

## SF 05 SPECIFIC CONDITIONS OF CERTIFICATION SERVICES

### IATF 16949 STANDARD

- 1. GENERAL**
  - 1.1 These specific terms and conditions of service (the “**Specific Conditions**”) are governed by the General Conditions for Certification Services of BV.
  - 1.2 These Specific Conditions apply to IATF 16949 standards. The standard is defined in the “Rules for achieving International Automotive Task Force (“**IATF**”) recognition” (the “**IATF Rules**”) in force at the time of the Agreement and during the certification process described hereunder. Bureau Veritas Korea Co., Ltd. (“**BV**”) reserves the right to amend these Specific Conditions at any time further to any change in the IATF Rules and will inform the Client of such change.
  - 1.3 BV offers certification services (“**Services**”) covering audit and certification against an appropriate recognised specification (“**Specifications**”) to any person, firm, company, association, trust or government agency or authority that applies for such Services (“**Client**”).
  - 1.4 To achieve and preserve certification, BV’s Clients are required to develop and maintain their management systems in accordance with said Specifications, providing BV with unconditional access to audit or otherwise verify these management systems against the Specifications.
  - 1.5 The certification awarded by BV covers only, as the case may be, those services or products manufactured and/or supplied under the scope of the Client’s management systems certified by BV. Clients remain solely liable for any defect in their products and shall defend, indemnify and hold BV harmless from any and all defects, claims or liability arising from said products.
  - 1.6 The issued certification does not exempt Clients from their legal obligations in respect of the services or products in the scope of their management systems.
  - 1.7 Consultants of the Client cannot be physically present at the client’s site during the audit or participate in the audit in any way.
  - 1.8 Pursuant to the IATF Rules, BV shall keep copies of the travelling expenses of the auditors (travel, accommodation or catering invoices). When the Client pays directly some of these costs, the Client may be requested by the auditor or by BV to supply a copy of the evidences (receipts, invoices...). In such case, the Client cannot refuse and shall comply within two (2) weeks of the request.
  - 1.9 If the Client notifies its transfer to a new IATF-recognized certification body and notifies BV, this Agreement can be extended until all transfer activities to the new IATF-recognized certification body are completed, pursuant to the IATF Rules.
  - 1.10 Audit start and end date shall be confirmed between BV and the Client at least three (3) months in advance of the next regularly scheduled audit.
  - 1.11 The client will be invoiced by BV for all related expenses including auditor travel and accommodation (including but not limited to ground and air travel, meals, hotels...). The auditors must be reimbursed for their audit related expenses through BV and not be paid directly by the client. Note : customary and typical meals provided by the client during the course of the audit are permitted and do not need to be expensed.
- 2. REQUESTS FOR CERTIFICATION**
  - 2.1 Upon receipt of this information, BV will issue a BV Order Form to the Client.
  - 2.2 The BV Order Form is issued according to the information provided by the Client and the current version of the IATF Rules. Where any information supplied by the Client is found not to be accurate or to have changed, BV reserves the right to amend and correct its offer and/or the Agreement accordingly to ensure the aforementioned rules are complied with.
- 3. THE INITIAL CERTIFICATION PROCESS**
  - 3.1 Stage 1 Audit**
    - 3.1.1 BV will undertake an on-site readiness review to determine the preparedness for Stage 2, including but not limited to understanding the requirements, collecting information of the scope of the management system, processes and location of the Client, evaluating the client’s management system documentation, including the relationship and linkages to any remote supporting functions and outsourced processes, reviewing the allocation of resources for Stage 2, planning for Stage 2 and evaluating the internal audit systems. BV shall determine after Stage 1 if the Client has sufficient readiness to proceed to Stage 2 audit.
  - 3.2 Stage 2 Audit**
    - 3.2.1 BV will provide an audit plan to the Client prior to the start of the audit. The opening meeting of Stage 2 audit shall take place no later than ninety (90) days following the end of the Stage 1 audit.
    - 3.2.2 The BV audit team will meet with the Client’s management to discuss the details of the audit process and consider possible issues regarding the performance of the audit.
    - 3.2.3 The BV audit team will prepare and present to the Client’s management an audit report, which will include the audit findings and the scope of certification.
  - 3.3 Changes to Stages 1 & 2**
    - 3.3.1 If as a result of Stage 1, BV determines that the Stage 2 arrangements (i.e. changes in the scope, man-days, auditors, sites) shall be adjusted, the Agreement shall be amended accordingly.
    - 3.3.2 Based upon the information gathered during Stage 1 of the audit, BV may determine that the required information is not present and complete or that an issue could result in a major non-conformity at Stage 2 with respect to the effective implementation of the management system. In such cases, Stage 1 shall be reiterated until it produces satisfactory results before proceeding with to Stage 2.
    - 3.3.3 When Stage 2 is planned consecutively to Stage 1, BV has the right to postpone Stage 2 if the results of Stage 1 are not satisfactory to proceed with Stage 2. In such case, the Client shall bear all the costs incurred by the postponement of Stage 2.
  - 3.4 Non-conformity management**
    - 3.4.1 Pursuant to the IATF Rules, the Client shall provide BV, upon request, with information and evidence of corrective actions regarding its non-conformities within the timeframe prescribed by BV.
    - 3.4.2 When Major Non-Conformity or Major changes occur, BV undertakes a “special follow up visit”, charged to the Client at BV’s current rates. A major Non-conformity shall require onsite verification of the corrective action. The onsite verification shall be completed within a maximum of ninety (90) calendar days from the closing meeting of the site audit.

