

CERTIFICATION CONDITIONS

DEFINITIONS

Material: Raw material or components used in the manufacture of the product.

Product: The commodity at any stage of its manufacture.

Certificate: The document that provides evidence of approval to use the SATAS logo.

Certification Requirements: The specific product requirements contained in the relevant product specification.

Specification: The relevant product specification as defined in the certificate.

Certifier: The Certification body SATAS.

Certificate holder: The Company to which a Certification Permit has been awarded.

Acceptable: Satisfying the requirements of SATAS.

C/A: Complaint and Appeals:

CAC: Certification Advisory Committee

SATAS: South African Technical Auditing Services

Supplier: Any individual or organization delivering services to SATAS that may have an influence on certification.

1. REQUIREMENTS FOR PERSONNEL INVOLVED IN QUALITY FUNCTION

- 1.1 The certificate holder shall appoint a competent person as management representative who will have the responsibility for ensuring that these requirements are implemented and maintained. The name of the person is to be submitted to SATAS during audits/inspections.
- 1.2 The management representative is also responsible to ensure that all personnel performing quality verification activities including client sub-contractors are competent in their duties.
- 1.3 SATAS reserves the right to establish competence of such personnel through evaluation and/or testing.

2. FEES

- 2.1 On receipt of the completed MS 1.1 Application for Certification a MS 3 quotation shall be prepared by SATAS based on the information supplied.
- 2.2 The MS 3 quotation shall be included as annexure A in these Certification Conditions.
- 2.3 Acceptance of these Certification Conditions and the MS 3 quotation shall be indicated by the applicant signing and returning the Certification Conditions prior to the assessment taking place.
- 2.4 The original and signed Certification Conditions shall be submitted to SATAS during the initial assessment.
- 2.5 The MS 3 quotation shall address the relevant aspects of the following:
 - 2.5.1 Assessment fee: To cover the costs of the application, initial assessment of the manufacturing facility's quality management system and product inspection.
 - 2.5.2 Pre-certification sampling for testing: To cover the costs of sampling for product testing prior certification being awarded.
 - 2.5.3 Post-certification sampling for testing to cover the costs of sampling for product testing prior to certification being awarded.
 - 2.5.4 Certification royalty fee: To cover the costs incurred by SATAS for the maintenance of product certification once certification has been awarded.
 - 2.5.5 Additional costs: To cover any additional costs incurred by SATAS relating to serious non-conformances identified during the audits of quality management system and/or product testing.
 - 2.5.6 Additional costs: To cover any additional costs incurred by SATAS in addressing valid customer complaints.
 - 2.5.7 Additional costs: To cover any additional costs incurred by SATAS in change to ownership, company structure or specification amendments where re-assessments product testing is deemed necessary.
- 2.6 Any additional cost shall be detailed in a separate and formal quotation prior to any action being taken by SATAS.
- 2.7 The certification Royalty Fee is payable monthly once certification has been granted and may be increased on an annual basis generally not exceeding the current PPI.
- 2.8 Certification fee rules shall be as following:
 - 2.8.1 All quotations for Certifications shall be calculated using the SATAS standard MS 31 costing model.
 - 2.8.2 Assessment & Certification fees to be established using the same principles and basic costs for all clients (tariff/hour, cost/km, etc.)
 - 2.8.3 No negotiations of assessment and/or certification fees shall be permitted.
 - 2.8.4 SATAS % profit margins shall be constant for all clients.

- 2.8.5 Annual increase in certification royalty fees shall be constant for all clients.
- 2.8.6 The number of post certification quality management system audits, product inspection and testing shall be constant for all clients per annum.
- 2.8.7 No cross subsidization shall be permitted.
- 2.8.8 Certification fees may not be negotiated to underquote any other Certification Body.
- 2.8.9 In the instance where product testing is performed at a third-party laboratory the costs of testing shall not be subject to further profit adjustments by SATAS and shall be the same for all clients.

3 SERVICES PROVIDED BY SATAS

SATAS will carry out at least 1 audit per year at the Certificate Holder's manufacturing facility to ensure that the certificate Holder continues to comply with these conditions.

SATAS will also carry out product audits as recorded in the relevant addendum of this document on an annual basis to ensure product compliance to the requirements of the relevant product specification.

SATAS undertakes to notify all SATAS Certificate-Holders of any standard amendment or revision in accordance with the scope of certification.

SATAS will perform a risk analysis on Standard amendments/revisions as per MS 94 and inform the Certificate Holder of the outcome.

