

REGULATIONS RELATING TO REGISTRATION REGISTRATION AGREEMENT



Preamble

National Quality Assurance, USA Inc (NQA, USA), whose principal office is 4 Post Office Square, Acton, MA 01720, USA, is jointly owned by National Quality Assurance UK (NQA UK) and National Technical Systems Inc. NQA, USA works to approved NQA procedures and provides the following registration programs to National and International management systems standards such as the ISO 9000 series of standards, ISO 14001 and AS9100, in North and South America.

- ANAB registration to the approved NQA, USA schedule of accreditation.
- UKAS registration to the approved NQA UK schedule of accreditation.
- Registration to industry standards as approved by their oversight bodies (ex. IATF, QuEST, ESDA).

The registration procedures are identical for ANAB and UKAS accredited registration programs except where noted, and are defined as follows:

- NQA, USA issues ANAB certificates as defined under its schedule of accreditation.
- NQA, USA issues UKAS accredited certificates on behalf of NQA UK. NQA UK retains the responsibility for granting registration and the issue and withdrawal of all UKAS certificates of registration.

Where reference is made to 'the relevant standard' in these Regulations, this is to mean one or more of the standards forming the registration and any linked requirements (e.g. AS9100) against which registration is required. Clients should be aware that relevant standards and their associated oversight bodies have guidance documents to which NQA, USA must comply.

Confidentiality & Impartiality

1. All information acquired by NQA, USA, about an applicant or registered company, shall be confidential to both NQA, USA and NQA UK, except where required by an accrediting or oversight organization, shall not be disclosed to a third party without the written agreement of the company concerned. NQA, USA understands the importance of impartiality, manages conflict of interest and ensures the objectivity of its management systems services.

Registration

2. A company (or partnership, government department or other appropriate body), whose management system for part or all of its operation (its scope) has been assessed by NQA, USA as being compliant with the requirements of the relevant standard, may be granted registration. NQA, USA maintains and makes publicly accessible, on request, a directory of valid certifications. The continuance of registration for such scope is dependent upon the outcome of periodic surveillance of the company's system by NQA, USA in order to assure itself that all the requirements of the current edition of the relevant standard continue to be met by the company.

Management Representative

3. The Management Representative is the person, nominated by the company, who is functionally responsible to the executive management for the maintenance of that company's management system and who is fully conversant with the requirements of the relevant standard.

Application for Registration

4. The process of registration shall normally be conducted on site in two stages: stage one and stage two.
5. An application shall be submitted, for all addresses from which activities within the company's proposed scope of registration are arranged or carried out. These Regulations apply to all such addresses with equal validity.
6. An applicant shall be accepted by NQA, USA subject to the applicant's proposed scope of registration being contained within the appropriate published schedules of accreditation (see Preamble) at the time of application. NQA, USA may, at the request of the applicant, be prepared to proceed with an application, where the scope of registration is outside the current schedules of accreditation of NQA, USA and NQA UK.
7. It is the responsibility of applicants to satisfy themselves that the proposed scope of registration meets their requirements. The applicant shall also determine which accredited registration or combination of accredited registrations is required (see Preamble).

Stage One Assessment

8. An applicant shall permit NQA, USA to audit the company's management system using contract and/or staff assessors and experts appointed by NQA, USA for this purpose. The stage one assessment is aimed at establishing a company's readiness for the stage 2 audit by completing a document review and evaluating the level of implementation of the company's management system. Where a management consultant is also present, the applicant shall ensure that the consultant does not attempt to influence the course or outcome of the document review or evaluation. All fees related to the assessment process shall be as prescribed by Paragraph 19.

Stage Two Assessment

9. An applicant shall permit NQA, USA to assess the conformance of the company's management system against the requirements of the relevant standard using contract and/or staff assessors and experts appointed by NQA, USA

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for this purpose. The company shall have the right to raise an objection to the composition of the audit team, providing grounds for such objection. NQA, USA shall not unreasonably disregard the grounds for objection. The applicant shall provide unrestricted access to those parts of his business, premises and supporting documents covered by the proposed scope of registration. Office accommodation shall be made available for the duration of the assessment and the company's Management Representative shall be present, or available, throughout the audit and attend the opening and closing meetings. The Stage Two assessment visit shall normally take place within six months of the Stage One. In the event that the time interval exceeds six months, NQA, USA may require, by such assessors and experts as it may appoint, to verify that the company's DMS (documented management system) is not substantially changed. Prior to a recommendation for registration, a complete system internal audit and subsequent management review must be completed.

