

CI International Certification Sdn Bhd

Conditions of Certification

1. SCOPE OF ASSESSMENT

- 1.1 CI International Certification Sdn Bhd ("**CI**") has accepted an appointment by the Organization to carry out an assessment of the Organization's management system (the "**Assessment**") and if the Organization's management system complies with the stipulated international standard, to grant certification on these Conditions (the "**Certification**").
- 1.2 CI will carry out the Assessment by checking that the Organization has a management system ("**MS**") in place that meets the requirement of the standard and by carrying out the appropriate Audits to assess whether the Organization's MS is achieving continual quality performance improvement (the "**Extent of Audit**").
- 1.3 The Assessment will not extend beyond the Extent of Audit and in particular (without limitation) will not address:
 - a) whether the Organization has addressed all relevant legal requirements (although the Assessment may include checks and samples to establish confidence that the MS functions in this regard); or
 - b) the conformity of the product or service (although the Assessment will include checks and samples to establish confidence that the MS functions in this regard).

Therefore, even if Certification is granted, CI will not have examined and will not be warranting any matter outside the Extent of Audit (including those set out in this paragraph 1.3) and the Organization shall not hold out that the Assessment has covered or that the Certification implies any matter outside the Extent of Audit.

- 1.4 The Organization acknowledges that it is its own responsibility to define the Quality criteria by which a product or service is designed and provided that will meet the requirements specified or expected by its customers and to develop procedures for doing this.
- 1.5 CI warrants that the Assessment will be valid at the time it is made. Any Certification granted will, subject to earlier revocation, remain valid for three years, provided that the Organization continues to comply with relevant requirements when CI conducts the surveillance and re-assessment audits.

2. ASSESSMENT

- 2.1 The work content and timescales for each Assessment quoted to the Organization are estimates made based on preliminary discussions between the local CI office representing CI (the '**Local Office**') and information provided by the Organization. In the event CI and the Local Office considers it impractical to adhere to the programme as discussed for the Assessment, the Local Office will prepare and submit to the Organization a revised proposal for consideration.

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- 2.2 CI will from time to time engage qualified Associate Assessors in addition to the full time staff of the Local Office to undertake assessments on behalf of CI. The Local Office will notify the names of the subcontractors to the Organization, and will assume their acceptance, unless a written objection is received from the Organization within 5 days of the notification.
- 2.3 CI shall not sub-contract any of its obligations and responsibilities under this Agreement without the Organization's prior consent.
- 2.4 Where CI does appoint any sub-contractor under clause 2.2, CI shall remain primarily responsible for the work carried out by any such sub-contractor and for the granting of any Certification pursuant to the Assessment.

3. VISITS

- 3.1 Assessment and Surveillance Visits shall be as agreed between CI, the Local Office and the Organization having regard to the nature of the visit and the prior commitments of the Organization and the Local Office.

4. ORGANIZATION'S OBLIGATIONS

- 4.1 (a) the Organization shall ensure that CI's Assessors are provided with suitable facilities including telephone and facsimile communication, secure storage facilities for confidential data furnished to CI, and secretarial assistance as and when considered necessary.

(b) upon request by the Accreditation Body to witness the on-site audit, the Organization shall give consent for the assessors of the Accreditation Body to witness the audit.
- 4.2 Without prejudice to paragraph 1 above, the Organization shall use any Certification granted in accordance with the regulations set out below:
 - (a) the Certificate will remain the property of CI.
 - (b) the Certificate will be valid from the date of issue until such time that the certification is withdrawn for whatever reason from the Organization.
 - (c) misuse of the Certificate in any way, or misleading use of the certification in publications, may lead to suspension or revocation of certification.
 - (d) copies of the Certificate may be made for the purpose of advising customers of the organisation's certification. Each copy must clearly state 'UNCONTROLLED COPY' across the main body of the Certificate.

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- (e) if the Organization decides to terminate its certification with CI, it must immediately inform CI in writing and return the Certificate. The use of the Certificate and Quality Mark, and any claims associated with the certification, must terminate immediately.

In addition, the Organization must:

- (f) advise CI of any minor or major amendments to the certified MS.
- (g) notify CI of any formal customer complaints relating to the MS and maintain records of the corrective action taken.
- (h) notify CI of any breaches of regulations notified by the relevant Authorities or Approvals Bodies concerning product or service provision.

Breach of these regulations could lead to withdrawal of the Certificate by CI.

CI reserves the right to change these regulations, but will provide the Organization due notice of such changes.

In addition, the Organization shall:

- (i) not use its Certification in such a manner as to bring CI into disrepute and shall not make any statement regarding its Certification which CI may reasonably consider to be misleading or unauthorised;
- (j) not use its Certification to imply that any product or service is approved by CI or any other Certification body nor in any other manner other than to indicate that its MS is in conformity with specified standards or other normative documents;
- (k) ensure that no Certification document, mark or report, or any part thereof is used by the Organization, its servants agents or sub-contractors in a misleading manner; and
- (l) in making reference to its Certification in communication media (e.g. documents, brochures or advertising), comply with CI's reasonable requirements.

