

## GENERAL TERMS AND CONDITIONS FOR THE PERFORMANCE OF QUALITY MANAGEMENT SYSTEM CERTIFICATIONS

### **Article 1 Applicability**

- 1.1 These General Terms and Conditions shall apply to all agreements with NVT-QC to perform certification services rendered by or on behalf of NVT-QC. These General Terms and Conditions shall apply unless the parties have expressly otherwise agreed in writing.
- 1.2 In these General Terms and Conditions NVT-QC or NVT means NVT Quality Certification Pvt. Ltd.
- 1.3 The party who has requested NVT-QC to render certification services intended herein is hereinafter referred to as "the Other Party".

### **Article 2 Validity of quotations**

If any quotation submitted by NVT-QC does not state the term of validity, this term shall be a period of sixty days.

### **Article 3 Effectuation of the agreement**

A quotation submitted by NVT-QC shall result in an agreement to perform audit services only if the Other Party has accepted such quotation in writing within its term of validity, or if NVT-QC has confirmed in writing an order of the Other Party.

### **Article 4 Delay of the order**

- 4.1 In the event of delay in or prolongation of the services agreed upon, NVT-QC shall have the right to charge the Other Party for any additional expenses incurred, if no blame for such delay or prolongation can be attributed to NVT-QC employees or to any persons involved in the performance of the services by order of NVT-QC.
- 4.2 The provisions of Article 4.1 shall also apply in the event that the audit is performed for the purpose of certification by a third party and that third party requires one or more additional audits to be performed. The same applies when it is the choice of the Other Party to request additional audit services. In such cases NVT-QC shall not be responsible for the delay.

### **Article 5 Rates and payments**

- 5.1 The rates agreed upon will be increased by Service tax and any other taxes connected with the services to be performed by NVT-QC and for which NVT-QC is responsible. The rates are based upon the execution of orders under non-exceptional circumstances. The Other Party shall be responsible for any taxes payable.
- 5.2 NVT-QC may adjust the rates once a year.
- 5.3 In the event that the Other Party requests a reaudit due to the incompleteness or inadequacy shown by the audit, or for any other reason, the Other Party shall be charged separately for the costs thereof.
- 5.4 Payments shall be made without deduction or setoff of any kind. Invoice shall be sent before audit in any case payment of invoice shall be made on the last day of the audit. Possible complaints concerning the invoice shall be lodged within that term, but shall not lead to suspension of the obligation to pay.
- 5.5 In the event that the Other Party fails to effect payment within thirty days, the Other Party shall owe NVT-QC interest on the sum still due at a rate of eighteen percent per annum above the Rs. basic interest, starting on the due date and ending on the date of payment.
- 5.6 In the event that NVT-QC takes measures for the recovery of debts or for the maintenance of its other rights in respect of the Other Party, the Other Party is bound to indemnify all expenses incurred by NVT-QC to this end. These expenses shall include all payments made to third parties called in for the execution of such measures and all expenses incurred by NVT-QC within its own organization which can reasonably be assumed to originate in whole or in part from the said measures.
- 5.7 Prior to the (further) execution of orders, NVT-QC is at all times entitled to require sufficient security to be furnished by the Other Party for its obligations towards NVT-QC.
- 5.8 The Other Party remains at all times responsible towards third parties, including the public authorities concerned, for compliance with the relevant legal requirements.

### **Article 6 Cooperation by the Other Party**

- 6.1 The Other Party shall, at its own cost (including shipping costs), make available to NVT-QC any and all materials, information and data required by NVT-QC to perform the certification services agreed upon.
- 6.2 The Other Party shall allow access to NVT-QC/AB/IAQG & regulatory agencies to the appropriate production locations and shall ensure the security of the persons concerned.
- 6.3 The Other Party shall co-operate with NVT-QC as required with respect to required documents, information, evidences, interviews with the personnel, visit to the different site locations during phase-I, phase-II, surveillance and renewal audits.
- 6.4 Witness audits are one of the requirements to maintain the accreditation by National Accreditation Board for Certification Bodies NABCB/AB/IAQG. To comply with this requirement, NABCB/ANAB/IAQG may witness the audit of NVT-QC at any of the client organizations. This will be purely an audit of NVT-QC audit process, and has no bearing on the organization's management system. Other Party hereby agrees to allow access to the AB/ANAB and Other Party (OP) representatives, of any nationality, to its works for the purpose of witness audits by ANAB.

#### **Article 7 Reports and certification**

- 7.1 NVT-QC shall submit to the Other Party a written report (*soft copy*) of the results of the audit performed *in case of QMS audits. In case of AQMS audits, NVT QC shall inform to the other party that the report is available in OASIS database.*
- 7.2 The contents of the reports, exhibits, certificates and/or letters originating from NVT-QC may only be published word for word, in their entirety and in the language in which they were written.
- 7.3 Unless NVT-QC has expressly granted the Other Party the right to use a certificate, certification mark and/or an attestation of conformity, the Other Party shall not in any manner suggest to third parties that there has been certification by NVT-QC, as intended in Article 13.

