



## SF05 SPECIFIC CONDITIONS OF CERTIFICATION SERVICES IATF 16949 STANDARD

### 1. GENERAL

- 1.1. These specific terms and conditions of service (the "**Specific T&C**") 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. BVQI Mexicana, S.A. de C.V. ("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 either directly or indirectly.  
  
Note – The client's failure to meet this contractual requirement shall result in audit termination by certification body
- 1.8. Pursuant to the IATF Rules, BV shall keep copies of the travelling expenses of the auditors (travel, accommodation or catering invoices).
- 1.9. If the Client notifies its Intent to 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. The client and BV shall work together to resolve open issues related to its transfer.
- 1.10. Client shall submit the information as mentioned in rule 5.7.1 no less than (30) calendar days before start date of the audit. 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.
- 1.12. The IATF fees invoiced by IATF through the Oversight office will be calculated on each client invoice total for audit activities related to certification and letters of conformance excluding auditor travel expenses. The Certificate Fee shall include, without limitation, the audit days for all stage 1 assessments, stage 2 certification audits, surveillance audits, recertification audits, transfer audits, and special audits conducted at manufacturing sites and all associated remote support locations and all fees, charges, surcharges levies, or other costs charged to the Client in connection with IATF 16949 certification or letters of conformance.

### 2. REQUESTS FOR CERTIFICATION

The client shall provide BV in formation related to the previous and/or existing certification to IATF 16949 before contract signature.

The SF01 Application sent by BV must be fully completed and sent back to BV with supporting documentation at the requested time.

- 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 stage 1 readiness assessment which will be conducted in (2) two consecutive parts to determine the preparedness for Stage 2, including but not limited to understand and confirm organization's eligibility to IATF 16949 along with its applicable certification structure, certificate scope and employees at audited location. Understand & confirm scope of the management system, context of the organization with the focus of its products and customers, CSR, top management commitment & involvement, its structure & boundaries, including interface and interaction to supporting and supported client locations, to understand and confirm organizations use of essential quality management system elements to protect customer from manufacture and shipping of non-conformity product, to identify discrepancies between application information provided by the client and facts established during stage 1 readiness assessment, to assess



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readiness for stage 2 certification audit and to support to the effective and risk based planning for Stage 2 certification audit.

### 3.2. Stage 2 Audit

- 3.2.1. If the time period between closing meeting date of stage 1 readiness assessment and the start date of stage 2 certification audit exceeds ninety (90) calendar days, another complete stage 1 readiness assessment is required.
- 3.2.2. BV shall provide an audit plan to the Client at least fourteen (14) calendar days before the start of the audit.
- 3.2.3. 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
- 3.2.4. 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 Stage 1 & 2

- 3.3.1. If as a result of Stage 1, readiness assessment 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 readiness assessment of the audit, BV may determine that all concerns identified and their impact on auditors recommendation for the client to proceed or not proceed to a stage 2 certification audit, clarifications of the concerns the certification body is responsible for resolving, any information obtained that may impact the calculated stage 2 certification audit days, the auditors stage , Stage 1 readiness assessment result recommendation before proceeding with to Stage 2 certification audit.
- 3.3.3. When Stage 2 certification audit is planned the time between closing meeting date of stage 1 readiness assessment and the beginning of stage 2 certification audit shall be a minimum of twenty (20) calendar days.

### 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.

3.4.4. For any Major Non-Conformity the following evidences are required to be provided within fifteen (15) calendar days following the audit:

- Implemented containment actions and their effectiveness
- Implemented correction
- Root cause analysis
- Systemic corrective actions plan

And within a maximum of sixty (60) calendar days from the closing meeting, the following evidence is required to be provided:

- Implementation of systemic corrective actions
- Result of verification of effectiveness of the implemented systemic corrective actions

3.4.5. For any minor Non-Conformity the following evidences are required to be provided within sixty (60) calendar days following the audit:

- Implemented containment actions and their effectiveness
- Implemented correction
- Root cause analysis
- Implementation of systemic corrective actions
- The method(s) used for verifying the effectiveness of the systemic corrective actions and the verification result

3.4.6. 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 not less than thirty (30) calendar days before the start of each audit, this list being non exhaustive:

