

Verification Regulation

1. General

- 1.1. These Verification Regulations apply to audits, conformity assessment procedures as per EC directives and certifications carried out by verico SCE. The services offered by verico SCE also include information on normative requirements or approval procedures.
- 1.2. Certificates do not become valid until all verico SCE requirements in connection with the audit and system certification have been satisfied.
- 1.3. With each order the client acknowledges the validity of the current version of the General Terms and Conditions, agreed fees and/or schedules of fees and these Verification Regulations. Existing contractual relationships are governed by the respectively valid versions of these documents. Prior to placing an order, the client shall inform verico SCE whether the system to be audited has already been audited in a similar way by another organization.
- 1.4. The Verification Body evaluates the documents submitted by the auditors. It decides whether a certificate is to be issued and handles disagreements concerning verification via the complaint procedure.
- 1.5. Certificates, certificates of conformity, assessments based on EC directives relate to the version of the relevant directive valid on the date of issue of the certificate. Such certificates do not entitle the holder to use a verico SCE certification mark. Any marking that may prove necessary falls under the responsibility of the persons indicated in the relevant Directive.
- 1.6. Auditors/representatives of the respective accreditation bodies are entitled to participate in verico SCE witness audits on the business premises of the client or his/her subcontractor.
- 1.7. verico SCE also provides reports as computer documents. In this case, the hard copy of the audit report represents the legally binding document.

2. Certificate expiry or withdrawal

- 2.1. A certificate expires if and when
 - 2.1.1. the indicated period of validity expires;
 - 2.1.2. the certificate holder terminates the certificate or his/her membership in the certification system at the end of the year by giving written notice at least 3 months prior to certificate expiry;
 - 2.1.3. the certificate holder objects in writing to amendments to the General Terms and Conditions, these Verification Regulations or the Price List within 6 weeks after such amendments have come into effect or within 6 weeks after the certificate holder has had the possibility of taking note of them;
 - 2.1.4. proceedings are opened under the Insolvency Code with regard to the assets of the certificate holder or an application for the opening of such proceedings is refused for lack of assets;
 - 2.1.5. the certificate holder discontinues his/her business operations;
 - 2.1.6. the legal requirements, the requirements of an accreditation body or the codes of practice on which the certificate is based change, unless the certificate holder demonstrates, within a certain defined period, through re-auditing carried out by verico SCE at the certificate holder's expense that the system is in line with the new codes of practice;
 - 2.1.7. the underlying (basic) certificate becomes invalid;
 - 2.1.8. the certificate holder is obliged to withdraw the certified service from the market.
- 2.2. The Verification Body may withdraw a certificate without notice or declare it invalid if
 - 2.2.1. further use of a certification mark/certificate is no longer justified, i.e. no longer meaningful within the market context or is prohibited by law; in such cases, verico SCE will provide an alternative mark, if possible;
 - 2.2.2. misleading or unauthorized advertising is conducted, in particular, specifically in connection with certification marks or certificates, or certification marks or certificates are misused, or legal requirements not met;
 - 2.2.3. the certificate holder, despite receiving reminders to that effect, fails to pay outstanding invoices to verico SCE. Failure to make partial payments may also lead to withdrawal of all certificates;
 - 2.2.4. the certificate holder files a petition for the initiation of insolvency proceedings, third parties initiate compulsory execution proceedings relating to the certificate holder's rights arising from the certificate. The certificate holder shall notify verico SCE immediately of such measures;
 - 2.2.5. the certificate holder violates these Verification Regulations, unless such violation is only due to negligence or insignificant acts.
- 2.3. In addition, the above reasons also entitle the Verification Body to restrict, revoke or suspend system certificates for a certain period.
- 2.4. The Verification Body is entitled to publish details of the withdrawal, expiry, declaration of invalidity, restriction and suspension of a certificate; continued advertising or other use of the certificate/mark or the name of verico SCE is prohibited in all such cases. A certificate that has been withdrawn has expired or has been declared invalid shall be returned to the Verification Body and/or destroyed upon the Verification Body's written request. License fees paid in advance shall not be reimbursed; fees that have not yet been paid are fully payable in such cases.
- 2.5. Apart from cases of willful intention and gross negligence, verico SCE shall not be liable for any disadvantages arising for the client from non-issue, withdrawal, expiry, restriction or suspension of a certificate.

3. Advertising; publishing of certificates, certification marks and assessment reports; information

- 3.1. A certificate or mark referring to a management system may only be used to promote the system concerned. Product-related advertising using a verico SCE mark is not permissible in cases where a mere certificate of conformity or management system certificate has been issued. In the non-regulated area, verico SCE certification marks document voluntary certification, which is identified accordingly.

The certificate holder assumes full and complete responsibility for the use of his/her certificate, certification mark or assessment report. Specifically, when promoting a product which has been voluntarily tested, all advertising must indicate this voluntary aspect as well as the standard or entity that has issued the standard.

