

Agreement for Provision of Certification Services
for Products, Processes and Services

Between System Advanced Laboratories Ltd
4 Paran Street, Yavne
(hereinafter: "**the Company**")

of the one part

and _____ Private Company No. _____
of _____
(hereinafter: "**the Customer**")

of the other part

Whereas The Company has an ISO/IEC Standard 17065 accredited Unit for certification of products, processes and services (hereinafter: "the products");

And whereas The Company works for the benefit of the consumer and the economy and offers a reliable and independent product certification system which utilizes advanced and internationally recognized methods;

And whereas The Company supervises the product's compliance with its specification by utilizing advanced inspection techniques which take into account the customers' ability to review the product;

And whereas The Company operates in accordance with the rules specified in International Standards IEC/ISO 17065 and IEC/ISO 17067;

And whereas The Customer manufactures the products specified in **the application form which is attached herewith** as an integral part of this Agreement;

And whereas The Customer has asked the Company to issue a certificate as defined hereinafter, according to which the products which it manufactures conform to the specification, after examining the products and clarifying whether they can be certified ("in the preliminary stage"), and provided that if the products are approved as certifiable, the Customer shall enable the Company to supervise the products, their manufacturing processes

and the quality control which the Customer has undertaken to implement, as defined hereinafter;

And whereas The Customer is aware that since the supervision and certification process under this Agreement is voluntary, it shall be carried out in accordance with the terms of this Agreement and subject to the Company's protocols (hereinafter: "the protocols");

It is therefore declared, stipulated and agreed between the parties as follows:

1. **Preamble and definitions**

The foregoing preamble and the appendices attached herewith constitute an integral part and substantive and principal terms of this Agreement. The paragraph headings are intended for convenience only and shall not be used for the purpose of interpretation.

1.1. In this Agreement the following terms shall have the meanings specified next to them:

1.1.1. **Certificate** - A certificate bearing the product's name and accreditation classification, the specification, the name of the Customer, the name of the Company, the duration of the certificate, the Company's mark and the symbol of the accreditation body.

1.1.2. **Certification Unit** - An organizational unit which operates within the framework of the Company for the purpose of certifying products/processes and services. The Company operates as a third party accreditation body.

1.1.3. **Testing and examination** - Testing the product in accordance with the specification, examination of the production process and approval of the product file and quality program.

1.1.4. **Specification** - Including the Israeli standard, international standard, a foreign national standard, normative document and technical

documents.

- 1.1.5. **System stamp** - A mark which indicates that the product conforms to the specification.
- 1.1.6. **Specific certification scheme** - A scheme relating to a specific product/service/process and which defines requirements for the preliminary stage and supervision.
- 1.1.7. **Certification requirements** - All the requirements as delineated in the specification and the certification scheme.
- 1.1.8. **Supervision** - Actions which the Company takes after issuing the certificate in order to verify that the certification conditions are being complied with.
- 1.1.9. **Preliminary stage** - Actions which must be taken during the certification process.
- 1.1.10. **Corrective action** - Action taken to prevent repeated nonconformity.
- 1.1.11. **Product file** - A document file containing a technical description of the product's characteristics. See Appendix A.

2. **System undertakes during the certification process:**

- 2.1. To test and examine the product in accordance with the defined specification.
- 2.2. To test the products in accredited laboratories in accordance with Standard 17025 only.
- 2.3. To examine the products in accordance with Standard 17020 only.
- 2.4. To announce on the Company's website that the Customer has a certificate. The announcement shall include the Customer's name, the specification, the accreditation classification, the duration of the certificate and a copy of the certificate. The Company shall forward for the Customer's endorsement any

additional and/or other information relating to the Customer which shall appear on the website. The Company shall allow the creation of a link to the Customer's website.

3. The certification stages

3.1. The preliminary stage

3.1.1. In order to facilitate commencement of the preliminary stage, the customer shall forward to the Company the following documents:

- (1) An application, filled out as required and signed, for the Customer's certification.
- (2) General information, including the Customer's general details, information about its organizational structure, key personnel, the location of its production sites, and the Customer's quality guide, if one exists.
- (3) A detailed description of the product including technical documents (drawings, assemblies, catalogue, etc.) and any information which the Customer considers to be important for the purpose of describing the product.
- (4) Details of any subcontractors involved in the production process.
- (5) Without derogating from the foregoing, the Customer undertakes to furnish the Company with a full and precise description of the products and their components, in drawings, specifications, photographs and in any other format which the Company shall decide upon, apropos the parts which it manufactures itself and to also answer any question and/or demand relating to the product.

3.1.2 According to a decision of the Company's manager, the Customer's premises may be visited in order to form an impression of the control mechanisms in the production process, the skills of the employees and the management team, and to explain the specification and the specific certification program.