SATAS reserves the right to increase surveillance visits provided that the Certificate Holder is given the reason for this in writing. The cost of additional visits will be given to the client in a quotation and will be borne by the Certificate Holder. SATAS reserves the right to make use of sub-contractors for product inspections and testing. Samples for testing are drawn under the control of SATAS. A copy of such report with a covering statement depicting the requirements and the status of the product will be made available to the Applicant/Certificate Holder for information and comment. A list (MS 62) of Sub Contractors is available on request. Information obtained from any other source that may have an influence on the Certification process will be discussed with the applicant and also made available to the CAC.

SATAS provides product certification on different products and information on this service is available on request. More information is available on www.satas.co.za.

The information will be available on website www.satas.co.za. The list will include contact information on Certificate Holders as well as the standards and products certified. This list will be updated within 10 days to include additions and cancellations. A list of certified suppliers shall be maintained and is available on request.

4 OBLIGATIONS OF THE CERTIFICATE HOLDER

- 4.1 The Certificate Holder will maintain, as a minimum, a quality system as described in section 6 of these conditions and will ensure that product quality complies with the relevant product specifications. Product tests are to be performed as described in the relevant product specification. The Certificate Holder is to make alternate arrangements acceptable to SATAS if unable to perform the tests.

The Certificate Holder shall notify SATAS within 3 months of:

- (a) Any changes in the manufacturing process,
- (b) Any rework and or grading/regarding activities of any important product.

SATAS will evaluate the changes by means of conducting a re – assessment using the procedures for an initial assessment. The SATAS logo shall not be applied to product manufactured under the altered process until the process and product has been approved by SATAS.

Change in ownership or Management shall be reported to SATAS for re-evaluation to determine the future certification status.

The Certificate Holder shall complete a new application where standards are changed to a degree that significantly affects the nature or design of the product.

The Certificate Holder is to allow SATAS staff access, during normal working hours, to its premises and documentation to enable SATAS Auditors to conduct surveillance audits. Access is also to be afforded to other external auditors in order to witness and evaluate SATAS auditors performing system and product audits.

The Certificate Holder will inform SATAS management of any possible conflict of interest posted by the presence of any SATAS Auditor for investigation by SATAS.

Reference to the SATAS registration, reproduction, or, use of the SATAS logo on the product shall be in accordance with the following:

The Certificate Holder may copy or reproduce and use the SATAS logo in the registered format on any documentation relating to the product for which a certificate was issued.

The Certificate Holder may use the SATAS logo on all products in compliance with the relevant specifications for which a certificate was issued in accordance with MS 25 "Schedule of Certification". In the case of non-compliance, the

SATAS logo shall be permanently removed from the product. The Certificate holder shall comply with the requirements as in par. 4.2 of this document on the use of the SATAS logo. The Certificate Holder shall not make any misleading statements in its advertising/marketing or otherwise regarding the Certification. All Brochures and documentation shall be audited to establish correct reference. Incorrect reference to the certification logo or certificate shall lead to reconsidering of the Certification status.

In the event of a restriction or suspension on the use of the logo or cancellation of the certificate the Certificate Holder will stop the use of the logo on all documentation and product. All labels, stamps and documents bearing the SATAS logo are to be withdrawn to prevent inadvertent use. SATAS reserves the right to determine compliance by means of an audit on documentation such as delivery notes and invoices, brochures and other marketing material. In the event of a suspension due to defective certified product SATAS will insist on recall of defective product by the manufacturer.

4.2 Conditions for use of the SATAS logo.

The following conditions shall be met by all SATAS Certificate Holders. Format and display or reference to certification.

The LOGO



The logo shall only be displayed in the format as displayed above. Any enlargements or reductions in size shall retain the same proportions as in the SATAS master LOGO. The SATAS logo shall not be larger or more prominent than any other logo on the Certificate Holders documentation. The colour of the logo on product shall be in accordance with the relevant product Standard. When used on paper the color of the logo shall be in black.

All documentation that makes reference to the SATAS logo shall clearly identify products referred to in the document which do not fall within the scope of certification. The logo shall only be applied to the product manufactured on the premises and falling within the scope of certification as given in MS 25 Schedule of Certification. The product standard number shall also appear in conjunction with the SATAS logo. The marking of all products shall only be done on the relevant premises and any marking of product at any premises other than the premises stated on the MS 25 Schedule of Certification, shall not be undertaken unless agreed to and verified by SATAS. The SATAS logo shall not be used in such a way as to imply that SATAS accepts responsibility for the quality of the product. On suspension or termination of certification all reference to SATAS and the use of the SATAS logo shall be stopped on all product and documentation. In the event of misuse of the SATAS logo, SATAS has the right to take any action considered necessary which may include legal action in order to protect the integrity of the SATAS logo.

SATAS does not allow dual certification to the same standard. If a SATAS certified manufacturer is certified by another Certification Body for the same standard as applied for from SATAS such manufacturer will have to cancel such certification within 4 months from date of certification by SATAS.