- Confirmation of the audit date,



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- Client's quality management system documentation, including evidence about conformity to IATF 16949 requirements accordingly ,
  - Quality manual (for each site to be audited),
  - Information regarding significant changes to the structure or context of the organisation since the previous audit including changes in support locations and indirect support locations and their relevant support functions.
  - Information related to relocation of manufacturing site and/or support activities since the previous audit.
  - Number of employees at each manufacturing site, extended site, stand-alone remote support locations to be audited under audit plan being developed.
  - Any language spoken on-site which differs from the language in which audit will be conducted, including the ratio of workers foreign language and the process (es) in which they work.
  - Details of any quality management system related consultancy services since previous audit.
  - Quality management system performance and trends in relation to established performance targets since the previous audit.
  - Result of internal system audits and management review for IATF 16949 since the previous audit
  - If applicable, evidence that the Client does not have any responsibilities regarding the design of products manufactured and/or supplied,
  - Information related to customer gained, including their customer-specific requirements and/or customer lost since the previous audit.
  - Updates or revisions to customer-specific requirements for existing customer since previous audit.
  - External performance targets and related trends, including customer reports and scorecards, customer satisfaction and customer complaint summaries since last audit
  - Customer dissatisfaction scenarios for e.g. customer special status condition, complaints from IATF complaint management system (IATF CMS) since the previous audit.
  - List of qualified internal auditors,
  - Follow-up on issues resulting from previous audits.
  - Latest report support locations audit reports and non-conformity management records if the audit was conducted by different CB. BV may accept the audit report, audit plan and non-conformity management 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
    - the information gives clear indication of:-
      - Which support function at the remote support location provide support to the manufacturing site
      - Which processes performed at the remote support location pertain to relevant support functions
      - The relevant support function processes used to support the manufacturing site being audited according to the intervals required
      - Which processes were audited and that the interface were audited in detail for the manufacturing sites sampled clearly stated inputs and outputs (I.e. interactions)
- 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,
  - Client's intent to transfer once a legal contract is signed with a new certification body.
  - 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 thirty (30) days prior to the issuance of the audit plan. The IATF rules require BV postpone the audit in case the Client has not provided the documents in time. In case the audit is postponed, the costs related to the postponement will be charged to the Client.
- Note – Delaying an audit may result in loss of certification.
- Client (Tier 1 Suppliers to IATF OEMs) will have some additional audit time (hours) added to their audit if they are not meeting the IATF OEM specified quality and delivery performance targets. This additional audit time shall be used by auditors to focus on the effective implementation of implemented corrective action process and prevention of recurrence, including for related processes and products. The additional audit time is mentioned in IATF Rules 6th Edition rule 5.2q.
- ### 3.7. Onsite verification of Client's changes before each audit
- 3.7.1. In exceptional cases, due to confidentiality concerns, if the client does not submit the management review records thirty (30) days prior to the audit, BV can add additional two (2) hours to the audit plan for the review of management review records on-site before the start of the opening meeting.
- 3.7.2. The audit team shall adjust the audit plan based upon any new information collected, if required. These



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two(2) hour is in addition to the specified audit days and is charged to the Client at current BV rate.

### 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. Confirmation of audit dates

4.3.1. Audit dates for surveillance, recertification and transfer, Remote support location audits shall be confirmed with the client not less than ninety (90) calendar days before the audit due date.

#### 4.4. Special audit

4.4.1. 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 verification of client's quality management system compliance with IATF 16949 requirements after a relocation. BV shall inform the Client in advance of the conditions under which this special audit is to be conducted.

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

#### 4.5 Transfer Audit

4.5.1 If a client decides to get transferred to BVC from any other CB, the client shall meet the requirements stated in the rules 7.1 and 7.1.1. During the offer released to the client, the client may be acceptable to transfer. However, only post review of transfer audit pre-conditions by the lead auditor during the pre-planning stage it shall be confirmed that the client is good to transfer i.e. the client fully meets the requirements mentioned in the rules 7.1.1 Transfer audit pre-conditions.

### 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 standalone remote support location.

5.1.2. BV shall issue the final audit report within fifteen (15) calendar days of each audit to the Client.

### 6. CERTIFICATION CHANGES

6.1.1. The Client shall inform BV, without delay, of any significant changes and of any other circumstances which may affect the validity of its certification. As examples, Major or significant changes to the management structure change of contact address or location, relocation of the manufacturing process(es) or support activities, closure or relocation of a manufacturing site, extended manufacturing site, or a standalone report support location, change of ownership status, change of scope of operations under the certified quality management system including any new locations and/or support relationships to be covered in the certification scope, outsourcing of quality management system processes to other organizations, change of number of employees, change of legal status, Customer dissatisfaction scenarios that require certification body notification as described in IATF OEM customer specific requirements (customer special status), a signed contract with another 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 shall lead to appropriate actions by certification body, including, but not limited to, audit termination, audit cancellation, contract cancellation or certificate withdrawal. 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 logo 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 logo is strictly prohibited.

Note – The client may IATF 16949 certificate bearing the IATF logo for marketing and advertising purposes.



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- 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 Logo 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.
- 7.1.4. The client shall remove all references to the IATF 16949 from all internal and external marketing channels when its certification is cancelled, withdrawn or expired.

### 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 (observers), certification body internal witness audit at the Client's facilities. The Client shall allow BV to provide the final audit report and non-conformity 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 surveillance or recertification and special audit includes Non-Conformities;
  - 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 Logo;
  - 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 here](#) 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 Tour Alto - 4 Place des Saisons 92400 COURBEVOIE (France) attention to: Certification Vice President, or record the complaint using the [BV Website](#).

### 11. SPECIAL: REMOTE AUDIT

- 11.1.1. As per rule 7.3 of IATF 16949 rules 6<sup>th</sup> edition remote audit method may be used to include remote working employees.
- 11.1.2. A remote auditing method shall only be used for conducting surveillance audits at standalone remote support locations where no product or material handling occurs, repeat stage 1 readiness assessment (with limited scope).
- 11.1.3. 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, 6<sup>th</sup> Edition section 5.2. including a short mock audit session for each environment to test the operation and effectiveness of the remote audit.
- 11.1.4. 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.

### 12. BV CHANGES NOTIFICATION AND DATA PROTECTION

- 12.1.1. BV shall notify the client within ten (10) calendar days of any changed in BV ownership status and loss of IATF recognition.
- 12.1.2. BV (including all the sponsored IATF 16949 auditors) shall comply with all relevant data protection laws for the client jurisdiction a provide sufficient transparency regarding the use of relevant personally identifiable information.