**3.4.3** When a Non-conformity is identified by BV during surveillance audit, then the suspension process shall be initiated on the last audit day. For any Major Non-Conformity an action plan is required within twenty (20) days following the audit.

**3.4.4** All fees incurred to review Client's proposed actions to close Minor Non-Conformities will be charged on a time basis at BV's current rates.

### **3.5 Issuance of Certification**

**3.5.1** BV will issue to the Client a Certificate of Approval and Reports if and when all corrective actions agreed between the Client and the audit team have been completed.

**3.5.2** The Certificate of Approval will detail the Specification(s) to which the Client has been found compliant to at the time of the audit and the scope of the management system.

**3.5.3** The Certificate of Approval is issued in the English language and may be translated upon the Client request and with extra-costs in the Chinese, Spanish, French, Portuguese, German, Hindi, Italian or Turkish languages. The English version is binding and shall prevail in case of discrepancies.

### **3.6 Documentation to be provided by the Client before each audit**

**3.6.1** The following information shall be provided by the Client to BV at least twenty (20) days before the agreed start date of each audit, this list being non exhaustive:

- Confirmation of the audit date,
- Client's quality management system documentation, including evidence about conformity to IATF 16949 requirements accordingly ,
- Quality manual (for each site to be audited),
- Evidence of one full cycle of internal audits to IATF 16949 accordingly followed by a management review,
- If applicable, evidence that the Client does not have any responsibilities regarding the design of products manufactured and/or supplied,
- List of current customers of the Client audited sites and internal performance data, internal audit and management review planning and results including key indicators and performance trends for the previous twelve (12) months,
- Identification of any customer special status condition since the previous audit,
- Notification about any new customers since the previous audit,
- List of qualified internal auditors,
- List of the Client's customer specific requirements according to the current version of the IATF Rules,
- The Client's customer satisfaction and complaints summary, including verification of customer reports, scorecards and special status,
- Follow-up on issues resulting from previous audits.
- In situations where remote supporting functions as defined in the IATF Rules, are audited by another certification body, BV may accept the audit report issued by the other certification body subject to the following conditions (this list being not exhaustive) to be met prior to each audit :
  - audit was conducted by IATF recognized certification body;
  - the client provides to BV, prior to the audit, a copy of the audit plan, audit report, all findings, all corrective actions, and all verification actions made by the other certification body;
  - this documentation confirms that all the interfaces between the remote supporting location and the site were audited by the other certification body;

- copies of all onsite verification activities reports shall be provided by the Client to BV. This documentation shall be in the language agreed between the Client and BV.

