

# Code of Practice 2nd Party Audits

## 1. INTRODUCTION

This Code of Practice has been prepared in accordance with the respective requirements of the certification scheme, the fulfilment of which is the responsibility of SGS Holding Deutschland B. V. & Co. KG or the respective domestic company affiliated with it within the meaning of Sections 15 et seq. AktG (each hereinafter referred to as "SGS") within the scope of an audit.

## 2. AREA OF VALIDITY

SGS provides services to individuals, companies or businesses (hereinafter each "Customer"). SGS may provide Services itself or, at its discretion, through (a) its own employees, (b) an affiliated SGS company or (c) another trusted natural or legal person. If any part of the Services is subcontracted, SGS shall be fully responsible for awarding, maintaining, extending, limiting, suspending or withdrawing any certification that may be mandated and for ensuring that such arrangements are properly documented. are documented.

SGS informs customers in good time of changes to the requirements for certification.

## 3. CONFIDENTIALITY

SGS treats information that becomes known to it in the course of its activities as confidential at all levels of the company. No information is disclosed to third parties except in the context of a statement in legal proceedings or due to binding official or mandatory legal regulations. The name, address and other contact details of the client as well as the scope of certification may be entered in relevant directories.

## 4. FORMATION OF THE CONTRACT

After any preliminary discussions with the client, a quotation with details of the The client will be sent a quotation with details of the scope and costs of the services.

## 5. OBLIGATIONS OF THE CLIENT

The client is obliged to observe the following procedures and rules in order to obtain and maintain any certification that may have been commissioned:

- (a) The customer shall provide SGS with all documents, product samples, dra-

wings, specifications and other information required by SGS to carry out the project. The customer shall designate a person authorised to maintain contact with SGS.

- (b) If SGS determines that not all requirements for certification have been met, it shall inform the client of those issues that led to the failure of certification.
- (c) Should the customer be able to demonstrate within the time limit set by SGS that remedial action has been taken to meet all the requirements, SGS shall arrange for the necessary parts of the project to be repeated, if this is the subject of the order. The additional costs for the repetition shall be borne by the customer.
- (d) In the event that the customer has not taken acceptable remedial action within the time limit given to it, it may be necessary for SGS to repeat the entire project if this is the subject of the order. The additional costs of such a repeat shall be borne by the customer.
- (e) The determination of conformity applies only to those sites listed in the certificate issued, if any, or other annexes to the certificate.

## 6. EXHIBITION OF CERTIFICATES

If SGS is satisfied that the customer and/or a subcontractor of the customer to be audited on behalf of the customer or other third party (hereinafter: "supplier") meets all the requirements for certification, it shall inform the customer thereof and, if instructed, issue an appropriate certificate for the customer and/or the supplier. The Certificate shall remain the property of SGS and may only be copied or reproduced for third parties if the word "copy" is noted on the certificate.

The certificate, if issued, shall remain valid until the end of its term, unless it is determined during a surveillance audit that the customer and/or supplier no longer meets the relevant standards, norms or regulations in accordance with the certification scheme. no longer fulfil the relevant standards, norms or regulations according to the certification scheme.

SGS reserves the right to decide on a case-by-case basis, at its own discretion and taking into account the applicable provisions, to make the issuance of the

Certificate conditional on the full settlement of remuneration or other payment claims of SGS in connection with the respective Certificate or previous services provided to the customer.

## 7. CERTIFICATION MARK

After issuing a certificate, SGS may also allow the client to use a specific certification mark. After issuing a certificate, SGS may also allow the client to sublicense the use of a particular certification mark to a supplier. The use of such marks is conditional upon the client and/or supplier holding a valid certificate for the certification scheme and complying with the rules for the use of the certification mark set out by SGS. Any misuse of the certification mark constitutes non-compliance with the certification rules and may result in suspension of certification. The responsibility for compliance with the obligations under this contract remains solely with the client even in the case of sub-licensing to a supplier.

## 8. MONITORING

If contractually agreed, regular surveillance audits shall be carried out in connection with the certification scheme. The client shall ensure that the auditor is granted access to all sites or products for surveillance purposes whenever necessary. SGS reserves the right to make unannounced visits, depending on the certification scheme.

The results of each monitoring visit are communicated to the client.

## 9. RECERTIFICATION

The renewal of a certificate at the end of the certified period requires a new application. The client is usually advised of the impending need for recertification during the last visit before recertification, i.e. the last surveillance visit within the respective certification period. However, the client bears the full responsibility for applying for recertification in due time.

