

**Perry Johnson Registrars, Inc.**  
**TERMS AND CONDITIONS**

1. General

Pursuant to the Registration/Certification Agreement (“Agreement”) between Perry Johnson Registrars, Inc. (hereinafter referred to as “PJR”) and the organization listed in Agreement (hereinafter referred to as “Organization”), PJR agrees to provide to the Organization certain Quality Management System (QMS), Environmental Management System (EMS), Business Continuity Management System (BCMS), Food Safety Management System including FSSC and ISO 22000, Information Security Management System (ISMS), Responsible Recycling (R2), Anti-Bribery Management System (ABMS), and/or Occupational Health and Safety Management System (OHSAS), (hereafter collectively referred to as “Management System”) assessments and registration services, as more fully described in the Agreement.

The Agreement consists of the front portion of the Registration/Certification Agreement, any purchase order issued by the Organization (as modified by these Terms and Conditions), any confidentiality and/or nondisclosure agreement between Organization and PJR, these Terms and Conditions, and documents listed in Section 2 of these Terms and Conditions. The Agreement does not include any terms and conditions contained in any of the Organization’s purchase orders, materials, or documents or those incorporated by reference in any of the Organization’s purchase orders, materials or documents. Legal relationships between Organization and PJR are governed exclusively by the Agreement. By executing the Agreement, the Organization acknowledges having actual knowledge of the clauses of these Terms and Conditions and of all of the documents referenced in Section 2 hereof and agrees to comply with these Terms and Conditions and of all of the documents referenced in Section 2 hereof. To the extent of any inconsistency between these Terms and Conditions and any confidentiality and/or nondisclosure agreement between PJR and Organization, or between these Terms and Conditions and any documents referenced in Section 2 hereof, these Terms and Conditions shall control and supersede.

Any terms or conditions of the Organization which are contradictory or supplementary to, or which deviate from these Terms and Conditions, or any objection, agreement or other attempt by Organization purporting to add to or modify these Terms and Conditions, shall not apply or be binding upon PJR unless expressly approved in writing by the President of PJR. To the extent Organization’s purchase order, documents or materials or any accompanying terms and conditions have additional or conflicting terms or conditions, these Terms and Conditions shall control and supersede the Organization’s conflicting terms and conditions, and all such Organization’s terms and conditions are hereby rejected and are expressly objected to by PJR without further notification. Under no circumstances shall the performance of services for the Organization, or the receipt of payment from the Organization, be construed as acceptance of the Organization’s terms or conditions. Any reference to Terms and Conditions shall be construed to be the reference to PJR’s Terms and Conditions.

2. References

The following documents are considered normative. Some of these documents may be supplied electronically by your sales representative upon request or for Registered/Certified clients, these documents are located at [www.PJR.com](http://www.PJR.com) client log-in. Others can be downloaded or are available for purchase.

2.1	PRO-1 or F-81 series	Summary of Registration Procedure
2.2	PRO-3 series	Registration Mark Procedures
2.3	F-1 series	Application for Quotation
2.4	PRO-11	Suspension or Withdrawal of Registration Certificates (when applicable)
2.5	PRO-10	Dispute/Appeal Procedure (when applicable)
2.6	PRO-13	Transfer of Registration Procedure (when applicable)
2.7	F-108 series	Confirmation of Auditee (i.e. Organization) Readiness
2.8	ISO/IEC 17021-1	Requirements for Bodies Providing Audit and Certification of Management Systems
2.9	IAF MD-5	Determination of Audit Time of Quality, Environmental, and Occupational Health & Safety Management Systems
2.10	IAF MD-9 (ISO 13485)	Application of ISO/IEC 17021-1 in the Field of Medical Device Quality Management Systems
2.11	IAF MD-1 a Multi-Site Organization	IAF Mandatory Document for the Audit and Certification of a Management System Operated by a Multi-Site Organization
2.12	IAF MD-2	IAF Mandatory Document for the Transfer of Accredited Certification of Management Systems
2.13	R2 Code of Practices	R2 Certification Process Requirements
2.14		RIOS Certification Program
2.15	Rules	Automotive Certification Scheme for IATF 16949: Rules for achieving & maintaining recognition
2.16	AS9104-1 Programs	Requirements for Aviation, Space and Defense Quality Management System Certification
2.17	ISO/IEC 27006 systems	Requirements for bodies providing audit and certification of information security management systems
2.18	ISO/IEC 20000-6	Requirements for bodies providing audit and certification of service management systems
2.19		TL 9000 Auditor Time (latest version)
2.20	IAF MD-4 Auditing/Assessment Purposes	IAF Mandatory Document for the Use of Information and Communication Technology (ICT) for Auditing/Assessment Purposes
2.21	IAF MD-11	IAF Mandatory Document for the Application of ISO/IEC 17021 for Audits of Integrated

3. Responsibilities of PJR

- 3.1 PJR will provide Registration, Surveillance, and Recertification in accordance with the current issue of the applicable standard's PRO-1 or F-81. In the interest of implementing continuous improvement to its procedures, PJR reserves the right to modify the specifications of the applicable PRO-1 or F-81, and Organization agrees to conform to any such modifications, upon reasonable notice by PJR.
- 3.2 PJR will conduct audits of the Management System at the Organization's facility in accordance with the applicable PRO-1 or F-81 and will report to the Organization in writing the results of such audits. PJR audits will be subject to the following: a) PJR auditors shall comply with the safety and security requirements of the Organization; b) The audit shall be conducted during the normal business hours of the Organization; and c) PJR will not interfere with the performance of any work by the Organization except to verify conformance to the standard requirements.
- 3.3 16949 and Aerospace Standards: PJR cannot contract with any organization or any of its sites to which PJR or its related bodies have provided management systems consulting or site-specific auditor training within the past two years.
- 16949: PJR can only conduct one pre-assessment, the days of which cannot exceed 80% of the audit days for the Stage II site audit. Pre-assessment auditors cannot be part of the initial certification audit team. At least one auditor of the initial audit team must participate in all audits of the three-year audit cycle. For each subsequent audit cycle, different auditors will be used.
- 3.4 AS91XX standards: PJR can only conduct one preassessment audit.
- 3.5 FSMS: In the context of food safety management system audits, PJR is not certifying or attesting to the safety or fitness of any product or service or whether the organization's employees are operating in compliance with all food safety regulations at all times. Rather, PJR is only reviewing a particular management system at a particular time to assess whether it appears to be compliant with a particular standard. As such, PJR cannot guarantee and does not purport to guarantee the safety of the Organization's product or service or that its product or service meets all food safety regulations at all times.

