award of the certificate.

The **ift** will actively inform the certified organizations of all relevant changes as to the content of the certification procedure.

6.2 Obligations

After signing the certification contract, the organization undertakes towards **ift**-Q-Zert:

- to hand over all specified documents required for the respective audits or transfer procedures within the defined time limits,
- to make all relevant documents related to the management system available for inspection, upon request, to the **ift** auditors during the audit, grant access to the respective areas, rooms or departments of the company and enable the auditing of selected employees,
- to give the accreditor of the **ift** the opportunity of witnessing the audits of the certifying body (witness audit) and to make the necessary client documentation of the **ift** available for inspection,
- to revise its advertising and advertising materials according to the scope or, as the

case may be, suspend or abandon such advertising.

For OHSAS-audits:

The certification body shall inform of the occurrence of a serious incident or breach of the rules as soon as the involvement of the competent supervisory authority is required.

6.3 Time limits

Ift-Q-Zert will inform the site about the planned date and scope of a surveillance / re-certification audit not later than 6 weeks prior to such audit. The site undertakes to provide **ift**-Q-Zert with the required documents not later than 4 weeks prior to such date.

The precondition for the maintenance of the certification / recertification is to take corrective actions concerning major nonconformities within two months. For critical cases this delay can be reduced accordingly.

6.4 Violants leading to withdrawl of certification

The certifying body is entitled to withdraw a previously awarded certificate in accordance with the procedure specified in paragraph 6.5 and to terminate the contract without notice in the following cases (please also refer to point 2.8):

- in case of misuse or misleading use of the certificate,
- if the requirements for awarding the certificate existing at the time of the initial audit are no longer met,
- if the nonconformities of the management system identified by the certifying body during the audit and their corrections have not been fully documented or if the nonconformities have not been corrected within the fixed time limits and / or not to the required extent,
- if the same irregularities of the management system are identified on several occasions,
- at OHSAS certifications, in particular if there are missing proofs of compliance with legal occupational safety requirements or it the organization is proven to have a serious failure of the management system.
- in case of violation of agreements arising from the present document and
- if the fee agreed for the services rendered by the certifying body are not paid.

6.5 Sanctions and termination of the certification

If the certifying body identifies deviations from agreements concluded, it will send the organization a written reminder, in which it is requested to correct the deviation/nonconformity within a period of 4 weeks. A longer period can also be agreed.

If the organization does not comply with the request it will be sent another written reminder, including a time limit of 2 weeks and a warning that the certificate will be withdrawn or the scope will be restricted. In case the organization takes no corrective action permanently, the certifying body reserves the right to restrict the scope or withdraw the certificate and in this case delete the organization from the list of certificate holders and terminate the contract without notice (refert to 2.8).

In case of **termination** of the certification – e.g. as a result of termination of the contract – the right to refer to the certification in advertising and to use the “ift certified” mark (refer to “Rules on the use of the ift mark” / ift Zeichensatzung) will expire. In case of termination before the expiry of the certificate, the original certificate shall be submitted to the ift in order to be invalidated (does not apply in case of suspension).

6.6 Secrecy / confidentiality

The certifying staff members of the certifying body undertake to treat as confidential all information made available to them and all documents put at their disposal.

This does not apply to:

- Requests for information by courts and authorities in cases governed by legislation,
- the announcement of contracts concluded,
- the inspection of client documentation by the accreditor of the ift, and
- reports to arbitration boards in case of complaints.

The organization may release the certifying body from its confidentiality obligations for specific reasons.

6.7 Neutrality

Neutrality and independence are the principles of the ift certifying body that guarantee an objective assessment for clients. Our internal procedures make sure that existing or suspected conflicts of interest, if any, can be disclosed, evaluated and removed, if necessary.

6.8 Right of objection and complaint

Objections and/or complaints against planned or completed certification procedures (including the use of auditors and the certification decision) are to be directed to the head of the certification body and are handled according to the content and scope of the „*Complaints Procedure*“, which is published on the ift-website www.ift-rosenheim.de/customer-feedback.

6.9 Liability

Due to every audit is based on a sampling of the available information, all liability claims against the certification body are excluded which relate to material or non-material damage, unless the certification body has proven to be intentionally or grossly negligent.

Claims regarding violations of contractual provisions during performance of the contract including compensation claims asserted by the organization against the certifying body will be time-barred after 12 months. This time period shall commence upon receipt by the organization of the written communications/ reports/ certificates from the certifycation body; in case of dispute, the date of notice of dispatch of the communication by the certification body plus 3 working days, will be taken as the date of dispatch.

Furthermore, the limitation of liability set out in § 8, Section I (General) of the Terms and Conditions of the ift Rosenheim GmbH shall apply, published on the website www.ift-rosenheim.de.

Explanation:
OHSAS: Occupational Health and Safety