4.3 If upon grant of Certification or other registration CI permits the Organization to use the Quality Mark which indicates Certification of a MS, the Organization may use the Quality Mark only in accordance with the regulations set out below and the regulations provided by CI upon granting of the Certification.

- a) the Quality Mark must always be used in conjunction with the Organization's name.
- b) the MS Standards number and the Certificate Number of the Assessment must always be adjacent to the Quality Mark.

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- c) the Quality Mark may be used only in correspondence, advertising and promotional material and only in connection with the services listed on the Scope of Assessment.
- d) the Quality Mark may not, under any circumstance, be used directly on or closely associated with products.
- e) the Organization must undertake to discontinue any use of the Quality Mark which is unacceptable to CI.
- f) upon termination of the certification for whatever reason, the Organization undertakes to discontinue the use of the Quality Mark immediately.
- g) the right to use the Quality Mark is not transferable.
- h) the size and colour of the Quality Mark must be in accordance with the regulations provided by CI upon granting of the Certification.

4.4 The organization shall inform CIM, without delay, of the occurrence of a serious incident or breach of regulation necessitating the involvement of the competent regulatory authority.

5. REPORTS

The Auditor Local Office shall provide the Organization with an Assessment Report.

6. CONFIDENTIALITY

Neither the Organization or CI shall at any time during or after the Engagement divulge or allow to be divulged to any person any confidential information relating to the business or affairs of either party. This obligation does not apply to any confidential information to the extent:-

- (i) that at the time of disclosure such information is in the public domain.
- (ii) that such information subsequently comes into the public domain other than by reason of breach of this obligation.
- (iii) that disclosure is required by law or in the course of any legal proceedings, or
- (iv) that prior to such disclosure, such information was lawfully in the possession of the party to whom it was disclosed as evidenced by that party's written records or those of its representatives.

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7. NO INDUCEMENT

7.1 Either the Organization or CI shall not at any time during or for 1 year after the Engagement, entice or induce or attempt to entice or induce away from the other party, any person who at any time during the continuance of the Engagement is employed by the other party.

8. LIMITATION OF LIABILITY

8.1 CI warrants that it, its employees, Local Office and sub-contractors will carry out the Assessment with the care and skill that may reasonably be expected of an Assessor experienced in conducting Assessments. All other warranties and conditions, whether expressed or implied, are excluded to the fullest extent permitted by law.

8.2 Paragraph 1 of these Terms and Conditions sets out the Scope of the Assessment, and the Organization acknowledges that CI has no liability for any matter outside the Extent of Audit or for any matter that is expressed in these Terms and Conditions to be the responsibility of the Organization.

8.3 In respect of direct damage to physical property of the Organization resulting from the negligence of CI and its employees, CI liability shall be limited to RM500,000 in respect of any one event or series of connected events.

8.4 In all other cases, CI aggregate liability to the Organization shall not exceed the total of all sums paid to CI by the Organization under the Agreement.

8.5 CI, its employees, Local Office and sub-contractors shall in no circumstances be liable to the Organization for any loss or profit, contracts, goodwill or anticipated savings, business interruption, loss arising from third party claims or for any special, indirect or consequential loss.

8.6 CI, its employees, Local Office and sub-contractors will not be liable for claims, losses or expenses resulting from any failure by the Organization to fulfil its responsibilities under this Agreement.

9. VARIATION, POSTPONEMENT OR CANCELLATION

9.1 Where the Organization wishes to postpone or amend agreed Assessment or Surveillance Visits the Organization must provide CI with more than 10 working days written notice of this intention. CI reserves the right to charge a 30% cancellation fee of the audit cost, even if no service has been provided.

9.2 In the event that the Organization wishes to cancel its Certification, 3 months written notification of this intent must be provided by the Organization to CI.