Audit reports prepared by verico SCE may only be quoted with their exact and complete wording, giving the date of issue. Use of the audit report prepared by verico SCE or the name of verico SCE for advertising purposes is subject to written approval.
- 3.2. verico SCE is entitled to publish the names of certificate holders and audited management systems and the like for consumer information and advertising purposes.

4. Retention of documentation

- 4.1. As far as clients are in possession of pertinent documentation, they must retain them for a period of 10 years after expiry of the certificate or marketing approval. System certification documentation shall be retained for the term of validity of the certificate plus a minimum of 2 years.
- 4.2. All other legal provisions going beyond the above shall remain unaffected.
- 4.3. Claims for damages against verico SCE shall be excluded, in particular if the client fails or is unable to provide a document returned to or retained by him in an unchanged condition.

5. Violation of Verification Regulations

- 5.1. verico SCE is entitled to claim payment of a contractual penalty of up to EUR 250.000 in the case of culpable violations of these Verification Regulations by the certificate holder. This applies more specifically if a system labelled with the certification mark is used in marketing prior to the issue of the certificate, if unauthorized advertising takes place or if a certificate or certification mark is misused.
- 5.2. The certificate holder is liable for costs charged to verico SCE by an accreditation body or costs directly incurred by the Verification Body in connection with activities resulting from culpable violation on the part of the certificate holder, in particular violation of these Verification Regulations. This applies in particular if verico SCE's activities were the result of instructions issued by a supervisory authority or similar instructions and if such instructions proved to be justified

Terms and conditions for management system auditing and certification

1. General

verico SCE carries out management system (hereinafter referred to as "system") auditing and certification in the regulated area, incl. EU directives, in compliance with the requirements of accreditation bodies. verico SCE does not offer consultancy services relating to management system establishment.

Usually, the auditing and certification contract has a 3-year term of validity (certain Directives may define other terms of validity). Contract validity will be extended automatically by another 3 years, unless the contract is terminated in writing by the client or verico SCE observing a 3-month period of notice to contract expiry.

2. Preliminary system assessment, pre-audit

On request, verico SCE offers the following services which can also be independent of a certification procedure:

- 2.1. Based on management system documentation, improvement potential in the system description is pointed out in a preliminary assessment as compared with the requirements of the respective legal basis or standard. The client receives a report on the results of the assessment.
- 2.2. The aim of the pre-audit, the on-site and total scope of which is defined jointly with the client, is to draw attention to weak points in the system. In general, a pre-audit is carried out by a single auditor, who should be a member of the audit team that will perform the (certification) audit. The auditor informs the client of the results in a closing meeting; if re-quested, verico SCE prepares a pre-audit report. Only one pre-audit may be carried out.

3. Certification Procedure

3.1. Preparation

3.1.1. Opening meeting

At the client's request, the following points can be discussed in advance:

- objective, benefits and prerequisites of certification
- steps in the certification procedure with respect to contents and time
- legal basis, standard governing the audit, audit scope
- cost estimate

3.1.2. Preparation for certification audit

After the client has accepted in writing the quotation submitted by verico SCE, the client's management appoints an Audit Representative, who is responsible for the certification procedure; verico SCE informs the client of the auditors assigned to the audit (audit team or lead auditor). Requirements outlined in the applicable standards and regulations pertaining to unauthorized consultancy on the part of auditors are observed. The client has the right to reject auditors. In addition and in as far as legal regulations do not object, clients are entitled to be informed of the certification procedures in which the auditors have participated over the last two years. If external auditors are employed, the client will be sent any information necessary for assessment of the auditor's impartiality and exclusion of competition.

3.2. Certification audit

An initial certification audit is carried out in two stages (stage 1 and stage 2 audit).

3.2.1. Review and evaluation of management system documents / stage 1 audit

The client provides the Verification Body with all management system documentation concerning his/her system (manual and, if necessary, further documents such as documented procedures, work and test instructions) for review and assessment of compliance with the applicable Directives and Standards.

The Verification Body reviews the management system documentation – to the extent required also on site – the site-specific conditions of the client, the client's status and understanding of standard requirements/statutory and legal aspects and their specific implementation in management system documentation.

Based on the results of the stage 1 audit, the Verification Body assesses whether the level of management system implementation is sufficient for conducting a stage 2 audit and plans the process and priorities of the stage 2 audit. The details of the stage 2 audit will be agreed with the client.

The Verification Body documents the findings of the stage 1 audit and notifies the client thereof, including information about areas of concern which may be classified as non-conformities in the stage 2 audit.

The interval agreed between the stage 1 and stage 2 audit, will give the client sufficient time to eliminate any identified areas of concern (weaknesses).

3.2.2. On-site audit certification / stage 2 audit

Prior to the stage 2 audit, the client receives the audit plan, which has been coordinated with him/her, for information purposes. During the audit, clients demonstrate practical implementation of their documented procedures, while the auditors check and evaluate system effectiveness on the basis of the agreed standard or legal provisions. Clients grant auditors access to the respective units of the company and allow them to review all system-relevant records.