**3.6.2** In addition to the above, in the event the transfer audit to BV from another certification body:

- A copy of the existing valid certificate,
- A copy of the previous three (3) years audit reports including evidence that all nonconformities issued by the existing certification body for the site and any remote support functions are closed, pursuant to the IATF Rules,
- Follow-up on issues resulting from previous audits.

The documents required under articles 3.6.1 and 3.6.2 shall be received prior to the issuance of the audit plan. The IATF rules require BV to add to the defined audit duration an onsite additional time prior to the opening meeting in case the Client has not provided the documents in time. Any additional time will be charged to the Client at BV's current rates. In case the audit is postponed, the costs related to the postponement will be charged to the Client.

As per IATF rules implemented for Tier 1 Suppliers to IATF OEMs & also communicated through IATF Stakeholder Communique SC-2021-001 15 Feb21, the Client is required to submit copy of the most recent performance scorecards for all IATF OEM customers 3 months ahead of the scheduled audit to BV.

Client (Tier 1 Suppliers to IATF OEMs) will have some time (hours) added to their audit if they are not meeting the IATF OEM specified quality and delivery performance targets. This additional time shall be used by auditors to focus on the corrective action process and prevention of recurrence, including for related processes and products. The increased audit time is determined as IATF Rules 5th Edition SI # 26.

### **3.7 Onsite verification of Client's changes before each audit**

**3.7.1** BV shall include in the audit plan a minimum of one (1) hour on site, prior to the opening meeting, for verification of changes to current customer and internal performance data, including a review of current online customer reports and/or customer scorecards. .

**3.7.2** The audit team shall adjust the audit plan based upon any new information collected, if required. This one (1) hour is in addition to the specified audit days and is charged to the Client at current BV rate.

**3.7.3** If the lead auditor is not able to complete his tasks by the end of this minimum one hour time onsite, BV and the Client will convene to one of the three following options: (1) to extend immediately this time prior to opening meeting, or (2) to postpone the audit to a later date, or (3) to proceed with the audit. If so, the decertification process shall be initiated.

**3.7.4** The extension will be charged to the Client at BV's current rates. In case the audit is postponed, the costs related to the postponement will be charge to the Client as a postponement and considered to be a late postponement at Client request.

## **4. CERTIFICATION MAINTENANCE**

### **4.1 Surveillance**

**4.1.1** Once BV has agreed on the dates, the Client must make all necessary arrangements to keep the agreed date. Surveillance audits shall be scheduled as from the last day of the initial Stage 2 audit or the last day of a re-certification audit in accordance with the current version of the IATF Rules.

## 4.2 Re-certification

4.2.1 Every three (3) years BV will automatically review the Client's certification and, subject to satisfactory results of the surveillance audits and/or the re-certification audit (including all corrective actions which may have been agreed on between the Client and the audit team and completed), BV will re-issue the Client's certification and the Certificate of Approval(s). This must be completed before expiry of the current Certificate of Approval to preserve the continuity of the certification. Once completed, certification will be reconfirmed.

## 4.3 Special audit

4.3.1 It may be necessary for BV to conduct audits of certified clients to investigate performance complaints in response to changes to the Client's quality management system, significant changes as described under article 6.1.1 at the Client's site, or as a result of a suspended certificate. BV shall inform the Client in advance of the conditions under which this special audit is to be conducted.

4.3.2 The special audit is charged to the Client at BV's current rates.

## 5. AUDIT REPORT

5.1.1 The BV audit team shall issue a written audit report (whether a draft or the final report) to the client at the closing meeting of each site or remote support location.

5.1.2 BV shall issue the final audit report within fifteen (15) calendar days of each audit to the Client. The final audit report shall be acknowledged (e.g. with a handwritten signature, dated email etc.) by the Client's management representative.