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10. TERMINATION/ WITHDRAWAL

- 10.1 CI shall have the right at any time by giving 3 months notice in writing to the Organization to terminate the Certification forthwith in any of the following events:
- (a) if the Organization commits a breach of any of these Terms and Conditions and fails to remedy the same within 30 days of a written request from CI so to do,
 - (b) if the Organization enters into liquidation whether compulsorily or voluntarily (otherwise than for the purpose of amalgamation or reconstruction) or compounds with its creditors or has a receiver appointed of all or any part of its assets or takes or suffers any similar action in consequence of debts or in the case of an individual or a partnership, if the Organization or any of its members of the firm becomes insolvent or enters into any arrangement with its creditors or takes or suffers any similar action in consequence of debt; or
- 10.2 CI shall have the right to immediately terminate the Certification if the Organization is guilty of any conduct which in the opinion of CI is prejudicial to CI's interest or likely to undermine or bring the Organizations certification into disrepute.
- 10.3 Where the Organization does not request, in writing, part or all of the assessment services to be carried out within a period of 1 year from the date of acceptance of a quotation, this Agreement shall be deemed to have been voluntarily terminated by the Organization.
- 10.4 Where the client request withdrawal of their certificate, the reason for the withdrawal should be provided to CI if possible, and recorded. In the event the certificate is terminated or withdrawal CI shall,
- (a) inform the client that further promotion of the certification mark is prohibited.
 - (b) advise the client that they must inform any of their customers, where that business has been obtained based on certification to the relevant scheme.
 - (c) advise the client that they must return the certificate.
- 10.5 If the client does not return all copies of certificates as required, then CI may consider legal action to retrieve the certificates.

11. SUSPENSION AND RESTORING OF CERTIFICATE

- 11.1 CI may initiate or the client may request initiate suspension on their certificate. The reason for suspension shall be obtained or made known to the client and an certificate withdrawal letter shall be sent to the client.
- 11.2 Once suspension is decided, CI shall:
- (a) Inform the client that further promotion of the certification mark is prohibited.

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- (b) Advise the client that they must inform any of their customers, where that business has been obtained based on certification to the relevant scheme.
- (c) Advise the client of the requirements for re-instatement of their certificate which must occur within 6 months of the suspension date, including;
 - (i) where the suspension has occurred before a normal surveillance visit, then the minimum of a recertification assessment (RA) is required before re-instatement of the certificate; and
 - (ii) where the suspension is before an RA, then the minimum of a full initial assessment (Stage1 and Stage 2) is required.

NB: The purpose of (c) above is to ensure clients do not use the suspension process to avoid maintaining the surveillance programme.

11.3 The reasons for suspension may include;

- a) Missed surveillance audits.
- b) Significant major non-conformities indicating an ineffective management system.
- c) Serious breach of the use of the certification mark.

11.4 Missed surveillance audits where the period exceeds 15 months from the previous audit will result in automatic suspension.

11.5 Suspension of certification shall only be held for 6 months. If the concern has not been resolved within this time then the certification will be withdrawn and re-assessment required for the reinstatement of the certification.

12. SCOPE REDUCTION

12.1 Scope reduction will occur where certification requirements have not been met for a particular part of the scope; hence that part needs to be excluded.

Example: this could apply to an organisation with the scope "The provision of road building project management services and the provision of the temporary labour for the construction industry" may become "The provision of temporary labour for the construction industry", if that organisation has major non-conformities related to project management that are not closed, or project managers continue to make themselves unavailable for surveillance audits, such that this process is not covered in the audit cycle.

12.2 Where the scope of the certificate is to be reduced then a reduction of scope letter shall be sent to the client normally to inform the client that further promotion of the certification mark is prohibited for the part of the scope not now covered by certification.

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13. COMPLAINT AND DISPUTES

- 13.1 Should the Organization be dissatisfied with the services provided, then a complaint should be made immediately in writing to the Head Of Certification of CI so that suitable action can be taken. Such complaints will not affect any of these terms and conditions.
- 13.2 In the event that an application or certified organization wishes to complaint or dispute against any matters pertaining to the application, assessment, certification decision of CI, it can be do so by formally notify to CI, and upon receive of such notification, CI shall review the complaint/disputes accordingly, and if found necessary, a formal investigation shall be done and appropriate corrective action shall then be initiated.

14. OWNERSHIP OF CERTIFICATION

The Certificate and right to use the Quality Mark shall remain the exclusive property of CI and cannot be sold, lent, licensed or used as an asset of the Organization.

15. APPEAL

- 15.1 Should a client be unable to accept the auditor's recommendation as a result of the audit, the client may appeal against the decision.
- 15.1.1 Appeals are usually only likely to occur from non recommendation for registration-it is rare for a client to appeal against a positive recommendation.
- 15.2 Whatever the recommendation made by the auditor, the audit is subject to review and ratification by CI.
- 15.2.1 It is therefore possible (though not probable) that an auditor' decision not to recommend could be overruled and turned to a recommendation during ratification.
- 15.2.2 Under these circumstances an appeal would be unnecessary. The client should therefore be advised to appeal only after the ratification process has occurred.
- 15.3 To appeal the client shall write to CI and provide grounds for the appeal.
- 15.4 Upon receiving the appeal, CI may initially wish to investigate the grounds for the non recommendation with the auditor.
- 15.5 The Governing Board Of Certification International will form an independent group to hear the Appeal.
- 15.5.1 Whatever the situation it is the duty of the Governing Board to hold an independent, impartial and factual hearing.

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15.5.2 The Governing Board will form a binding and final conclusion.