4. Responsibilities of Organization

As a party to the Agreement, Organization agrees:

- 4.1 At no charge to PJR, Organization will provide PJR with all documents, information, facilities, and other assistance that may be required to enable PJR to carry out its responsibilities under the Agreement.
- 4.2 Organization will timely and faithfully make all payments required under the terms of the Agreement.
- 4.3 As described in the applicable PRO-1 or F-81, it is the responsibility of the Organization to deliver to PJR the documentation listed on the F-108 document a minimum of four weeks prior to the Stage I audit. Failure to do so will jeopardize the scheduling of the audit.
- 4.4 The Organization shall respond to any nonconformity issued by PJR on the PJR provided Nonconformity Report Form or industry mandated form. Corrective action resolution requiring multiple iterations and exceeding the originally contracted time allotted for post-audit activities may be subject to an additional charge. Additional charges are the responsibility of the Organization.
- 4.5 It is incumbent upon the Organization to notify PJR in writing and in a timely fashion of material changes in its: legal status; commercial status; legal ownership; key managerial, decision-making or technical staff; number of employees; changes in location or number of sites; significant damage to the site, e.g., damage by fire or natural disaster such as a flood; changes to the physical building(s) and/or processing operations and equipment; changes in the scope of operations under the certified management system or major changes to the management system and processes; or any other factors influencing the Organization's Management System. Some changes may prompt a revision to previously quoted audit duration.
- 4.5.1 Additional standard-specific changes requiring notification of PJR are as follows:
- a) 16949: Changes in IATF OEM customer special status;
  - b) FSMS/FSSC: The certified Organization shall inform PJR within three (3) working days related to the following:
    - Any of significant changes that affect the capability of the management system to continue to fulfil the Scheme requirements;
    - Serious events that impact the management system, legality and/or the integrity of the certification which include legal proceedings, prosecutions, situations which pose major threats to food safety, quality or

certification integrity as a result of natural or man-made disasters (e.g. war, strike, terrorism, crime, flood, earthquake, malicious computer hacking, etc.);

- Public food safety events (such as e.g. public recalls, calamities, food safety outbreaks, etc.);
- Changes to organization name, contact address and site details;
- Changes to organization (e.g. legal, commercial, organizational status or ownership) and management (e.g. key managerial, decision-making or technical staff);
- Changes to the management system, scope of operations and product categories covered by the certified management systems;
- Any other changes that renders the information on the certificate inaccurate.

c) ABMS: At any time during Organization's certification, Organization must notify PJR immediately in the event of legal proceeding pertaining to an alleged incident of Bribery.

d) 18001/45001: Organization must notify PJR, without delay, of any serious incident or breach of regulation necessitating the involvement of the competent regulatory authority. Organization acknowledges that a special audit may be necessary in the event PJR becomes aware that there has been a serious incident related to occupational health and safety in order to investigate that the management system is not compromised/functioned effectively. Information provided by the Organization or learned by PJR shall provide grounds for PJR to decide on actions to be taken, including a suspension or withdrawal of the certification.

4.5.2 Failure to notify PJR of such material changes and/or incidents, recalls or legal proceedings as set forth above may result in the suspension or withdrawal of the Organization's Registration Certificate of Approval. Where Organization fails to notify PJR of material changes and/or incidents, recalls or legal proceedings, as set forth above, PJR reserves the right to retroactively invalidate the Registration Certificate of Approval to be effective at the time of the change, incident, recall, legal proceeding, or otherwise.

4.6 Organization will ensure the health and safety of PJR representatives during on-site audits.

4.6.1 Organization shall maintain COVID-19 workplace safety precautions consistent with the CDC Guidance and any applicable state or local safety requirements for businesses and workplaces. The CDC Guidance for protecting workers is found at <https://www.cdc.gov/coronavirus/2019-ncov/community/organizations/businesses-employers.html>.

4.7 If the Organization is being audited for the purpose of being issued a certificate containing any Accreditation and/or Standard Licensing Body seal(s), the Organization must permit PJR's audit team to be accompanied by any Accreditation and/or Standard Licensing Body delegates, or by PJR auditors for the purpose of witnessing the PJR audit team. Organization's cancellation of an audit scheduled to be witnessed by an accreditation body may result in Organization being held responsible for accreditation body cancellation fees and travel costs. 16949: The Organization cannot refuse the presence of IATF representatives or their delegates at any time. The Organization cannot refuse an IATF witness audit of the certification body. R2:2013: The Organization shall allow SERI to be witness to audits upon reasonable notice to the Organization. e-Stewards: ANAB, BAN or the e-Stewards Program Administrator may attend any audit performed by PJR for an e-Stewards Company. Failure of an e-Stewards Company to allow attendance by ANAB or BAN shall bar e-Stewards certification for the e-Stewards company for any of its operations. Organizations shall permit both announced and unannounced audits, including special surveillance audits, by the CB, and/or the Program Administrator as part of their oversight functions.

4.8 PJR reserves the right to require the Organization to submit to a special audit on short notice and at the Organization's expense in the event of a complaint, in response to changes in the Organization (e.g. clause 4.4), in response to an Accreditation Body and/or Standard Licensing Body request or requirement, or as follow-up on a Certificate suspension. FSMS: Once the Organization is certified, the Accreditation and/or Standard Licensing Body reserve the right to conduct an announced or unannounced visit to the Organization in response to a complaint or to ensure the integrity of the licensed standard. The Accreditation and/or Standard Licensing Body may also contact the Organization directly regarding: Organization's certified status; reported issues/complaints; or for feedback on PJR's performance. FSSC: PJR reserves the right to conduct announced, but unscheduled, audits of certified organizations. AS91XX standards: If PJR determines that a short notice audit is necessary, this audit must be conducted within 90 calendar days from the receipt of the complaint.