## 6. CERTIFICATION CHANGES

6.1.1 The Client shall inform BV, without delay, of any significant changes to its product(s) or services that may impact the certified management system(s) and of any other circumstances which may affect the validity of its certification. As examples, Major or significant changes to the management system and process, change of contact address or location, additional sites, change of process, change of ownership status, change of scope of operations under the certified management system, change of number of employees, change of legal or commercial status, change of organization and management, change of the Client's IATF OEM customer special status condition (as set out in the current version of the IATF Rules), transfer to a new IATF-recognized certification body etc. are considered as changes which may affect the validity of the certification. BV will then take appropriate action, such as conducting a special audit at additional cost and/or amending the certification. Special audit can also be conducted to investigate complaints received about the Client.

6.1.2 Failure by the Client to inform BV of any significant changes shall be considered as a material breach of the Agreement and should result in the issuance of a Major Non-Conformity by BV and may result in its termination by giving the Client written notice thereof. Upon said termination of the Agreement, BV may withdraw the Client's IATF 16949 Certificate of Approval without having any liability whatsoever towards the Client.

## 7. BV AND IATF MARKS

7.1.1 The Client must use the BV mark and the IATF mark related to the IATF 16949 certification scheme in accordance with the instructions of use provided by BV, including without limitation the requirements provided in [Article 7 - Intellectual Property of the General Conditions for Certification Services](#).

7.1.2 The IATF mark shall only be displayed on the Certificate of Approval issued by BV. Any other use of the IATF mark is strictly prohibited.

7.1.3 There shall be no ambiguity, in the marks or accompanying text, as to what has been certified. The BV mark and the IATF mark shall not be used on a product or product packaging seen by the final consumer or in any other way that may be interpreted as denoting product conformity.

## 8. BV AND IATF ACCESS

8.1.1 The Client shall grant BV and the IATF or their representatives' access to any part of the audit or surveillance process for the purposes of witnessing the BV audit team during its performance of the audit of the management system to determine conformity with the requirements of the applicable standards. The Client cannot refuse the presence of an IATF representative or its delegates at the Client's facilities. The Client shall allow BV to provide the final Report to IATF or their representatives. BV will recharge and invoice at cost to the Client the costs incurred by BV for the IATF requested witness audits.

## 9. SUSPENSION, WITHDRAWAL OR CANCELLATION OF THE CERTIFICATE OF APPROVAL

9.1.1 BV reserves the right to suspend, withdraw, reduce, extend or cancel the Certificate of Approval in conformance with BV "Suspension process", a copy of which is available upon request. According to the current version of the IATF Rules, suspension, withdrawal or cancellation of the Certificate of Approval will be considered if:

- BV receives a performance complaint against the Client from an IATF OEM member, its relevant IATF oversight office customer's Client or any automotive customer of the Client;
- the Client advises BV of a special status condition from an IATF subscribing OEM. Notification from the Client shall occur within ten (10) calendar days from receipt of the special status condition or otherwise specified by the Client's customer;
- the surveillance or recertification audit includes Non-Conformities;
- the Client voluntarily requests suspension due to significant changes of ownership or interruption of the manufacturing of product meeting the applicability for certification;
- the surveillance audit is not conducted at established intervals;
- the Client fails to supply required information to undertake effective audit planning;
- the Client fails to complete corrective actions within the agreed timescale;
- the Client fails to comply with the technical specification IATF 16949 accordingly or the customer specific requirements according to the current version of the "Rules for achieving IATF recognition" (including without limitation IATF OEM specifics, contract terms, service level agreements, SQA procedures, etc.);
- the Client fails to comply with the rules and requirements of the BV and/or the IATF marks;
- the Client fails to comply with its contractual obligations under the Agreement entered into with BV.

9.1.2 BV reserves the right to make public the fact that such action has been taken.

## 10. APPEALS, DISPUTES AND COMPLAINTS

10.1.1 Should the Client wish to appeal against or dispute any decision of BV, it shall do so in accordance with the BV appeals procedure, available on BV's website or upon request.