#### **Article 8 Confidentiality**

- 8.1 Each party shall treat as confidential any and all information received by the other party in the course of the performance of the services agreed upon or acquired in any other manner, the secrecy of which is known or should reasonably be recognized by the receiving party. Each party shall use such information only for the purpose of carrying out the obligations agreed upon. These obligations shall remain in force notwithstanding the termination or dissolution of the agreement(s) in question. The methods and techniques applied by NVT-QC shall in any event be deemed to be confidential.
- 8.2 NVT-QC shall be authorized to provide information to third parties/AB/IAQG including putting information in OASIS database on the basis of the applicable conditions of the relevant accreditation or designation of NVT-QC as a certifying institution. Likewise, if the request for an audit is aimed at certification by a third party, NVT-QC shall be authorized to provide information to that third party.
- 8.3 The provision of Article 8.1 does not apply to information which
- a is or will become public without a wrongful act of the receiving party, or
  - b is lawfully made available to the receiving party by a third party without the obligation of confidentiality, or
  - c was demonstrably already in the receiving party's lawful possession prior to the receipt thereof, or
  - d was designated in writing as non-confidential by the other party, or
  - e is published or disclosed to the appropriate authority by the receiving party due to a legal obligation to do so.
- 8.4 After the termination or expiration of the agreement(s) between the parties, each party shall, without delay, return to the other party the confidential information received from that party, subject to the right of the first party to retain one copy of such documents for the event that a dispute between the parties arises.
- 8.5 NVT-QC's employees are bound to follow rules of conduct in order to guarantee the confidentiality and the independence of the audit performed.

#### **Article 9 Subcontracting**

NVT-QC shall be entitled to engage external auditors & not organisations for the performance of the activities agreed upon, but assumes the full responsibility and liability therefore, without prejudice to the provisions of Article 10. The provisions of Article 8.5 shall apply to such persons.

#### **Article 10 Liability**

- 10.1 NVT-QC shall only be bound vis-à-vis the Other Party to pay damages that are a result of a negligent failure of NVT-QC to carry out any of its obligations agreed upon on behalf of the Other Party or as a result of a wrongful act of NVT-QC, only if and insofar this is set forth in the provisions of these General Terms and Conditions.
- 10.2 NVT-QC's liability for any damage intended in Article 10.1 shall be limited to the amount of fees charged for the service rendered.
- 10.3 In no event shall NVT-QC be liable for any consequential damages, including but not limited to damages resulting from delay in the performance of the services agreed upon, loss of information of the Other Party, loss of profit, loss of sales and damage of reputation or goodwill of the Other Party or third parties.
- 10.4 Any liability for damages on the part of NVT-QC shall lapse if the Other Party has not informed NVT-QC in writing of the damages within seven days after the date the damages were discovered or reasonably should have been discovered. NVT-QC's liability shall lapse in any case if the Other Party has not initiated legal action for the recovery of the damages within one year after the date of the performance of the services which caused the damage.
- 10.5 The Other Party shall indemnify NVT-QC against all expenses and claims by third parties - including NVT-QC personnel – for compensation of damage resulting from or caused in connection with performances by NVT-QC for the Other Party. The Other Party is only under an obligation to indemnify NVT-QC if and insofar as NVT-QC can invoke an exclusion or limitation of liability vis-à-vis the Other Party under the agreement.
- 10.6 The limitations of liability of NVT-QC intended in these General Terms and Conditions do not apply to damages caused by willful misconduct or gross negligence on the part of NVT-QC or its management.
- 10.7 The limitations on the obligation to pay damages as well as the Other Party's obligation to indemnify in accordance with these General Terms and Conditions, are also stipulated for the benefit of NVT-QC's employees and for the benefit of third parties which NVT-QC has engaged for the performance of the obligations agreed upon.
- 10.8 NVT-QC shall not be liable for failure to fulfil any of its obligations in case the failure is caused by circumstances beyond NVT-QC's control (force majeure). During force majeure NVT-QC's obligation to fulfil its obligations shall be suspended. In the event that the performance of NVT-QC's contractual obligations is made impossible by force majeure for a period longer than thirty days, each party shall be entitled to dissolve the agreement without judicial intervention and without any obligation whatsoever to compensate the damages to the other party.