4.9 In the event audit activity or any other source uncovers circumstances not previously revealed by the Organization (e.g. additional locations, processes, or employees) or if the Organization has not addressed previously identified nonconformities or concerns, PJR reserves the right to either terminate the audit or add additional time and/or services, as reasonably appropriate.

4.10 All aerospace certifications:

- a) The Organization shall allow PJR to provide Tier 1 data (i.e. information on the issued AQMS standard certificate – public domain) and Tier 2 data (e.g. information and results of audits, assessments, nonconformances, corrective action, scoring, and suspensions – private domain) to the OASIS database.
- b) The Organization shall provide access to the Tier 2 data in the OASIS database to their aviation, space, and defense customers and authorities, upon request, unless justification can be provided (e.g. competition, confidentiality, conflict of interest). Additionally, the Organization is required to provide copies of the audit report and

associated documents/records to their customers and potential customers upon request, unless justification can be provided (e.g. competitor confidentiality, conflict of interest). The organization may provide access to this data through the OASIS database or by providing the audit report directly to the customer.

- c) If the Organization loses their AQMS standard certification, they shall provide immediate notification to their aviation, space, and defense customers.
- d) The Organization is responsible for creating a Supplier Record and assigning an OASIS Database Administrator for the purposes of managing contact information within the OASIS database, users associated with the organization, external access to organization' audit results, and OASIS database feedback. In addition, the OASIS Database Administrator is responsible for maintaining the following data in the database: organization name, address, locations included in the certification; name and address of the administrator, contact person, phone, fax, email and website, as applicable. Should the organization fail to maintain the OASIS database administrator, PJR may suspend the Organization's certificate, during the certification cycle or delay issuance of recertification. The OASIS administrator shall be responsible for notifying PJR of significant changes within the organization (e.g. changes related to the address, ownership, key management, number of employees, scope of operations, customer contract requirements)
- e) The Organization shall agree that ABs, OP assessors, customer representatives, and regulatory authorities may accompany the PJR audit team at any time for the purpose of oversight witness or the confirmation of the effectiveness of the audit process. Additionally, the Organization shall identify any right of access limitations (e.g. matters of citizenship, proprietary processes) by Accreditation Bodies and other interested parties and communicate them to PJR. Where limitations to access are identified, PJR will then contact its Accreditation Body (AB) or other interested parties to ensure that the assessment activity can be supported within the identified access limitations. The organization agrees to work to resolve any issues in respect to access limitations. Where access limitations issues are not fully resolved, PJR reserves the right to limit the scope of certification, remove a site from certification or take other actions as it deems appropriate in respect to access limitations. The consequence of not providing access where rights of access limitations cannot be resolved shall result in loss of certification. An alternative to this is to transfer to another Certification Body whose AB does not have restrictions on rights of access. .
- f) Failure by the Organization to abide for the above requirements shall be the cause for withdrawal from the ICOP scheme and the OASIS database listings.

4.11 Organization is responsible for identifying to PJR and its auditors any restricted technical data that they have per ITAR/EAR regulations.

4.12 16949: Scope must include all manufacturing meeting the applicability of 16949. Remote supporting functions must be audited prior to manufacturing sites at the initial audit.

4.13 16949: The Organization cannot refuse the request of PJR to provide the final audit report to the IATF. e-Stewards: Organizations shall agree to and allow the CB to share any audit or certification related information with the e-Stewards Program Administrator as part of their oversight functions.

4.14 16949: Consultants to the Organization are not allowed on-site during any 16949 audit activity and may not participate in the audit in any manner.

4.15 FSSC: Organization consents to have the following details made available to the FSSC Register of Certified Organizations: name and location, scope of certification, date of initial certification, expiry of the certificate, in case of suspension or withdrawal, the date of suspension or withdrawal. The Register is publicly available on the website of the FSSC Foundation.

FSSC: Organization shall assure that specifications for ingredients and materials take account of any applicable regulatory requirements, e.g. control of prohibited substances.

FSSC: Organization accepts FSSC Foundation's requirement to share information concerning the certified organization with the Foundation and governmental authorities when appropriate and for the purposes of the FSSC 22000 Integrity Program, to allow assessors from the Foundation on their premises to witness the PJR's auditors during FSSC 22000 or FSSC 22000-Quality audits.

FSSC: FSSC 22000 Foundation requires a FSSC 22000 certified organization to have at least one unannounced audit during each FSSC 22000 3-year certification cycle and participation from FSSC 22000 certified organizations is mandatory. Where parts of the audit plan of the unannounced audit cannot be audited, an announced follow-up audit shall be scheduled within 4 weeks. Organization can request blackout days or time periods when organization is not operating for legitimate business reason. Organization must provide evidence that the blackout period is justified. Blackout days and justification must be approved in advance by PJR. If organization cancels the unannounced audit within the 4 to 12 months after the (re) certification decision and/or the last day of the previous announced surveillance audit then organization will be responsible for actual auditor fees and travel costs.

