

RULES OF CERTIFICATIONS

The applicant organization (hereinafter referred to as Client) upon signature on the Application for Certification shall abide by the rules and conditions laid down herewith and shall take necessary measures to correct any violations noticed by VQMI and/or brought to the knowledge of VQMI by parties concerned with the certification.

1.0 DEFINITIONS

Where used in the rules and conditions, the terms listed below shall have the following meaning:

VQMI	Velosi Quality Management International Limited
Client	An applicant organization or a individual applying to VQMI for certification of the management system
Certification	The decision by VQMI that the client’s management system meets the requirement of the specific standard
Management System Standard	Any recognized commercial, national or international standard governing management systems e.g. ISO 9000, ISO 14000, etc.
Certificate of compliance	Document issued upon certification to recognize that the management system has been assessed by VQMI and found to meet the requirements of the management system standard appearing on the certificate for the scope of certification. Each certificate bears a certificate number, issue date and expiry date giving company name, address and scope of certification. The certificate of Compliance cannot be transferred to any other organization

2.0 Introduction to VQMI

VQMI is an independent third party certification body limited by shares and is self- financing. VQMI is a subsidiary of Velosi Certification Bureau Limited, United Kingdom.

3.0 Confidentiality

VQMI management and staffs are committed and work on principles of impartiality, responsibility, openness, confidentiality and responsive complaints.

Competence of VQMI personnel shall be demonstrated by the ability to apply knowledge and skill. VQMI makes decisions to grant certification if there is sufficient evidence of conformity, or not to grant certification if there is not sufficient evidence of conformity.

VQMI shall not disclose any information relating to clients business or any of their associated affairs except that information which is required to be verified and/or reviewed by VQMI accreditors. When required by the local regulations or for legal reasons, relevant confidential information will be disclosed to the authorities with prior information to the client. The company pledge to adopt and administer absolute Non-discriminatory policy.

4.0 Contract Review

Client shall initially fill-up a Request for Quotation that is reviewed by VQMI as per its contract review procedures prior to sending out a Quotation for Certification. Client shall provide necessary clarification sought by VQMI on the Request for Quotation during the course of Contract Review. The quote submitted by VQMI shall indicate the per man-day fee, as appropriate, towards document review, initial assessment (Stage 1 and Stage 2), three year surveillance & re-certification, charges related to travel and accommodation and any other expenses payable by the client. Client shall formally accept the quotation by signing and returning the Declaration and Acceptance (Last page of Quotation). A lead auditor and audit team members, where required, is nominated and assessment activities commence in accordance with VQMI procedures. The client may seek changes to the audit team members by cause within a time frame specified on the audit notification.

5.0 Requirements from client

The client shall:

- a) Document and maintain a management system in accordance with the selected standard. Perform one cycle of internal audit covering all requirements of the management system standard followed up by a Management review meeting prior to the initial certification audit by VQMI.
- b) Nominate a management representative (one deputy in his temporary absence) to enable VQMI to establish contact when desired.
- c) Inform VQMI immediately of major changes to client management; organization, business activities and process capability (e.g. addition or deletion of design) that affect the current status of certification to enable VQMI to evaluate the same.
- d) Major changes to be informed to VQMI as at (c) above may include as appropriate, merger of organization, changes to top management, changes to title of the organization, additions of facilities/ product lines or discontinuation of product lines and significant increase or decrease in the number of employees.
- e) Extend necessary cooperation during the assessment including providing information on health, safety and environmental requirements to be fulfilled by VQMI auditors including appropriate office space for working.
- f) Allow VQMI access to sites in order to assess the management system to determine compliance /continuing compliance to the designated standard and provide information necessary for evaluation by VQMI.
- g) Maintain a complete and clear record of all complaints received regarding the quality of its products and services and resolution thereof and provide access to VQMI to evaluate action taken on such complaints.
- h) Provide access to investigate into any complaints received by VQMI about client. This may necessitate extra visit to be made to client facilities depending upon the nature of such complaints. The fees for such visits shall be charged at agreed man-day rates, though VQMI shall make efforts to investigate such into such complaint during surveillance visits.
- i) Evaluate and maintain all legal and regulatory compliance for the organization.
- j) Provide records of all communication and actions taken in relation to complaints or communication from customers, interested parties or regulatory authorities, regarding environmental aspects / impacts.

Ensure that the certificate of compliance, quality mark, certification mark or audit report, or any part thereof issued by VQMI, is not used in a misleading manner.

VQMI shall have top management commitment to impartiality in management system certification activities. VQMI shall identify, analyze and document the possibilities of conflict of interests arising from provision of certification including any conflicts arising from its relationships.

6.0 Certification audit

The initial certification audit for all new applications are performed in two parts (Stage 1 and Stage 2) .

STAGE 1 Audit.