#### **Article 11 Termination of the agreement**

- 11.1 Notwithstanding the provisions stated in the foregoing articles, in the event that the Other Party fails, fails to properly or fails to timely fulfill any of its obligations towards NVT-QC, NVT-QC shall be entitled to suspend performance of the agreement, or to dissolve the agreement without judicial intervention, in whole or in part, without any obligation for NVT-QC to pay damages, but without prejudice to NVT-QC's right to seek compensation for the detriment resulting from the Other Party's failure and the suspension or the dissolution of the agreement. The same applies if NVT-QC fears that the Other Party will fail to fulfill its obligations and the Other Party does not provide adequate security for such fulfillment upon NVT-QC's first request to do so. In those instances all accounts receivable by NVT-QC from the Other Party will become payable forthwith.
- 11.2 In the event of the Other Party's bankruptcy, suspension of payment, or liquidation, if the Other Party is placed under a trustee or administrator or under any other form of legal restraint, the Other Party will be deemed to be in default by operation of law; this will give NVT-QC the right, without formal notice of default and without judicial intervention, to dissolve the Agreement in whole or in part on the same conditions as stated above.
- 11.3 In the unlikely event NVT-QC were to lose any such sector qualification, the NVT-QC would facilitate the transfer of any registration to the other registrar in expeditious manner.

#### **Article 12 Disputes and applicable law**

- 12.1 Any disputes resulting from or connected with the execution of an agreement governed by these General Terms and Conditions shall be brought for settlement solely before the competent court in Bangalore, India, notwithstanding NVT-QC right to refer the dispute to another court which would be competent without this provision.
- 12.2 The conclusion and execution of the agreements governed by these General Terms and Conditions shall be governed by the laws of the India

#### **IN THE EVENT THAT THE OTHER PARTY AND NVT-QC ENTER INTO A CERTIFICATION AGREEMENT, THE FOLLOWING TERMS AND CONDITIONS SHALL ALSO APPLY**

#### **Article 13 Certification agreement**

The agreements entered into by NVT-QC in which the Other Party is granted the right to make use of a certificate, certification marks and/or attestations of conformity ("certification"), only written agreements signed by both parties are valid.

#### **Article 14 Fees**

- 14.1 The annual fees agreed upon for the right intended in Article 13 will (also) serve to cover the certification and registration costs made by NVT-QC, and the Other Party shall pay such fees in advance.
- 14.2 Unless otherwise agreed, follow-up audit services performed by NVT-QC within the framework of the certification shall be charged against the rates then applicable, subject to the provisions of Article 5.

#### **Article 15 Publicity and publications**

- 15.1 NVT-QC shall be entitled to publish the issuance or withdrawal (if any) of the certificate or attestation of conformity.
- 15.2 The Other Party has no right to use NVT-QC's name for any other purpose than in connection with the certification by NVT-QC, without NVT-QC's prior consent in writing to do so and notwithstanding the provisions of Article 16.5. The Other Party shall make use of the certificates and/or attestations of conformity submitted by NVT-QC without detriment to the good name and reputation of NVT-QC. Any and all publications must be made in such manner that no wrong suggestion is made with respect to the field of use or the location for which the certification applies or with respect to the applicable standards or requirements. In case of certification of a management system the affixing of certification marks or other signs on the products is not permitted.
- 15.3 In the event that - in the opinion of NVT-QC - the Other Party has released false or incorrect announcements or publications, the Other Party shall rectify the same without delay to NVT-QC's satisfaction when requested to do so by NVT-QC.

#### **Article 16 Compliance with rules and regulations**

- 16.1 The Other Party shall comply with the applicable legal rules and directives as well as the requirements and provisions laid down by NVT-QC, and shall render assistance for follow-up audits. The Other Party shall be charged separately for samples purchased by NVT-QC in connection with such follow-up audit.
- 16.2 In case of management system certification, the Other Party shall, during the term of the certification agreement, ensure the compliance of the management system with the applicable standard and the strict observance of the procedures and rules in question. The Other Party shall keep a protected quality manual at NVT-QC disposal. Article 6 fully applies.
- 16.3 In case the Other Party resolves to make any alterations to management system(s) assessed by NVT-QC which may affect the conformity of the same with the relevant requirements and/or standards, the Other Party shall inform NVT-QC without delay about the alterations planned, including the data listed in the certificate or attestation of conformity in question. The certification agreement does not cover management systems and the Other Party shall not be authorized to make use of the certificate or attestation of conformity in connection with such altered management systems.
- 16.4 In case the Other Party does not meet the requirements laid down in the certification agreement and these General Terms and Conditions, NVT-QC shall be entitled to