10. Where the assessor records departures from the relevant standard as a non-conformance, the company shall advise NQA, USA of the proposals to remedy these items through a Corrective Action Plan (CAP) within twenty working days following the audit, unless otherwise specified by an NQA, USA assessor.

Appraisal of Application for Registration

11. When considering an application for registration following assessment, NQA, USA may, at its discretion, decide to:
 - a. For accredited registration contained in NQA, USA's schedule of accreditation.
 - i) grant registration, or
 - ii) grant registration, subject to the submission by the company of a satisfactory CAP, or
 - iii) decline registration.
 - b. For accredited registration contained in NQA's schedules of accreditation.
 - i) recommend registration, or
 - ii) recommend registration to NQA, subject to the submission by the company of a satisfactory CAP, or
 - iii) not recommend registration.

Certificate of Registration and Replicas of the NQA, USA and NQA Devices

12. Following receipt of payment for services and acceptance of recommendation for registration, NQA, USA shall forward a Certificate of Registration detailing the company's scope of registration, the date of registration, validity period and the certificate number. The certificate shall incorporate the appropriate accreditation mark. The ANAB certificate is the property of NQA, USA and shall be returned, upon request, to NQA, USA on cessation of registration. Certificates issued by NQA remain the property of NQA and shall be returned, upon request, to NQA, USA on cessation of registration for whatever reason.
13. During the currency of its registration with NQA, USA or NQA, a company shall be entitled to advertise that fact and to use the NQA, USA and/or the NQA registration or certification mark(s) as appropriate, the former in the case of accredited scopes and the latter by all registrants. The only use of the IATF logo related to this certification scheme is as displayed on the certificate issued by NQA and any other use of the IATF logo separately or not is prohibited. All usage of all Registration and Certification Marks must be in accordance with the Conditions of Use of all Marks. No Company shall normally be permitted to hold more than one certificate number for each registration held.
14. A company registered with NQA, USA and/or NQA shall, at all reasonable times, be prepared to produce its registration certificate for inspection by an authorized representative of NQA, USA.

Conditions of Continued Registration

15. Registration shall subsist, without renewal, until the end of the NQA, USA fiscal year in which approval was given, subject to the satisfactory outcome of any periodic surveillance visits carried out by NQA, USA (see Paragraph 17) and compliance with this Regulations Relating to Registration as may be amended from time to time.
16. A company registered with NQA, USA and/or NQA shall be eligible for continued registration subject to:
 - a. payment of an Annual Registration Fee, as prescribed in Paragraph 19, and
 - b. access, by NQA, USA representatives, to those parts of the business and premises covered by the scope of registration for the purpose of periodic surveillance of the management system (see Paragraph 17), and
 - c. application being made for the inclusion of any additional addresses at which activities covered by the scope of registration are carried out or arranged and which are, in consequence, subject to the controls described in the company's DMS, and
 - d. application being made for changes to the company's scope of registration as a result of changes to the company's DMS, and

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- e. compliance, with the requirements of the relevant standard, and
- f. retention of records of Management Reviews, NQA, USA audit reports, and Internal Audits for a minimum period of three years, and
- g. notification to NQA, USA of significant changes to the company's management system to include size and scope and any change of status with a IAQG or IATF subscribing OEM.

The company shall notify NQA, USA of changes, under "Paragraphs 16c, 16d and 16g, twenty-eight days prior to coming into effect.

Periodic Surveillance/Special Visits/Short Notice Audits

17. The first surveillance visit shall take place within 12 months after the last day of the Stage 2 audit. Subsequent surveillance visits shall normally be undertaken on an annual or semi-annual basis as deemed necessary by NQA, USA (unless further visits are deemed necessary by NQA, USA).
- a. In some instances a special visit may be required for the clearance of a major non-conformance or to upgrade to a new revision of the applicable standard. It is understood that these visits are at the discretion of NQA, USA and the client will be given adequate notice of the required special visit and its purpose.
 - b. It may be necessary for NQA to conduct audits at short notice to investigate complaints, as a result of changes, major nonconformities or suspension. In such cases NQA will describe and make known in advance the conditions under which these short notice visits are to be conducted, and will exercise additional care in the assignment of the audit team because of the lack of opportunity for the client to object to audit team members.