The stage 1 audit is conducted by visiting the client premises and covers the following:

- To review the client's management system documentation
- To evaluate the client's location and site-specific condition and to undertake discussions with the client's personnel to determine the preparedness for the stage 2 audit.
- To review the client's status and understanding regarding requirements of the standard, in particular with respect to the identification of key performance or significant aspects, processes, objectives and operational of the management system.
- To collect necessary information regarding the scope of the management system, processes and location(s) of the client, and related statutory aspects and compliances (e.g. legal aspects of quality, environmental and safety related client's operation, etc.)
- To review the allocation of resources for stage 2 audit and agree with the client on the details.
- To provide a focus for planning the stage 2 audit by gaining a sufficient understanding of the client's management system and site operation in the context of possible significant aspects.
- To evaluate if the internal audits and management review are being planned/ performed, and that the level of implementation of the management system substantiates that the client is ready

- for the stage 2 audit. The onsite audit would be at least for one manday.
- In case any discrepancies are noticed, the Lead auditor may prefer to raise observations or NCRs and the client will be requested to take corrective action and inform VQMI so that stage 2 audit can be planned.

STAGE 2 Audit.

VQMI audit team shall perform on-site assessment in accordance with audit checklist. Client management system documents are assessed to establish effectiveness of the implementation of the system across the organization by taking samples of records, reviewing/witnessing on-going process operations and by interviewing personnel performing the tasks. The comments/observation and NCRs of stage 1 is taken into consideration while finalizing the audit plan for stage 2. NCRs of stage 1 are reviewed and closed before planning the stage 2 audit.

At the end of the stage 2 audit, the Lead Auditor shall present the audit findings to the client management and also inform the audit recommendation that will be made to the VQMI Certification Decision Committee. The audit non-conformance is classified by VQMI as Major or Minor, the definition for which is explained to the client during the opening and at the closing meeting. The non-conformance(s) are documented in the format for non-conformance note (NCN) and issued to the client for initiating investigation and action. Depending on the nature of the findings the lead auditor shall indicate the requirement of a follow-up audit prior to recommending for certification. Follow-up audit shall be performed on agreed date(s) and fees charged as per agreed man-day rates in the accepted quotation.

The lead auditor may modify the scope of certification based on the audit findings and client request. However, addition of a facility, a new product line or a process capability shall only be considered during the course of the audit provided the lead auditor interacts and obtains approval from the Head of Operations at the VQMI head office prior to completion of the audit.

When certification audits are aborted due to lack of implementation, VQMI shall conduct complete assessment for the agreed man-days estimated for initial certification. Fees for aborted audit shall be charged for man-days or part thereof spent including other costs applicable for each visit as per agreed quotation. Aborted audits are not considered for initial certification decisions.

7.0 Certification decision

The Certification decision committee based at the VQMI head office shall make the final decision for granting certification. The lead auditor shall forward the audit report and other documentation for review by the certification decision committee clearly stating his/her audit recommendation. The proposed action suggested by the client on the NCN's raised shall be satisfactorily reviewed by the lead auditor before certification decision is made by the committee. When recommendation is approved by the committee a certificate of compliance shall be issued by VQMI. When decision committee does not accept the recommendation of the lead auditor, the certification is not issued and the client shall have the freedom to lodge an appeal with VQMI governing board. A certificate of compliance is issued providing the description of the scope recommended by the lead auditor and accepted by the certification decision committee.

A draft certificate of compliance shall be forwarded to the client for review prior to issue of the original certificate. The certificate of compliance shall be valid for a period of three years from assessment completion date.

8.0 Surveillance audits

After initial certification, surveillance audits will be carried out at intervals indicated in the accepted quotation. Surveillance audits are carried out to verify that the certified management system continue to comply with the requirements and rules of certification specified herein. Non-conformances identified during the surveillance audits shall be documented and classified as described in 6.0 above. The lead auditor shall submit the audit report and related documentation providing recommendation for continual validity of certification or otherwise after the completion of the surveillance audit for review by the VQMI certification decision committee. When follow-up audit is recommended, the same shall be conducted as per man-day rates agreed in the quotation. Surveillance audits shall be carried out at agreed frequency or within 30 days thereof, for any specific cause.

9.0 Suspension and withdrawal of certificates

VQMI shall hold complete responsibility towards its certification decision and shall have full right to either suspend a certification and/or withdraw the same including reduction of scope of certification. Suspension of certification can occur when one or more of the following situations, as applicable, and reflected in a written request from VQMI is not corrected within the defined time:

- No actions/objective evidence visible on major non-conformances issued during initial, re-certification and/or surveillance audits.
- Recurring major non-conformity noticed by the audit team indicating ineffective controls in place.
- Major changes to organization structure including change in ownership or addition/deletion in responsibility of any product realization stage that affect the current status of certification. (e.g. addition of design responsibility) unless informed to VQMI and included in the system.
- No evidence of conducting planned internal audit and/or management review in two successive surveillance audits.
- Analysis of a complaint or any other information to indicate that the client no longer complies with the VQMI Rules of Certification.