4.16 ISO 13485: Organization must allow PJR to release audit report information to regulators that recognize ISO 13485.

- 4.17 R2:2013: If Organization cannot meet all provisions of the R2 Standard and subsequently outsources requirements to another organization, then the outsource organization must be reviewed to ensure applicable requirements of the R2 Standard are being met as part of the Stage 2 and recertification audits. This will most likely be accomplished by a review of records but may include an on-site visit of the outsource organization if conformance cannot be demonstrated through a review of records. In addition, for nonconformances relating to the outsourcing of processes to other organizations, the determination of effectiveness by PJR may require PJR to visit the outsource organization. Organization's contract with the outsource organization must allow for this to happen. Any costs associated with an on-site audit of the outsource organization are the responsibility of the Organization.
- 4.18 R2:2013: The Organization must allow the sharing of information with SERI for quality control purposes. All information sharing shall be in accordance with industry accepted confidential business information controls in place.
- 4.19 R2: In order to become R2 certified, the Organization must have a licensing agreement in effect with SERI. Currently certified organizations undergoing surveillance audits for continued R2 certification must also have a licensing agreement in effect with SERI. Failure to demonstrate that a licensing agreement is in effect during any audit will result in PJR withholding a new certification or suspending an existing one.
- 4.20 e-Stewards: Organization must maintain a licensing agreement with e-Stewards in order to be considered a certified e-Stewards Recycler. A company that does not have a licensing agreement in place with e-Stewards shall not be eligible for e-Stewards certification. An e-Stewards company shall not be eligible to maintain e-Stewards certification if it fails to maintain its licensing agreement.
- 4.21 e-Stewards: Organization must submit data reporting requirements to e-Stewards on an annual basis as required by the e-Stewards standard. An e-Stewards company who fails to submit required data to e-Stewards shall not be eligible to maintain e-Stewards certification.
- 4.22 e-Stewards: All recycling facilities which process, manage or control electronic equipment and are owned or controlled by the Organization shall be included in the contract for certification and certified within 18 months of certification of the initial facility.
- 4.23 e-Stewards: All ancillary sites which are owned or controlled by the organization shall be included and managed appropriately in the scope of the management system.
- 4.24 e-Stewards: Organization must report selected informational and performance data to the e-Stewards database (<https://apps.e-stewards.org/database>) prior to certification and on a regular basis. Organization must inform PJR of the person responsible for uploading this data.
- 4.25 The Organization has the right to dispute an audit finding or decision in accordance with PJR's PRO-10, Dispute/Appeal Procedure which is available at [www.pjr.com](http://www.pjr.com) or upon request.
- 4.26 If PJR is not able to verify the implementation of corrections/corrective actions of any major nonconformity within six months of the last day of the Stage 2, PJR will conduct another Stage 2 prior to recommending certification.
- 4.27 If PJR is not able to verify the implementation of corrections/corrective actions of any major nonconformity prior to the expiry of the certificate, then recertification shall not be recommended and the validity of the certification shall not be extended. In exceptional circumstances, certification may be restored. Such circumstances and their impact on certification shall be assessed on a case-by-case basis. Any sector specific requirements will take precedence. There is no guarantee certification will be restored.
- 4.28 If part of the management system audit is conducted by virtual means, Organization is required to provide any necessary hardware and software and ensure it has staff with the necessary competency to support virtual audit activity. Organization is expected to be forthcoming with information and promptly reply to all requests from the Lead Auditor. Organization recognizes that PJR has the right to terminate a virtual audit for lack of competency, capability and/or transparency and conduct the remainder of the audit on-site.
- 4.29 Organization authorizes PJR and its affiliates to use its name, logo, and/or trademark without notice or consent in connection with certain promotional materials and references that PJR may use solely to identify Organization as a customer of PJR.

## 5. Organization Quality Management System

- 5.1 Organization warrants and covenants with PJR that it will at all times, during the term of the Agreement, comply with all reasonable requirements necessary for the issuance of the Registration Certificate of Approval. This includes, but is not necessarily limited to:
- a) Maintaining in orderly fashion at the facility all documents, records and information related to and produced under the Management System as defined by the Organization's records, procedures and scope covered by the Registration Certificate(s) of Approval.

- b) Complying with all statutes, rules, or regulations issued by any statutory or other regulatory authority; the release of information and/or on-site visits by regulatory bodies such as the FAA, JAA, OEM AAQG, IAQG members or Accreditation Bodies as may be required;
- c) Complying with such other requirements as PJR may reasonably find necessary to enable the Registration Certificate of Approval to be issued and maintained in force in conformity with high quality standards.

- 5.2 Organization shall provide to PJR in writing the name of the individual in charge of the Management System.
- 5.3 Organization warrants the completeness and accuracy of all documents and information supplied to PJR, during the term of the Agreement, for the purposes of the Agreement.
- 5.4 Organization warrants and covenants with PJR that it will keep a record of all complaints and corrective actions relative to applicable standard, and will provide such information to PJR's Lead Auditor (LA) upon his/her request.
- 5.5 Organization warrants and covenants with PJR that it will use all registration marks properly (see applicable PRO-3's latest revision available to clients at <http://www.pjr.com>) and include the rules for their use in their documented procedures. **16949:** Organization must only use the IATF logo on the certificate issued by PJR as described in PRO-3, Registration Mark Procedure.
- 5.6 Organization acknowledges that any Registration Certificate of Approval issued hereunder, and the proprietary Registration Mark issued by PJR, are and shall remain the property of PJR; and Organization acknowledges further that such Registration Certificate of Approval may be withheld or withdrawn if, for example and without limitation, Organization does not comply with all reasonable requirements for the issuance of said Certificate of Approval or does not compensate PJR for its services as provided in the Agreement. In the case of suspension of the Certificate of Approval, the Organization will refrain from further promotion of its certification during the period of suspension. In the case of withdrawal or cancellation of the Certificate of Approval, the Organization will return all copies of certificates, plaques, flags, and/or banners to PJR. Organization must discontinue use of all advertising matter that contains a reference to certification.
  - a. **16949:** Should PJR withdraw the Organization's Certificate of Approval, the Organization must immediately notify in writing all of its customers which require 16949 certification that it is no longer certified.
- 5.7 Organization acknowledges that sector-specific rules may change on an on-going basis and it is impractical for PJR to issue contract amendments to address said changes. Organizations are responsible for conformance with the current edition of the Rules, all Sanctioned Interpretations and Frequently Asked Questions for 16949 and the current revision of the 9104 –x series of documents for AS91XX standards.