Reassessment

18. All accredited Registrars are required to perform a reassessment every three years. The purpose of the reassessment is to verify the overall continuing effectiveness of the organization's management system in its entirety. Additional audit days will typically be added to accomplish this activity.

Fiscal Year, Fees and Charges

19. Fees and charges as prescribed are non-refundable and are subject to change with prior notice by NQA, USA. All payments are on terms of net 30 days, unless specifically noted in the paragraph below.
- a. Initial Registration Fees - Once the purchase order and/or signed quotation are received, the registration process must be completed within one (1) year or prices are subject to change. An invoice will be issued at the conclusion of each Initial Audit activity.
 - b. Fees for annual Audit Activities - All planned activities for the upcoming year are invoiced in advance at the beginning of NQA's fiscal year, which begins February 1st.
 - c. Annual Administrative and applicable Certification Fee(s) for new customers will be invoiced after the Initial Audit activities have been completed. Other charges, to include special visits deemed necessary by the Registrar or required by the accreditation bodies will be invoiced after the activity is completed.
 - d. Rescheduling Fee - When a company cancels a scheduled activity at short notice, usually NQA, USA must cover fees applicable to the assessors scheduled travel for the activity. These fees may include wages, airline fares, etc. Therefore, once a date has been agreed upon between NQA, USA and the customer, if the customer requires a cancellation or change to the scheduled audit within 30 calendar days of the scheduled visit, a cancellation fee of 50% of the activity cost and all travel rescheduling expenses will be levied. Re-Scheduling within 14 Calendar days will incur a surcharge of 100% of the activity fee and associated travel expenses incurred.
 - e. Travel expenses - The client will be responsible for all travel costs and expenses associated with the activities (airfare, hotel, meals, etc). Some reduction in travel costs may be possible if NQA, USA and the client are able to coordinate activities with other companies. Sharing of costs could assure the client the lowest price possible. The client may choose to make travel and accommodation arrangements for the auditors, and thus would be billed directly by their travel agent.

Appointments

20. Applicants and registrants shall be given adequate notice of a visit by any NQA, USA assessor. Cancellation by an applicant or registrant at relatively short notice, as prescribed from time to time, shall incur a Rescheduling Fee (see Paragraph 19).

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Suspending, Withdrawing or Reduction of Registration

21. NQA, USA may, at any time, cease consideration of an application, or cancel, or recommend that NQA cancel, the registration of a company for failure to make payment of the prescribed fees and charges, as requested by Paragraph 19, or of any charge required by these Regulations within twenty-eight days following the date of the appropriate invoice. The decision to cease consideration of an application, suspend, reduce the scope or to cancel registration, shall be notified to the company in writing and shall be deemed to become effective at the expiration of fourteen days after the date of dispatch of the letter.
22. NQA, USA may, at any time, withdraw or recommend that NQA withdraw the registration of a company if it is shown to the satisfaction of NQA, USA that:
 - a. it has committed a breach of any of the obligations imposed by these Regulations, or
 - b. it fails to maintain its management system to the requirements of the relevant standard, or
 - c. it fails to rectify departures from the relevant standard observed by an NQA, USA assessor during periodic surveillance of the management system, or
 - d. it fails to notify NQA, USA of the existence of new addresses that either arrange or carry out work covered by the existing scope of the company, or
 - e. it fails to notify NQA, USA within twenty-eight days of a change of company ownership which results in a change to the controlling interest of the company, or
 - f. it attempts to mislead its clients about the location or source of a service within its scope of registration, or
 - g. it has made use of the registration or certification marks or devices of NQA, USA and/or NQA (as described in Paragraph 13) in a manner which is likely to bring NQA, USA or NQA into disrepute, or
 - h. it fails to advise NQA, USA within twenty-eight days, of a change of Management Representative at any of its business locations covered by its certificate of registration, or
 - i. it becomes bankrupt or insolvent or has filed under Chapter 11 form, or if in the opinion of NQA, USA, the nature of its work has changed or it shall cease to trade or if there be any change in the ownership of the business that materially affects the conditions under which the company was registered, or
 - j. it performs any act, which in the opinion of NQA, USA, is contrary or prejudicial to the objects or reputation of either NQA, USA or NQA, or
 - k. it fails to inform NQA, USA within twenty-eight days of a known breach of legislation which has a direct bearing upon the registration issued, or
 - l. the certified company has voluntarily requested a suspension.
23. Before deciding whether or not to withdraw the registration of a company in accordance with Regulation -22, NQA, USA shall inform the company in writing and by registered mail, of the intention to do so and the reason for this action. NQA, USA shall afford the company the opportunity to make representation in writing to NQA, USA within fourteen days of the date of recorded dispatch, and shall ensure that consideration of such representation has been made (by the registrar responsible for the issuance of the certificate of registration) before a final decision as to whether or not to withdraw registration of the company is made.
24. A decision to withdraw the registration of a company under Regulation -22 shall be notified in writing by registered mail. The registration of a company which is withdrawn shall not be transferred to any other company. Notwithstanding Paragraph 1, NQA, USA or NQA may make public the withdrawal of registration and the associated regulation(s) which was infringed.