5 PERIOD OF CERTIFICATION

- 5.1 The Certificate is issued for a period of 3 years and may be issued for further 3-year periods after assessment of the Certificate Holders quality management system and product conformity.
- 5.2 These certification conditions come into effect on the date of issuing of the certificate and may be terminated or amended by either party on 30 days written notice.
- 5.3 SATAS may suspend the certification if the Certificate Holder fails to maintain the conditions of the certification scheme.
- 5.4 The suspension and reasons are to be given to the Certificate Holder in writing.
- 5.5 Failure by the organization to carry out the appropriate corrective action may result in the cancellation of the Certification agreement by SATAS.
- 5.6 The Certificate Holder has the right to file a Complaint in writing to the Managing Director of SATAS within 1 month of the event which caused the complaint. There after the complaint will be dealt with in accordance with Procedure P10. The complete procedure is available on request.
- 5.7 More information about the SATAS certification scheme, including evaluation procedures, rules and procedures for granting, maintaining, extending or reducing the scope of, for suspending, withdrawing or for refusing certification is available on request.

6 QUALITY SYSTEM

The Certificate Holder will develop and maintain arrangements covering the following.

- 6.1 All control and test points must be identified.
- 6.2 The control of all quality documentation.

- 6.3 The control of all inspection and test equipment.
 - 6.3.1 Test equipment required for controls during the production process to be kept in working order.
 - 6.3.2 Relevant equipment to be calibrated prior to release and verified at intervals acceptable to SATAS.
 - 6.3.3 Calibration records and certificates to be kept.
- 6.4 Incoming material.
 - 6.4.1 Purchased material shall comply with specific requirements
 - 6.4.2 Where required certificates of compliance covering each batch of material shall be kept.
 - 6.4.3 Purchase orders shall clearly describe the material
 - 6.4.4 All incoming material to be verified as complying with the specified requirements.
- 6.5 Manufacturing Control
 - 6.5.1 The Certificate holder will develop and maintain manufacturing documentation that fully describes the relevant manufacturing processes, including all inspection/test points including final inspection.
 - 6.5.2 The Certificate Holder shall carry out as a minimum the process control as detailed in the relevant addendum/s attached to this document.
- 6.6 Nonconforming Material/Corrective action.
 - 6.6.1 Procedures are to be implemented to continually monitor processes and to evaluate and analyze records including customer complaints to detect and remove the cause of defects.
 - 6.6.2 All material that does not comply with specifications shall be clearly identified either by marking or locality
 - 6.6.3 The Certificate Holder is to keep a record of all complaints and to take appropriate corrective action in respect of complaints where product deficiencies are found. Corrective action procedures are to include arrangements for handling of complaints including call back or other alternative action to satisfy the client. Immediate action to restore product conformity. Action taken is to be recorded.
- 6.7 Quality Records
 - 6.7.1 Records shall be kept of all control tests and inspections including calibrations, calibration checks and final inspections. The responsibility for control of records is to be allocated. The control of records including storage identification retention periods and disposal is to be defined.
- 6.8 Internal Audit
 - 6.8.1 A schedule shall be drawn up for the performance of an annual internal quality audit and the schedule is to cover all the areas of the certificate holder's quality system.

7. STORAGE OF PRODUCT

- 7.1 Demarcated storage areas or holding areas shall be provided for product bearing the SATAS certification logo.
- 7.2 Quarantined and rejected material is to be held in separate demarcated areas.
- 7.3 If demarcation is not practical all product in storage shall be clearly marked.

8. ADDITIONAL PRODUCT TYPES

Products falling within the scope of the relevant specification but not covered on the holder's certificate shall not be marked with the SATAS logo until such time as it has been approved by SATAS. SATAS has to be notified of any modifications to the manufacturing process or quality system which may affect product conformity. SATAS will decide on action to be taken and will notify the Certificate Holder supplier accordingly.

9. CERTIFICATE

- 9.1 The Certificate shall be available at the certified premises
- 9.2 The Certificate however remains the property of SATAS and is to be returned to SATAS if at any time the agreement with SATAS is terminated.
- 9.3 The Certificate Holder may provide copies of the certification documents to others as long as the schedule of certification is submitted with the certificate.

10. CONFIDENTIALITY

Both parties acknowledge that during the certification period they will have access to and become acquainted with various trade secrets, innovations, processes, information and records owned or used by either party in connection with the operation of its business, working methods, customer lists, accounts and procedures. Both parties agree that they will not disclose any of the aforesaid, directly or indirectly, or use them in any manner, either during the term of this certification or at any time thereafter, except as required in the course of this certification.

When SATAS is required by law or a court order to make client information available SATAS will notify the relevant client of such request with the information be made available.