15.6 Depending upon the circumstances the client may be requested to appear in person.

16. MAINTAINING AND RENEWING THE CERTIFICATION

16.1 A certified organization shall make all necessary arrangements for the conduct of the audits, including provision of examining documentation and the access to all processes and areas, records and personnel for the purposes of initial certification, surveillance, recertification and resolution of complaints.

16.2 A certified organization shall inform CI, without delay, of matters that may affect the capability of the management system to continue to fulfil the requirement of the normative standard used for certification.

16.2.1 These include, but not limited to, changes relating to,
(a) the legal, commercial, organization status or ownership;
(b) organization and management (e.g. key managerial, decision-making or technical staff);
(c) contact address and sites;
(d) scope of operation under the certified management system; and
(e) major changes to the management system and processes.

16.3 Any NCRs generated during the RA will need to be implemented and closed prior to the current certificate expiry date.

16.3.1 Failure to achieve this could result in performing a new assessment (Stage 1 and Stage 2) again, before a certificate can be issued.

16.4 Where there have been significant changes in an organisation over the audit cycle, such as key management changes, legislation changes etc. then a Stage 1 Audit needs to be considered before the RA.

16.4.1 The Lead Auditor will need to receive the necessary information to provide input on this decision, such as previous report etc.

16.5 In order to maintain the certificate surveillance and re-certification audits have critical schedule timing requirements as follows.

(a) The first surveillance audit after the Initial Audit must not be performed later than 12 months after the completion of the Stage 2 Audit.

(b) Following surveillance visit (s) shall be

- Annual audits can be performed +/-2 months from the target date
- 6 month audits can be +/-3 months from target date

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NB: the target date is the anniversary date of the last day of the Stage 2 audit,

- (c) For RA audits scheduling shall be
 - +/-2 months from the target date and
 - No less than 3 months before the expiry date of the certificate
- (d) Where a Stage 1 required for the RA (see Note below), this must be performed no less than 7 days prior to the RA.
- (e) For audits on a 6 month cycle, the last surveillance audit due before the RA can be delayed and combined with the RA. The total time for the RA would therefore be equal to an annual surveillance audit plus the extra time for the RA process.
NB: If surveillance audits are delayed such that they are outside of the above tolerances than additional audit time may be required to compensate for the delay. If RAs are delayed; this may lead to an audit equivalent to an Initial Audit being required.

17. CHANGE OF CERTIFICATION REQUIREMENT

17.1 In the event any changes take place to the certification requirement or regulation e.g. change in the normative standard, a due notice of sufficient time shall be given to the certified organization for the transition to comply with the such changes.

17.1.1 CI shall notify in writing to the certified clients on the changes.

18. EXTEND OR REDUCE THE SCOPE OF CERTIFICATION

18.1 A certified organization who intend to extend/ reduce the scope of certification shall notify CI in writing.

18.2 For the case extending the scope of certification, an application shall be made to CI by using the Application Form. CI shall then assign qualified auditor to perform an additional assessment at the fees commensurate with the assessment time spent for the special assessment arranged.

19. REQUEST FOR INFORMATION

19.1 Whenever there is a need for request for information for auditing and certification purposes, the client/ certified organization shall provide to CI the necessary information within the context of the management system to be certified or has been certified in order to process or execute the audit or certification services.

19.1.1 The information may includes, e.g. organisation charts, process map, process flow charts, list of procedures/documents, technical documents, product information, etc.

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20. OWNERSHIP OF CERTIFICATION

The certificate and right to use the Quality Mark shall remain the exclusive property of CI and cannot be sold, lent, licensed or used as an asset of the Organization.

21. FORCE MAJEURE

Failure of either party to perform its obligations under this Agreement shall not subject such party to any liability to the other if such failure is caused or occasioned by an act of God, fire explosion, flood, drought, war, riot, sabotage, embargo, strikes or other labour unrest, interruption due to the delay in transportation, compliance with any order, regulation or request of any government of competent jurisdiction or any officer, department, agency or committee thereof, or by any other event or circumstance of like or different character to the foregoing beyond the reasonable control of the party so failing to perform.

22. GOVERNING LAW

These Conditions shall be governed by and construed in accordance with Malaysia Law and the parties irrevocably submit to the exclusive jurisdiction of the Malaysia courts.

23. MISCELLANEOUS

- 23.1 Failure by CI to insist upon strict compliance with any provision thereof shall not be deemed to be a waiver of such provision or any other provision thereof.
- 23.2 The invalidity or unenforceability of any provision shall not affect the validity or enforceability of any other provision.
- 23.3 These Terms and Conditions may not be modified except by an agreement in writing signed by CI and the Organization.
- 23.4 CI understands the importance of impartiality in carrying out its management system Certification activities manages conflict of interest and ensures the objectivity of its management system certification activities.