## 6. Payment Terms

- 6.1 Schedule of Fees: The Agreement sets forth the basic charges for the services required by Organization ("Schedule of Fees"). Organization acknowledges that the Schedule of Fees is based on the information supplied to PJR by Organization. Organization agrees that notwithstanding the fees listed in the Schedule of Fees, the final charges due and payable to PJR shall be based on the actual services PJR provides to the Organization, in accordance with PJR's prevailing rate structure and the actual conditions encountered, and the Organization agrees to pay such final charges in full.
- 6.2 Initial Payment: Upon execution of the Agreement, Organization agrees to pay to PJR an initial payment equal to twenty percent (20%) of the anticipated charges for the first year's services ("Initial Payment"). The Initial Payment is non-refundable and will be credited against the Stage II Registration Audit, if performed for the Organization.
- 6.3 Adjustments to Charges: PJR reserves the right to review its charges on an annual basis and to increase its charges by no more than five percent (5%) per year. Such an increase to charges shall apply without notice to the charges applicable to the services for the Organization, and Organization agrees to pay such increased charges. The parties may also agree to additional adjustments to charges in writing signed by the President of PJR and an authorized representative of the Organization.
- 6.4 Surveillance and Recertification Visits: Surveillance audits shall be conducted at least once a year. The date of the first surveillance audit following initial certification shall not be more than 12 months from the issue date of the certificate. Surveillance and Recertification audits are charged at the per-day rate applicable at that time. Surveillance and recertification audit times are estimates, based on the normative documents listed in section 2. Time may be adjusted for employee count changes, for verification of corrective actions for prior nonconformities or for other sector-specific reasons.
- 6.5 Travel and Lodging Expenses: Organization shall timely reimburse PJR for any and all travel and lodging expenses incurred in providing services to the Organization, upon receipt of documentary evidence from PJR concerning such expenses.
- 6.6 Postponement or Cancellation: If Organization postpones or cancels any Assessment within 21 days from the first day of the agreed assessment date, PJR will charge a fee equal to the greater of 50% of the quoted Assessment Fee, or one day at the per-day rate applicable at that time, PLUS the cost, at the prevailing per-day rate, of any work performed to date,

PLUS any non-recoverable travel and lodging expenses incurred. These charges are not credited against any subsequent charges incurred by Organization.

- 6.7 Payment: Except as otherwise provided in the Agreement or these Terms and Conditions, the Organization shall pay PJR in full upon receipt of invoice. PJR may charge interest at the annual rate of 5% above prime as published by the Wall Street Journal or the highest interest rate permitted by law on any payments that were not made timely pursuant to the Agreement. Organization's obligation to pay PJR under the Agreement shall survive the expiration or termination of the Agreement for any reason and/or the completion of the services for the Organization.
- 6.8 Certification Fees: Certification fees are due in full upon completion of the Registration Audit and are included with the Registration Audit Invoice. Certification fees will be charged once every three (3) years to cover the costs associated with the issuance of a new plaque, certificate and related administration. Additional certification fees may be applicable for clients who transfer. Certification Fees are subject to change, based on employee count.
- 6.9 Annual File Maintenance Fees: Annual file maintenance fees are billed as follows: for semi-annual audit schemes, billing is at the time of the Registration/Recertification or Transfer Audit and then every other Surveillance Audit; and for annual audit schemes, billing is at the time of the Registration/Recertification Audit or Transfer and then every Surveillance Audit. Annual File Maintenance Fees are subject to change, based on employee count.
- 6.10 Registration Certificates of Approval. PJR has a right not to issue a Registration Certificate of Approval until the Organization pays all incurred and accrued charges to PJR.
- 6.11 OASIS Database Fee: OASIS Database Fee is required for aerospace standards; Clause 8.5c of AS9104/1 requires that all Aerospace certified organizations be entered into the OASIS Database, which is maintained by the SAE (Society of Automotive Engineers) on behalf of the IAQG (International Aerospace Quality Group). The mandated fee of U.S. \$500.00 is charged, which is sent to IAQG. For re-certifications, the fee is U.S. \$375.00. Certificates of Registration cannot be issued until this fee is paid, and Organization is listed. Additional OASIS fees may be applicable for clients who transfer.
- 6.12 FSSC Foundation Fee: Organizations certified against FSSC will be charged by PJR for an annual fee to the Foundation. The Foundation will decide annually on the amount of this fee.
- 6.13 Returned Items Fee: A fee of \$30.00 will be assessed for any payments returned with insufficient funds.
- 6.14 Freight Fees: Organization will be responsible for any Shipping and Handling fees, also billed as "Freight", charged for the distribution of any merchandise, including but not limited to plaques, certificates, flags, banners, etc.
- 6.15 Virtual Auditing Fee: If a virtual audit is conducted, organization will be responsible for a virtual auditing technology fee of \$87.00. This fee includes virtual off-site preparation time, cost of PJRs software licensing fees and, if necessary, other hardware and shipping of items to conduct virtual audits.

## 7. Liability, Remedies

- 7.1 PJR shall not be liable for any loss or damage sustained by any person due to any act of omission or error during the performance of services by PJR under the terms of the Agreement.
- 7.2 In the event PJR materially fails to perform any services as required by the Agreement or otherwise breaches its obligations under this Agreement, the Organization's sole and exclusive remedy in connection with any such failure is to allow PJR, in PJR's sole and absolute discretion, to: (i) within a reasonable period of time, remedy the deficiencies identified by the Organization or (ii) refund to the Organization the amount actually received by PJR for the deficient services in question.
- 7.3 NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE AGREEMENT OR OTHERWISE, PJR SHALL NOT HAVE ANY LIABILITY TO THE ORGANIZATION OR ANY THIRD PARTY FOR ANY SPECIAL, DIRECT, INDIRECT, INCIDENTAL, CONSEQUENTIAL, STATUTORY, PUNITIVE OR EXEMPLARY DAMAGES OF ANY NATURE WHATSOEVER, INCLUDING, WITHOUT LIMITATION, DAMAGES RELATING TO LOSS OF PROFIT, LOSS OF INCOME OR REVENUE, LOSS OF GOODWILL, PERSONAL INJURY OR WRONGFUL DEATH, EVEN IF IT HAS BEEN PUT ON NOTICE OF THE POSSIBILITY OF SUCH DAMAGES. WITHOUT LIMITING OR EXPANDING THE PROVISIONS OF ANY OF THE SECTIONS OF THESE TERMS AND CONDITIONS, IN NO EVENT SHALL PJR'S LIABILITY FOR MONETARY DAMAGES EXCEED THE AMOUNT ACTUALLY PAID BY THE ORGANIZATION FOR THE SERVICES WITH RESPECT TO WHICH SUCH LIABILITY AROSE.