Complaints

25. NQA, USA maintains a documented process for receiving, evaluating, and making decisions on complaints. Upon receipt of the complaint, NQA, USA confirms whether the complaint relates to its certification activities or relates to the activities of a certified client. The complaints handling process includes methods for recording, tracking, validating, investigating, and deciding what actions should be taken in response to the issue. Whenever possible, NQA, USA shall acknowledge receipt of the complaint and shall provide feedback to the complainant on the progress and final outcome. This process shall be subject to requirements of confidentiality, as it relates to the complainant and to the subject of the complaint.

Appeals

26. A company may make representation to the Independent Certification Board (ICB) of NQA, USA against any decision of NQA, USA to refuse to grant registration, or to withdraw registration except for matters relating to Paragraphs 19 and 22. Similarly, a company may make representation to the ICB of NQA against decisions made

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- by NQA in regard to a registration issued by NQA. The ICB of NQA, USA and the ICB of NQA, are independent of the management of both NQA, USA and NQA, and are established to oversee the operations of the respective companies registration programs and to ensure that the registration programs are appropriate and impartial. Notice, in writing, setting out the grounds for such representation, shall be served to NQA, USA or NQA, as appropriate, within fourteen days of the date of notification of the decision disputed. The registration of a company shall not be withdrawn so long as consideration of the representation, or an appeal, is pending.
27. The responsible ICB shall rule on the representation made to it. Such a ruling shall be communicated directly to NQA, USA or NQA, as appropriate, who in turn shall forward the ruling to the company by registered mail. The company shall inform NQA, USA or NQA as appropriate, within fourteen days from the date of recorded dispatch, if the ruling is not accepted and it intends to lodge an appeal. A nil response will be treated as acceptance of the ICB's ruling. Notice, in writing, setting out the grounds for such appeal, shall be served on NQA, USA or NQA, as appropriate, within twenty-eight days of the date of recorded dispatch.
 28. An appeal shall be heard by an Appeals Committee especially convened for the purpose. The company shall make a monetary deposit to NQA, USA or NQA, as prescribed from time to time by NQA, USA or NQA, as appropriate, within fourteen days of being notified of the intention to establish an Appeals Committee.
 29. The Appeals Committee shall consist of not less than three persons nominated by the Chairman of the responsible ICB, none of whom shall be an employee of NQA, USA or NQA, a member of the Board or a member of the ICB. No member of the Appeals Committee shall have any commercial or vested interest in the matter under consideration. The company shall have the right to raise an objection to the composition of the Appeals Committee. The grounds for such objection shall be made by the company in writing and notified to NQA, USA or NQA, as appropriate, by registered mail within fourteen days of the date of being notified of the composition of Appeals Committee. The grounds for such objection shall not be unreasonably disregarded by NQA, USA or NQA or the Chairman of the respective ICB. The decision of the Appeals Committee shall be binding on NQA, USA, and NQA and the appellant.
 30. Where an appeal against the decision of NQA, USA or NQA is successful, the sum deposited shall be returned to the company. In all other cases the deposit shall be retained by the deposit holder. Each party will bear its own costs regardless of the outcome of the appeal.

Misuse of NQA, USA and NQA Certificates of Registration or Marks

31. A company, whose registration has been withdrawn, shall not exhibit, or cause to be exhibited, its former certificate of registration or any copy of it, either on its premises or elsewhere, nor shall it use or display, or permit to be used or displayed, any reproduction, print or replica of the registration or certification marks in any form or on any material whatsoever.
32. All certificates of registration must be returned promptly to NQA, USA when there is either a legitimate requirement for a change to its detail or upon cancellation of the company's registration under either Regulation 19 or Regulation 22.
33. Unless registered by NQA, USA or NQA, a company shall not be permitted to use, or cause to be used, the words 'National Quality Assurance, USA Inc', 'NQA, USA', 'National Quality Assurance Limited' or 'NQA' in any manner or for any purpose whatsoever, in connection with its business, its company or trading name, nor shall it in any way represent itself or its business as being so registered.