## 10. EXTENSION OF THE SCOPE OF CERTIFICATION

The client shall submit a separate request if the scope of a possibly granted certificate is to be extended to additional locations or areas. An audit shall be carried out for locations / areas not previously certified. The costs for extending the scope of certification depend on the type and scope of the services.

After a successfully completed audit procedure / project, an updated certificate will be issued - if part of the contract - showing the extended scope of certification.

### **11. CHANGES**

The client shall inform SGS in writing of any intended changes that could possibly lead to a deviation from standards, norms or regulations related to the certification scheme. SGS shall then decide whether the planned changes require additional audits. Failure by the client to inform SGS of planned changes may result in the suspension of the certificate.

### **12. ADVERTISING BY THE CUSTOMER**

Subject to compliance with the applicable regulations regarding the certification mark(s), the client is permitted to publicly display the certification as well as to display the respective certification mark on letterheads and in advertising materials and internet presence in connection with the respective scope of certification. SGS may allow the client to transfer this right to a supplier. A transfer of this authorisation by the supplier in turn is not permitted.

The client shall in any case ensure that publications and advertising materials with regard to certified and non-certified systems, products, locations or the like neither create ambiguities nor mislead third parties in any other way. This obligation also exists in the event of sub-licensing to a supplier.

### **13. MISUSE OF CERTIFICATES AND CERTIFICATION MARKS**

SGS is entitled to take appropriate measures at the customer's expense against false or misleading indications misleading references to a certification or against the misuse of certificates or certification marks. These include the suspension or withdrawal of any certificates issued, legal action and/or publication of the misuse. This authorisation also exists if the facts mentioned in sentence 1 have been realised by a supplier.

### **14. SUSPENSION OF A CERTIFICATE**

SGS may suspend a certificate, if granted, for a certain period of time, in particular in the following cases:

- (a) if a request to take remedial action has not been satisfactorily complied with within the time allowed; or
- (b) if an instance of abuse under Clause 14 is not remedied by means of appropriate withdrawals or other appropriate remedial action by the Customer; or
- (c) in the event of a breach of the Offer, the General Conditions of Certification, this Code of Practice or the rules governing the use of the certification mark; or
- (d) if tests are not carried out within the prescribed time frame.

In the event of suspension of the certificate, the client and/or the supplier shall be prohibited from describing themselves as certified or from using certification marks.

SGS shall notify the customer in writing of the suspension of certificates. At the same time, SGS shall specify the conditions under which the suspension of the certificate can be lifted. At the end of a suspension period, a check is made to see whether the specified conditions for lifting the suspension of the certificate have been met. If they have been fulfilled, the suspension is lifted and the client is informed about the reinstatement of the certificate. If the conditions are not met, the certificate is revoked.

All costs incurred by SGS in the context of the suspension and reinstatement of certificates costs incurred by SGS shall be borne shall be borne by the customer.

### **15. WITHDRAWAL OF CERTIFICATES**

A Certificate, if issued, may be withdrawn if (a) the Customer and/or Supplier takes insufficient remedial action in the event of suspension; (b) the contract is terminated by SGS with the Customer. SGS is entitled in all these cases to withdraw the Certificate with written notice to the Customer.

In the event of the withdrawal of a certificate that may have been granted, the costs of the audit procedure will not be reimbursed.

### **16. DELETION OF A CERTIFICATE**

Any certificate granted will be cancelled if (a) the customer notifies SGS in writing that renewal of the certificate is not desired, (b) business operations are discontinued, or (c) the customer does not submit the application for renewal in time. renewal in due time.

In the event of cancellation of a certificate that may have been granted, the costs of the audit procedure will not be reimbursed.

### **17. OTHER**

Unless otherwise expressly agreed in writing, all services shall be performed in accordance with the General Terms and Conditions for 2nd Party Certification Services. In the event of contradictions with these provisions, the General Terms and Conditions for 2nd Party Certification Services shall prevail.

**THE SGS GROUP IS THE WORLD'S LEADING TESTING, INSPECTION AND CERTIFICATION COMPANY. THE SGS-TÜV SAAR AS A JOINT VENTURE OF SGS AND TÜV SAARLAND E. V. ENSURES RELIABILITY AND QUALITY OF PROCESSES, PRODUCTS AND TECHNICAL SERVICES.**