The parties acknowledge and agree that the provisions of these Terms and Conditions that limit liability, or exclude consequential damages or other damages or remedies are essential terms of and are fundamental to the parties' understanding regarding allocation of risk. Accordingly, such provisions shall be severable and independent of any other provisions of these Terms and Conditions and shall be enforced to the fullest extent permitted by law. Without limiting the generality of the foregoing, THE ORGANIZATION AGREES THAT ALL LIMITATIONS OF LIABILITY AND EXCLUSIONS OF DAMAGES OR REMEDIES SHALL REMAIN FULLY VALID, EFFECTIVE AND ENFORCEABLE IN ACCORDANCE WITH THEIR RESPECTIVE TERMS, EVEN UNDER CIRCUMSTANCES THAT CAUSE ANY EXCLUSIVE REMEDY TO FAIL OF ITS ESSENTIAL PURPOSE. The limitations contained in this Section apply regardless of the form of action, including actions in contract, tort (including negligence), and strict liability.

- 7.4 NO THIRD PARTY BENEFICIARIES: It is expressly understood and agreed that this Agreement is entered into solely for the mutual benefit of the contracting parties and that no benefits, rights, duties or obligations are intended nor conferred by this Agreement as to third parties not a signatory hereto.
- 7.5 The Organization and PJR shall maintain at all times insurance, including workers' compensation insurance, sufficient to cover all liability that may result from activities conducted under or in connection with the Agreement. PJR may require proof of such insurance either before undertaking its responsibilities under the Agreement, or at any time thereafter.
- 7.6 PJR's remedies stated herein are cumulative and are not exclusive of any other remedies available at law or equity.

## 8. Indemnity

- 8.1 The Organization agrees and acknowledges that it shall indemnify and hold harmless PJR and its directors, officers, employees, assignees, agents and shareholders from and against any and all claims, demands, suits, obligations, liabilities, damages, losses and judgments, including reasonable attorney's fees, costs and expenses related thereto, arising out of or related to, without limitation: any claim regarding a breach of the Confidentiality section of F-81 for aerospace audits due to the requirement to publish to the OASIS database the information from the AS9100 Registration Certificate of Approval and portions of the AS9101 checklist; and for FSSC audits due to the requirement to publish to the FSSC Register information regarding the Organization's FSSC certification; losses incurred as a result of Organization's noncompliance with local, state, or federal environmental, employment, consumer protection, food safety or other laws, regulations or related compliance regulations; losses occasioned by defects in the Organization's medical devices; losses occasioned by product liability and/or recalls; Organization's negligence or the negligence of its employees; losses occasioned by Organization's failure to notify PJR of material changes, and/or incidents, recalls or legal proceedings; and any breach by the Organization of the Agreement (collectively "Claims"); and if requested, the Organization defend PJR against any Claims and in any action or proceeding resulting directly or indirectly from Organization's own acts or omissions.
- 8.2 The forgoing indemnification obligations shall apply to the extent that any Claims are attributable to the Organization, its directors, officers, employees, assignees, agents and shareholders. The Organization's indemnification obligation shall survive the expiration or termination of the Agreement for any reason and/or completion of the services for the Organization.

## 9. Termination

The Agreement and all terms and conditions shall automatically renew every three years (which is the typical audit cycle). Prior to certificate expiry, a recertification audit is completed, which is typically 2/3 of the initial audit time. Either party may terminate this agreement, at any time, as follows:

- 9.1 By Notice: with 90 days written notice.
- 9.2 By Default:
  - a) Immediately upon either party being notified by the other of any material breach of the Agreement, including those conditions detailed in the applicable PRO-1, F-81, and/or PRO-11.
  - b) If Organization ceases its business operations whether in whole or in part.
- 9.3 Should the Agreement expire or be terminated whether by notice, default, in the case of Certificate withdrawal, or otherwise, the PJR Registration Certificate of Approval issued pursuant to the Agreement shall forthwith become null, void, and invalid. The Organization shall cease to use the same and shall return it to PJR immediately. Organization shall also return to PJR all documentation and other matters issued pursuant thereto or bearing an indication thereof; and shall immediately cease any and all publicity and other communications referring or alluding to any relationship whatsoever between Organization and PJR, including any representation of the PJR Registration Mark and/or PJR Registration Certificate of Approval. Organization's obligation under this Section shall survive the expiration or termination of the Agreement for any reason and/or the completion of the services for the Organization.