Law and Jurisdiction

34. The registration process and the validity, construction and performance of these Regulations shall be governed by Massachusetts law. If any provision of this Agreement is held invalid by any law and/or regulation, all other provisions hereof shall continue in full force and effect.

Language

35. All audits will be conducted in English unless prior arrangements have been made.

Right of Entry

36. The organization shall permit the NQA, USA audit team to be accompanied by NQA internal auditors, accreditation or oversight body auditors for the purposes of witnessing the NQA, USA audit team. The organization shall permit access to ANAB representatives, IATF representatives or their delegates for the purposes of Accreditation Market Surveillance Assessments/Validation Audits.

Warranty/Disclaimer of Warranty and Liability

37. NQA, USA warrants that the services provided hereunder shall conform to the specifications and express warranties set forth herein and that at the time of delivery, NQA, USA shall have the right to confer and/or transfer the same and that the same shall be delivered free of encumbrances. Any services performed by NQA, USA will be

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performed in a workmanlike manner with minimal impact to the client's business operations. NQA, USA will modify or correct any such Services which have not been so performed if written notice of any such failure is given to NQA, USA within thirty (30) days of the date such service is performed. NQA, USA warrants that the Services provided hereunder meet the Specifications and Requirements of the appropriate oversight bodies. No claim of any kind with respect to the conformance of the Services to the foregoing Specifications, whether or not based on negligence, warranty, strict liability or any other theory of law, will be greater than the price of the nonconforming Services in respect to which such claim is made. The foregoing constitutes the client's exclusive remedy and NQA, USA's sole obligation with respect to any such claim. THERE ARE NO EXPRESS WARRANTIES BY NQA, USA OTHER THAN THOSE SPECIFIED IN THIS PARAGRAPH 37. NO WARRANTIES BY NQA, USA (OTHER THAN WARRANTY OF TITLE AS PROVIDED IN THE UNIFORM COMMERCIAL CODE) WILL BE IMPLIED OR OTHERWISE CREATED UNDER THE UNIFORM COMMERCIAL CODE OR ANY OTHER THEORY OF LAW, INCLUDING WITHOUT LIMITATION WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

Indemnity

38. Each party hereby agrees to indemnify and hold harmless the other party from any form of action, lawsuit, claims, losses, costs (including attorney's fees), expenses or damages arising from the injury, illness or death of the indemnifying party's employees, agents, customers and invitees related to the Services supplied by NQA, USA under this Agreement, except to the extent such injury, illness or death is proven to have been caused by, resulted from, or was in any way connected with the negligence or gross malfeasance of the party to be indemnified. Under all circumstances and conditions, without limitation, the liability of NQA, USA shall never exceed the price of the Services provided hereunder.
39. Notwithstanding anything else in this Agreement to the contrary, the client hereby indemnifies and holds harmless NQA, USA from and against any and all claims, liabilities, costs (including legal fees), expenses, damages, penalties and fines which do not occur or result directly from NQA, USA's performance pursuant to this Agreement. In addition for Food Safety Management Programs, such as ISO 22000.2005 and HACCP the client shall include NQA-USA under its own liability and product insurance for the purpose of liabilities, costs, expenses, damages, penalties and fines associated with a product recall or related claims by consumer.

Force Majeure

40. NQA, USA shall not be liable in any respect should it be prevented from discharging such obligations as a result of any matter beyond its control which could not be reasonably foreseen.

Entire Agreement

41. This agreement, together with any terms and conditions of Attachment(s) hereto, constitutes the entire agreement between the parties and supercedes all previous agreements, which are hereby made null and void. No terms and conditions in any form of purchase order, order acknowledgment or other acceptance forms of NQA, USA or client issued with respect to this transaction shall alter the terms hereof and objection is hereby made to all such additional or different terms. Acceptance is expressly limited to the terms offered herein. No modification or waiver of this Agreement shall bind NQA, USA, or the client unless in writing and signed and accepted by duly Authorized Representatives of NQA, USA and the client.

Revised: 5 Dec 2011