A follow-up audit is mandatory to verify the effectiveness of action taken. In-effective action or no response from the client within the time-frame indicated on the written request will lead to formal withdrawal of certificate. The client shall comply with post withdrawal actions requested by VQMI within the time frame determined by VQMI.

All fees associated with follow-up visit shall be charged as per man-day rates agreed in the quotation.

Once withdrawal of certification takes place, the client shall undergo a complete certification process similar to initial certification within a period not less than six (6) months from the date of formal withdrawal of the previous certification

VQMI shall maintain list of certified companies and this information is made available to anyone who wishes to know the status of certification of any company including certification/suspension/withdrawn status

10.0 Requirement for use of quality mark and reference to certification

The attachment 1 indicates the TWO exhibits that represent the pattern in which the quality marks is permitted to be used under different situations. When VQMI quality mark and accreditor mark is used in conjunction it is referred to as certification mark. Clients that hold accredited certification shall use certification mark.

Exhibit 1 shall be used by clients that hold an accredited certificate. Clients that hold non-accredited certificates shall use Exhibit 2. The size of the accreditor mark must not exceed the size of the VQMI quality mark.

The certification mark may only be used on correspondence, advertising and promotional material and must not be used except in connection with those products or services described in the scope of certification. The certification mark may be used only on those materials (e.g. letterhead, marketing literature, advertising, invoice stock forms etc) relating to the particular facility and processes/product lines included within the scope of certification.

When certification mark is printed on a stationary not exceeding size A4 it shall be displayed with a height of minimum 20mm and not larger than 30mm. The minimum width to include two marks in one block including the certificate number and the standard number shall be 25mm.

Proportional increase/reductions shall be allowed on stationary of larger size than A4. However, client shall ensure that the marks, including the standard and the certificate number are legible with no distortion or overlapping.

The requirement at (e) and (f) above shall also apply to packaging material and promotional products. The requirement specified at (i) below shall govern though. The certification mark shall be produced in single color either deep blue or red. Use of other color will require approval by VQMI.

The certification mark may not, under any circumstances, be used directly on or closely associated with products in such a way as to imply the products/services are certified by VQMI. The certified organization undertakes to discontinue any use of certification mark that is unacceptable to VQMI and any form of statement that in the

opinion of VQMI might be misleading. Upon withdrawal of the certification by VQMI or upon request by client or due to cancellation of certification contract with VQMI, the client undertakes to immediately discontinue use of all marks and to destroy all stocks of material on which they appear and return all certificates to VQMI. Any deviation or specific use of quality mark or certification mark for special purposes like small advertisements, on vehicles/cars shall only be allowed with the written consent from VQMI. The client shall not use certification in such a manner as to bring VQMI into disrepute and does not make any statement regarding its certification, which VQMI may consider misleading or unauthorized.

VQMI shall initiate direct communication with the client to rectify any misuse of the quality mark and/or certification mark or improper reference to certification noticed by their auditors including those violations brought to the notice of VQMI by any interested parties and general public subject to thorough investigation as per laid down procedures. Failure to address or rectify reported misuse might lead to suspension and ultimately withdrawal of certification.

11.0 Complaints/Disputes and Appeals

VQMI shall investigate all complaints and disputes related to the certification process reported by the client and shall initiate timely corrective action to eliminate the cause(s) established. If the client is not in agreement with the auditor recommendation or certification decision made by the certification decision committee, then he has the complete freedom to lodge an appeal addressed to the Certification Scheme Manager of VQMI. The client shall submit all supporting evidence along with the appeal request. A committee constituted by the General Manager of VQMI shall investigate the appeal and prepare a report. The committee may hear evidence from the client representative. The General Manager shall approve the decision arrived at by the appeals committee shall be treated as final. No further appeal will be allowed. No costs, for whatever reason, will be allowed for either party as a result of an appeal.

12.0 Fee structure & Terms of payment

Fees and associated costs shall be paid as per rates agreed in the quotation. VQMI Standard Auditor man-day rate is USD 500. All payments shall be made within 30 days from the date of invoice. For payments made after 45 days from the date of invoice, the client shall pay an additional interest amount of 1.25 % per month on the value of the invoice proportionally for all days after 30 days.

Initial certificate of compliance shall not be issued by VQMI unless all payments as per invoice are made as above. Commission, bank transfer charges or similar expenses incurred while effecting payment shall be borne by the client.

13.0 Limits of liability

In respect of any claim, loss, damage or expense however arising, VQMI's liability to the client shall in no circumstances exceed the fee amount paid by the client to VQMI. Under no circumstances VQMI be liable for any consequential loss

14.0 Indemnification

The client will completely indemnify VQMI against any loss suffered by and/or any claims against VQMI arising from misuse by the client on the certificate of compliance issued by VQMI.

15.0 Revisions

The governing board of VQMI completely reserves the right to amend and/or revise the rules and conditions stipulated herein. VQMI shall communicate to its client nature of changes and the time frame within which actions, if any, are to be initiated by the client including changes to the management system documents. The actions taken shall be verified by VQMI during surveillance audits.

@ @ @ @ @