## 10. Miscellaneous Provisions



- 10.1 Force Majeure: PJR shall not be liable in any respect should it be prevented or delayed from performing any of its obligations hereunder in an event or occurrence beyond its reasonable control and without its fault or negligence, including, without limitation, fires, floods, explosions, accidents or other catastrophes, acts of God, strikes, lockouts or labor disruption, wars, terrorism, piracy, riots or embargo delays, government allocations or priorities, severe weather conditions, and changes of law or regulation.
- 10.2 Law, Jurisdiction, Venue: This Agreement shall be interpreted and enforced in accordance with the laws of the State of Michigan, as if fully performed in the State of Michigan, without giving effect to any choice or conflict of law provision or rule (whether of the State of Michigan or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Michigan. The parties agree that State of Michigan shall be the exclusive jurisdiction for all disputes in connection with the Agreement. Any dispute between the parties relating to the Agreement or the performance of the parties hereunder shall be subject to venue of the 52nd District - 4th Division Court in Troy, Michigan, Circuit Court of Oakland County, Michigan, or the United States District Court for the Eastern District of Michigan, as a convenient venue for both parties.
- 10.3 Waiver: The failure of either party to enforce any right accruing under the Agreement shall not be construed as a waiver of a subsequent right of such party to enforce the same or any other right, term, or condition.
- 10.4 Notices: All notices given pursuant to the Agreement shall be in writing and shall be mailed by certified mail, return receipt requested, addressed:
- a) If to PJR, to: President, Perry Johnson Registrars, Inc., 755 W. Big Beaver Road, Suite 1340, Troy, Michigan 48084.
  - b) If to Organization, to the contact information listed in the Agreement.
  - c) Communications will be considered received on the 5<sup>th</sup> business day following mailing of such communication in the United States, 10 business days outside of the United States.
- 10.5 Electronic Communications: PJR appreciates the limitations inherent in the process of electronic data exchange. Because PJR intends to make the registration process as straightforward and expeditious as possible for the Organization, the parties acknowledge and agree that where there are any documentation discrepancies found between the Organization's document and the document in its original form as held by PJR (whether received electronically or otherwise), the document in its original form shall control. Moreover, PJR does not assume or accept liability for any unforeseen postponement or oversight that may result from electronic data exchange, trusting entirely in the validity of all information provided electronically by the Organization. Accordingly, the Organization agrees to exclude PJR and all relevant third parties from all legal responsibility that may arise from any inconsistencies in electronic documents exchanged between the two, and shall indemnify, defend and hold harmless PJR, its directors, officers, employees, assignees, agents, and shareholders of and from any and all claims, demands, suits, obligations, liabilities, damages, losses and judgments, including reasonable attorney's fees, costs and expenses arising from any inaccuracies between electronic documentation and the original thereof.
- 10.6 Severability: Should any provision of the Agreement be determined to be invalid or unenforceable, it shall be adjusted so as to best reflect the intent of the parties to the maximum extent possible, and the remainder of the Agreement shall be valid and enforceable to the maximum extent possible.
- 10.7 Entire Agreement: The Agreement constitutes the entire Agreement between Organization and PJR with respect to this subject matter, and supersedes any and all prior understandings and agreements to the contrary, written or unwritten, express or implied.
- 10.8 Use of Contractors: The Organization hereby acknowledges that PJR may use external resources, including contracted auditors, to provide registration services to the Organization and consents to the use of said external resources. PJR shall take responsibility for the activities of all external resources, including contracted auditors.
- 10.9 Employment of Auditors: The Organization agrees not to hire or contract with, directly or indirectly, any PJR auditor, or contracted auditor, who participated in the performance of auditing or registration services at any of the Organization's facilities, for a period one year after completing said services or the expiration or termination of the Agreement for any reason. Should the Organization violate this restriction, it agrees to pay PJR an amount of \$100,000 U.S. Dollars in liquidated damages, and the Organization agrees that such an amount is a fair and equitable sum and is reasonable and appropriate in such a situation.
- 10.10 Disclaimer: In the event that the Organization's audit to the applicable standard is completed successfully and a Certificate of Approval is issued, the Certificate shall in no way be construed by any party as evidence of compliance with any other standard, rule, regulation, statute, or ordinance or reflect or suggest absolute or even comprehensive conformity of the Organization's system and/or facility to any other standard, rule, regulation, statute or ordinance. The Certificate of Approval only indicates that the Organization appears to be compliant with a particular standard at a particular point in time. PJR is not responsible for notifying any regulatory agency of any apparent or potential breach of any rule, regulation, statute, or ordinance PJR may detect during the course of any audit. PJR only agrees to audit the Organization's Management System for conformance to the applicable standard requested at the particular point in time. Further, PJR shall not be liable for any nonconformity that may occur due to changes in the applicable standards and/or subsequent

events. PJR makes no claim or assertion that the Organization's Management System will continue to comply with the requirements of the audited applicable standard. It is incumbent upon the Organization to continue to follow the applicable standard(s). PJR has no role in its continued implementation. **FSMS:** In the context of food safety management system audits, PJR is not certifying or attesting to the safety or fitness of any product or service or whether the Organization's employees are operating in compliance with all food safety regulations at all times. Rather, PJR is only reviewing a particular management system at a particular time to assess whether it appears to be compliant with a particular standard. As such, PJR cannot guarantee and does not purport to guarantee the safety of the Organization's product or service or that its product or service meets all food safety regulations at all times.

10.11 **Confidentiality:** PJR agrees to maintain confidentiality regarding all information gained from the Organization from the time the Organization first expresses interest in PJR services, except as required by our Accreditation Bodies, Standard Licensing Bodies, regulatory, or industry-specific groups or as otherwise provided by law or court order. PJR ensures that all records, data, and information received during the execution of the audit as well as the written audit report remain confidential and the property of PJR. Only with the Organization's written authorization will PJR release audit data to any entity except when mandated by law, statute, or the regulations of Accreditation and Standard Licensing Bodies.

10.12 **Legal Compliance and 14001/18001/45001/R2/e-Stewards/ Food Safety/ABMS Audits:** While one of the intents of 14001/18001/45001/R2/e-Stewards/Food Safety/ABMS audits is to assist the Organization in achieving legal and regulatory compliance, among other objectives and targets, this is not the focus of the audit. In addition, auditors must be sensitive to the risk posed to the Organization, the registrar and the auditors themselves in the event of inappropriate handling of compliance issues. As such, auditors who encounter sensitive issues of a compliance nature are instructed to follow these guidelines:

1) **Legal and Regulatory Requirements**

If a suspected legal or regulatory non-compliance is observed, the auditor shall notify the organization immediately. The auditor shall determine if the Organization has an effective procedure to identify legal and regulatory requirements.

- a) If there is no procedure/documented information in place, this shall be cited as a major non-conformity to 4.3.2 of the OHSAS 18001 standard and to 6.1.3 of 45001, 14001 and e-Stewards. For the R2 standard, such a nonconformity would be written up against 3(a).
- b) If the procedure/process is not effective or being applied in the proper manner, a finding can be written against 4.4.6 of the OHSAS 18001 standard and to 8.1 of 45001, 14001 and e-Stewards. For the R2 standard, such a nonconformity would be written up for example against 4(e).

2) **Identification of Aspects and Hazards**

If an effective procedure for legal and regulatory requirements has been established, the auditor shall examine the Organization's established procedure for identification of environmental aspects and OHS hazards and/or risks.

- a) If a suspected non-compliance has not been identified as an environmental aspect (for 14001/e-Stewards) or an OHS hazard (OHSAS/45001 audits) the auditor should write a nonconformity against 4.3.1 of the OHSAS 18001 standard and 6.1.2 of 14001/e-Stewards/45001. If the hazards and risks are insufficiently identified for the R2 standard, then it should be written against 1(a)(3)(D).
- b) If the suspected non-compliance was identified through the Organization's aspect/hazards analysis, then the auditor should examine their management system, to determine what, if any, steps the Organization has taken to bring the non-compliance issue back into compliance.
- c) The auditor is then responsible to determine the effectiveness of the management system.