After audit completion, verico SCE informs the client of the audit result in a closing meeting and an audit report. Non-conformance reports countersigned by the Audit Representative include the required corrective action. In the case of non-conformance one (1) re-audit is possible; the costs being based on the time needed (current daily rate).

If non-conformances become evident during the audit that are so serious that certificate award appears unrealistic even after reasonable corrective action, verico SCE informs the client of the termination of the certification audit and recommends that the audit should be continued as a pre-audit. In such cases, verico SCE will charge for the costs incurred up to audit termination (including report).

3.3. Certification

If all requirements of the applicable standard are satisfied and all legal and official regulations observed, the Verification Body will issue a certificate, generally with a three (3)-year period of validity from the date of the certification decision.

3.4. Surveillance audit

Unless specific regulations, standards or EC resolutions require other periods of validity, a certificate is valid for three years, provided that annual surveillance audits are carried out at the company with positive results. These surveillance audits must be carried out within twelve months of the last day of the stage 2 audit at the latest, provided that no other date has been determined for specific regulations. In justified cases, the verico SCE shall be entitled to carry out audits at short notice (ad-hoc audits) at the expense of the certificate holder. The Verification Body specifies the conditions under which these audits announced at short notice will be carried out, and communicates them to the certified client. To prepare for the surveillance audit, the valid management manual and a list of all modifications that have been effected must be submitted to the auditor. In the surveillance audit, the auditor checks selected management system elements by sampling and prepares a report.

3.5. Further surveillance activities

Further surveillance activities may include:

- Enquiries regarding certification aspects addressed by the Verification Body to certified clients
- Assessment of client information about their operations (e.g. advertising materials, web pages),
- Requests addressed to clients to provide documents and records (on paper or electronic media), and
- Other means of monitoring the performance of the certified client.

3.6. Re-certification audit

If a re-certification audit is carried out in the company well in advance of certificate expiry, certificate validity may be extended for a further period. In such cases, overall system effectiveness is checked by means of random sampling. To prepare for the audit, the valid management manual and a list of all modifications that have been effected must be submitted to the auditor/audit team. In cases involving major changes to the system, a stage 1 audit may first be required.

4. Supplementary contractual terms

4.1. As far as possible, the Verification Body is obliged to see that clients use certification correctly in advertising. The Verification Body reviews and evaluates complaints by third parties and changes in the client's organization that come to its knowledge. It informs the certificate holder of substantial changes to the certification and surveillance procedure as well as of any changes in the standards which are relevant for certification.

4.2. The client shall satisfy all reasonable requirements pertaining to certification and supply all reasonable information required for auditing.

Certificate holders shall inform the Verification Body in writing of all important changes in their systems and about modifications in company structure/organization that affect the management system. These changes may include, for example:

- legal or organizational status;
- commercial status or ownership;
- organization and/or management
- contact address and sites
- scope of operations under the certified management system, and
- major changes to the management system and processes

In addition, certificate holders shall document internal and external complaints relating to their management systems as well as implemented corrective action and provide such information during the audit.

4.3. Despite the fact that verico SCE generally informs the certificate holder of due surveillance/repeat audits, certificate holders must request such audits at least three months before they become due within the 12-month-cycle in order to maintain the validity of a certificate.

4.4. In cases involving changes in the standards, regulations or codes of practice underlying certification the existing contractual documentation will be amended accordingly. The number of auditor days cited in the quotation shall apply subject to the approval of the Verification Body.

4.5. Integrated management systems must allow specific aspects of individual systems to be identified.

4.6. The Verification Body shall make information about issued or withdrawn certificates available to the public.

4.7. Clients shall

4.7.1 comply with the requirements of the Verification Body with respect to referencing their certification status in communication media (e.g. Internet, brochures, advertising materials or other documents).

4.7.2 upon certificate suspension or withdrawal, discontinue the use of their advertising materials containing reference to their certification status, in line with the instructions of the Verification Body.

4.7.3 amend all their advertising materials if their scopes of certification have been reduced.

4.7.4 not make or permit any misleading statements about their certifications.

4.7.5 not use any certification documentation or parts thereof in a misleading manner or permit such use.

4.7.6 not permit any reference to their management system certification which may imply product (including services) or process certification by the Verification Body.

4.7.7 not imply that certification applies to activities outside the certification scope.

4.7.8 not use their certifications in a manner discrediting the Verification Body and/or the certification scheme or jeopardizing public confidence.

4.8. Objections shall be addressed directly to the Verification Bodies of verico SCE. The Verification Bodies maintain documented procedures governing the handling of objections. A description of the procedure is made available to the public.

4.9. Complaints shall be addressed directly to the Verification Bodies of the verico SCE in question. The Verification Bodies maintain documented procedures governing Complaints Management. A description of these procedures is made available to the public. The Verification Body will forward complaints about certified clients within an appropriate period of time to the certified clients in question.