- a request the Other Party to nonetheless meet the requirements within a certain period of time and to charge the Other Party for a subsequent reaudit - Articles 4 through 12 of these General Terms and Conditions are fully applicable - ; or
  - b withdraw the certification - whether temporarily or definitely - to take effect at once and to publish that fact. In case of withdrawal the Other Party shall refrain from using the certificate, certification mark or attestation of conformity as well as suggesting in any manner whatsoever that it would still be entitled to use the same. The same applies in the event that the certification agreement expires by operation of law or is terminated by either party. When requested to do so by NVT-QC, the Other Party shall in those instances return the certificate.
  - c The procedure NVT/QP/2/006 for "PROCEDURE FOR GRANTING, MAINTAINING, EXTENDING, SUSPENDING, WITHDRAWING OR REDUCING OF CLIENT CERTIFICATE", placed in the section "information" of NVT QC website [www.nvtquality.com](http://www.nvtquality.com) may be referred to for details.
- 16.5 All certification marks and other signs must be used in the original layout, proportion and typography employed by NVT-QC. In the event that the certification is only related to a management system the Other Party is not entitled to affix any certification marks or other signs of NVT-QC on its products. The Other Party shall not suggest to third parties that NVT-QC is responsible for the operations of the Other Party. The Other Party shall not make use of any marks or signs which may be confused with the certification marks and/or other signs covered by the certification agreement.

#### **Article 17 Disputes and complaints**

- 17.1 The Other Party has the right to appeal against decisions of NVT-QC. In case NVT-QC decides to reject such appeal, the Other Party has the right to appeal against such decision to the Committee of Experts of NVT-QC within six weeks from the date of NVT-QC's decision.
- 17.2 Article 12 applies to any and all other disputes other than those intended in Article 17.1, notwithstanding the provisions of Articles 17.3 and 17.4.
- 17.3 In the event that NVT-QC receives complaints pertaining to systems it has certified, NVT-QC will investigate the accuracy of such complaints. The complainant as well as the Other Party shall be heard and the results of the investigation shall be reported to them both. In the event that NVT-QC considers the complaint well-founded, the Other Party shall take measures without delay in order to satisfy the complainant insofar as possible and to prevent a subsequent complaint.
- 17.4 In case of a difference of perception concerning a complaint as intended in Article 17.3, the parties shall submit the complaint for audit by an Appeal, Complaints & Disputes Committee, established by NVT-QC within the framework of its accreditation by the National Accreditation Board for Certification Bodies/AB. Each party shall bear its own costs related to the complaint procedure, unless the Appeals, Complaints & Disputes Committee decides otherwise.
- 17.5 In the event of a challenge of any member of the Appeals, Complaints & Disputes Committee as intended in Article 17.4, Indian Laws shall apply. The Committee of expert shall, without delay and from its own members, designate a new member in the Appeals, Complaints & Disputes Committee, when necessary.
- 17.6 NVT-QC shall not participate in any negotiations related to the financial consequences of the inferiority services delivered, or of management systems unless the consumer and Other Party jointly request NVT-QC in writing to do so.
- 17.7 The Other Party shall record all complaints and/or incidents related to management systems certified by NVT-QC, as well as actions of competent authorities in connection therewith, and make the same available to NVT-QC at its first request. The Other Party shall indicate how the complaint was dealt with and if any corrective measures were taken.

#### **Article 18 Indemnification**

The Other Party shall indemnify and hold NVT-QC harmless against any and all claims to recover damages resulting from Management system certified by NVT-QC.

#### **Article 19 Term and termination of the certification agreement**

- 19.1 Unless otherwise agreed upon, the certification agreement shall be entered into for an indefinite period of time.
- 19.2 In case of a limited period of validity of the certificate(s) in question, each party shall have the right to give notice to terminate the certification agreement before the date of the expiration of said validity period. In the event that the certification agreement covers more than one certificate, the agreement can be terminated with respect to each certificate before the date of the expiration of the validity period of the certificate in question. NVT-QC will not terminate the certification agreement unless continuation of the same cannot reasonably be required from NVT-QC for business reasons and notwithstanding the provisions of Articles 11 and 16.
- 19.3 In the event that the certificate(s) in question do(es) not have a limited period of validity, each party may terminate the agreement with respect to each certificate subject to three month's notice. The provision of the last sentence of Article 19.2 is applicable.
- 19.4 The certification agreement shall in any event expire with respect to each certificate in the event that the applicable statutory provisions and/or regulations expire or are altered in such manner that the certified management systems no longer comply therewith.

#### **Article 20 OASIS Database(for AQMS Certification)**

- 20.1 AQMS Certified Organisations shall allow NVT-QC to provide Tier 1 and Tier 2 data to the OASIS database.
- 20.2 Organisation shall provide access to the data in OASIS database to the customers/authorities unless justification is provided.
- 20.3 If organisation loses the AQMS standard certificate they shall provide immediate justification to the customers.
- 20.4 Organisation shall identify an OASIS administrator and be responsible for notifying the certification body significant changes in the organization.
- 20.5 Failure to comply with the above shall be the cause for the withdrawal from the ICOP scheme and OASIS database both.