3) If there is no evidence of the Organization applying control in a potentially dangerous or hazardous situation (regarding the surrounding environment or people), the auditor will stop the audit and discuss the suspected nonconformity with the Management Representative and the PJR Programs and Accreditations Manager or the EHS Program Manager. If the seriousness warrants, the Programs and Accreditations Manager or the EHS Program Manager (along with the advice of the auditor and/or a technical expert), will make a decision as to any additional measures that may be taken. These measures may include stopping the audit.

4) Evidence shall be documented, on the audit report, that a discussion regarding legal and regulatory requirements and aspect/impact identification took place with the Organization. Such a document will not indicate non-compliance, as auditors are not compliance auditors but system auditors. It will, however, indicate the absence of requirement(s) for an effective management system.

5) Due to the terms of confidentiality as outlined in this document F-3, and the auditors contract with PJR, in governmental jurisdictions where public disclosure and/or governmental notification is required, all responsibility for said disclosure lies with the Organization subject to applicable Law(s) and/or Regulation(s).

6) Due to the nature of the audit process, auditor failure to discover existing regulatory or legal non-compliance, or non-compliance with any other standard, statute or ordinance, in no way can be seen as a failure to provide

acceptable professional services on the part of PJR, the registrar, or the auditor(s).

- 7) FSSC: If Organization becomes aware of legal proceedings with respect to product safety or legality, or in the event of product legal, it shall make PJR aware within three working days.
- 8) ABMS: If, in the course of performing independent research related to the organization, the audit team identifies a recent bribery allegation/issue, the audit team will contact the ABMS Program Manager or Programs and Accreditation Manager to determine the appropriate course of action. If it is determined that the Organization failed to implement its Bribery Response Procedures (required by clause 8.10 of ISO 37001:2016) a Major nonconformance should be written. At the discretion of the ABMS Program Manager or Programs and Accreditation Manager further action may also include premature termination of the audit and revocation of the Registration Certificate of Approval.
- 9) ABMS: If, in the course of performing the onsite audit, the audit team identifies evidence that the Organization has engaged in acts intended to conceal a bribery incident, including termination of whistleblowers, destruction of relevant records, or similar actions, the Lead Auditor will contact the ABMS Program Manager or Programs and Accreditation Manager to determine the appropriate course of action. At the discretion of the ABMS Program Manager or Programs and Accreditation Manager such incidents may lead to premature termination of the audit and revocation of the Registration Certificate of Approval.

#### 10.13 RIOS Certification Stipulations

10.13.1 Organization must maintain membership with ISC in order to be considered a RIOS Company. A company that is not a RIOS Company shall not be eligible for RIOS certification. A RIOS Company shall not be eligible to maintain RIOS certification if it fails to maintain its RIOS membership

10.13.2 ANAB or ISC may attend any audit performed by PJR for a RIOS Company. Failure of a RIOS Company to allow attendance by ANAB or ISC shall bar RIOS certification for the RIOS Company for any of its operations.

##### 10.13.3 RIOS Certification Reporting

10.13.3.1 The RIOS Company shall inform ISC when it has received its RIOS certification and the scope of its operations included in the certification.

10.13.3.2 The RIOS Company shall annually report its RIOS Certification status to ISC

10.13.3.3 The RIOS Company shall maintain copies of their RIOS Certification Audit reports and are encouraged to share information publicly.

10.14 Transfer of certificates: PJR shall not be liable for any previous omission prior to the date of the transfer of registration from another registrar. Transfers of registration are conducted in accordance with PJR PRO-13, Transfer of Registration Procedure or the applicable F-81 or PRO-1.

10.15 Changes in certification requirements: PJR will post any changes of certification requirements (including revisions to these Terms & Conditions) to its website ([www.pjr.com](http://www.pjr.com)). Because organization must abide by all new and/or modified certification requirements under any applicable standards, it is incumbent on the organization to monitor the PJR website periodically for any such changes.

10.16 Equitable Relief: The Organization acknowledges and agrees that any breach of its obligations under Section 5.5, 5.6, 9.3 or 10.9 of these Terms and Conditions or of any applicable provisions of the documents referenced in Section 2 of these Terms and Conditions would cause irreparable damage to PJR, the exact amount of which would be difficult to ascertain, and that the remedies at law and monetary damages for any such breach would be inadequate. Accordingly, in the event of any action taken or threatened by the Organization hereunder that, if taken, would constitute a breach of its obligations under any of these Sections, PJR and its successors and assigns are entitled to injunctive or other equitable relief and/or a decree for specific performance, without the posting of any bond or other security, in addition to any other remedies it may have for damages or otherwise. The Organization may not take any action or position inconsistent with this acknowledgement, and PJR will be entitled to recover its attorney fees and costs in connection with the enforcement of this Section 10.16.

10.17 Costs of Enforcement: The Organization shall pay or reimburse PJR for any and all costs and expenses (including reasonable attorney's fees, expert witness fees and court costs) incurred in enforcing its rights, including the rights to receive any payment for services provided to the Organization, under the Agreement. This provision shall survive the expiration or termination of the Agreement for any reason and/or the completion of the services for the Organization.

10.18 Assignment: The Organization may not assign this Agreement, in whole or in part, without PJR's prior written consent, which consent may be withheld by PJR in its sole and absolute discretion, and any attempted assignment in violation of this Section will be void and of no legal effect. In the event of any permitted assignment by the Organization, on the

effective date of the assignment Organization shall pay in full any and all amounts due PJR under the Agreement, and Organization shall remain primarily responsible and liable to PJR for any and all payments to PJR under the Agreement after the assignment hereof or any rights or obligations hereunder.

- 10.19 Section Headings: The Section headings contained in these Terms and Conditions are for reference purposes only and shall not in any way affect the meaning or interpretation of these Terms and Conditions.
- 10.20 Multiple Counterparts: The Agreement may be executed in multiple counterparts, each of which shall constitute an original agreement, but all of which shall constitute only one agreement. The signatures need not all be on a single copy of the Agreement between the parties, and may be facsimiles rather than originals, and shall be fully as effective as though all signatures were originals on the same copy.