10.1.2 Should a complaint arise about BV, such complaint shall in the first instance be made to the local BV office. If the Client does not wish to complain directly to the local BV office, the complaint shall be sent in writing to Bureau Veritas Certification Holding SAS, Le Triangle de L'Arche 8, Cours du Triangle, CS 90096 92937 Paris LA DEFENSE Cedex (France) attention to: Certification Vice President .

**11. SPECIAL : REMOTE AUDIT (COVID-19 CONTEXT)**

**11.1.1** As per IATF communique Rev 5 dated from October 30<sup>th</sup>, 2020, IATF is permitting the certification bodies to conduct audit using remote auditing methods and technology (i.e remote audit) under condition that it is demonstrably evident that a regular onsite will not be possible for reasons that are directly linked to COVID-19 Pandemic

**11.1.2** A remote audit shall be conducted the same as an onsite audit but using electronic methods, such as video conferencing, to remotely obtain audit evidence and evaluate it in order to determine the extent of conformity to the audit criteria.

BV has developed an internal process for approving the use of remote auditing methods for each remote audit. This involves additional audit planning steps that will be carried out by BV in co-ordination with the Client. These additional audit-planning steps to confirm readiness for remote audit shall be executed between Client and BV through pre-planning template. The duration of the remote audit shall be equivalent to that of an onsite audit per the IATF Rules, 5th Edition section 5.2. IATF requires to calculate 10% of the total audit days, with a maximum of four (4) hours, and apply this time to complete the additional audit planning steps and a technology test, including a short mock audit session for each environment to test the operation and effectiveness of the remote audit.

Effective 1st April 2022 the certification body shall increase the audit days by five (5) percent to ensure an effective and robust audit process due to the time needed to retrieve and display information, connect necessary participants, address any technology issues, and allow for

breaks to avoid screen fatigue. The increase in audit days shall be no less than (one) 1 hour. The increased audit time shall be determined after all permitted reductions have been applied, and after rounding per IATF Rules 5th Edition, clause 5.2.

**11.1.3** BVC considers electronic or electronically transmitted information as very important when using technology (ICT) for audit purposes, Hence the security and confidentiality is affirmed by BVC.

Revision	Comment on the changes	Review	Approval	Date
Rev 2.1	Add clause 1.11 related to audit expenses reimbursement	C. Duperrier	Fabien Joly de Brésillon	April 4, 2024
Rev 2.0	Updated Clause 7.1.1 (correct Article number updated)	C. Duperrier	Fabien Joly de Brésillon	August 22, 2023
Rev 1.9	Updated Clause 3.5.3 Italian language added in certificate issuance	C. Duperrier	Fabien Joly de Brésillon	July 5 , 2022
Rev 1,8	Updated clause 11 (removed monitoring event) and Clause 12 (added updated conditions of remote audit)	C Duperrier	Philippe Jeanmart	February 9, 2022
Rev 1,7	Updated clause 3.6 as per IATF Stakeholder Communique SC-2021-001 15Feb21	C Duperrier	Philippe Jeanmart	May 12, 2021
Rev 1,6	Updated in 12.1.2 no mandatory increased for remote audit duration	C Duperrier	S ter-Horst	January 12, 2021
Rev 1,5	Added end date of IATF monitoring event. Remote Audit Activity introduced in COVID-19 context	S ter-Horst	P.Jeanmart	November 1 <sup>st</sup> , 2020
Rev 1,4	Remote Monitoring activity introduced in COVID-19 context	S.Ponthieux	P.Jeanmart	June1st, 2020
Rev 1.3	Updated as aligned with the new T&C's	Flavio GOMES	S ter-Horst	April 24, 2020
Rev 1.2	In the title of the file, Version "V1.2" replaces "2019". Indicating year creates confusion, as it is the date of issuance of this file, not the version of the IATF.	S Tuffanelli	S ter-Horst	February 24, 2020
Rev 1.1	- Deleted reference to ISO/TS 16949 and Transition - Added Turkish language - Amended address of BVC Holding - Amended mistake article 1.5 referring to general term and condition and typo mistake art. 3.6.	S Tuffanelli	F Joly	March 22, 2019
Rev 1.0	First issuance			October 2017