- 3.1.3 The Customer undertakes that as long as it is tied to this Agreement with the Company, it shall not to made any change to the products, their components or the production process during the supervision period, without the Company's prior written consent and/or which were not demanded by the Company. Should it intend to make any change that affects the certification requirements, the Customer shall update the Company in advance, immediately and without delay, and the Company shall examine and/or analyze the change. Only after obtaining the Company's approval of the said change may the Customer continue marking the product with the System stamp. The Customer undertakes to bear the costs of examining and/or analyzing the changes.
- 3.1.4 Upon receiving the aforementioned documents, the Company shall forward an itemized quotation to the Customer regarding the cost of the preliminary process stage, and once the quoted figure has been fully paid, the Company shall conduct tests and examinations based on the documents which were transferred to it.
- 3.1.5 The preliminary stage shall be completed within 60 days from the date on which the last of the documents required under paragraph 3 above was submitted, unless the laboratory test on the product, if needed, took longer than 45 days. The Company shall conclude the preliminary stage as aforesaid, within seven days from the date on which the tests and examinations were positively completed.
- 3.1.6 Should it be decided that a certificate may be granted for the product, the Company shall forward an itemized quotation to the Customer regarding the supervision costs. Should it be decided that a certificate cannot be granted to the Customer, then this Agreement shall be terminated.
- 3.1.7 Upon completion of the examination and confirmation of the Customer's compliance with the requirements of the specific certification specification, the Customer shall receive a certificate and a permit to mark its products with the System stamp. How and where the product/packing shall be marked shall be prescribed in the

specific certification scheme for the product.

- 3.1.8 The initial certificate shall remain in force for a period of 12 months from completion of the preliminary stage, at the end of which it shall be renewed for 36 months, provided that the Customer complied at all times with the certification requirements and subject to the terms of this Agreement.
- 3.1.9 The Customer may object to the certification classification as recorded in the certificate that was given, and the Company shall examine the complaint. The protocol for submitting and handling objections shall be published on the Company's website. The foregoing shall not delay the announcement on the Company's website. Should the Customer's objection be rejected, the Customer shall not make and hereby relinquishes any claim or demands concerning and/or relating to the Company's initial decision regarding the certification classification as recorded in the certificate.

3.2 **Supervision**

- 3.2.1. The Company shall carry out product tests and examinations according to the specific certification specification. The frequency of the tests and the examinations shall be prescribed in the certification specification.
- 3.2.2. The Company reserves the right to change the frequency and scope of the tests and examinations, based upon all the information in its possession, and if necessary it shall submit requests to the Customer for additional information and/or documents. Should the Company need to carry out additional tests/examinations, the Customer shall be notified in advance and shall confirm its consent in writing. The Company shall inform the Customer in advance of any changes in the certification requirements and shall give it such time to prepare for those changes as the Director of the Certification Unit shall determine.

- 3.2.3. The Customer shall keep and present to the Company documentation of all the complaints which were received from its customers, their investigation, how they were dealt with and the corrective action that was taken. The Customer undertakes that its customers' complaints shall be kept as long as the product is subject to supervision.
- 3.2.4. At the Company's request, the Customer shall allow and assist it to take samples of the products, including the materials and parts used in their manufacture, for testing. These samples shall be taken free of charge and tested to ensure that they conform to the specification. This paragraph shall also apply to parts manufactured by the Customer's subcontractor.
- 3.2.5. When requested to do so by the Company, the Customer shall correct and/or improve and/ or change processes (hereinafter: "the changes") to the extent necessary in order for the products to satisfy the certification requirements, and it undertakes to incorporate these changes in the product's production process.
- 3.2.6. Should the Company wish to use an external laboratory to carry out the tests, it shall not do so without first reporting this and the name of the external laboratory in question to the Customer and obtaining its written consent.
- 3.2.7. The Customer shall permit the Company's representative to visit its production plant at any time, without prior notice, as well as its subcontractors who are engaged in the manufacture of the products or parts thereof or their assembly, to inspect the products and to examine the Customer's own manufacturing and audit processes.
- 3.2.8. Where parts of the products are not being manufactured or assembled by the Customer itself, the Customer shall do all that the Company requires in order to enable it to supervise the manufacture and assembly of those products, in the same format in which the Company supervises the Customer.

- 3.2.9. Should the Company deem it necessary, the Customer agrees to allow an observer sent by the Company to participate in the testing and examination processes conducted at the Customer's site, provided that the observer signed an undertaking to keep all the Customer's information which he shall be exposed to during the process confidential. The name of the observer shall be given to the Customer in advance.
- 3.2.10. The Customer hereby undertakes to only manufacture and/or market products which correspond with the specification and product file. Should the product be subject to regulatory requirements, that is, an official standard and/or other enactments, the Customer shall declare that the product satisfies those requirements already at the preliminary stage.
- 3.2.11. The marking of its products with the System stamp shall serve as the Customer's confirmation that they comply with the specifications that were set for them. The Customer fundamentally undertakes not to mark products with the System stamp that do not meet the specifications as aforesaid.
- 3.2.12. The term "products" includes the packaging and any label or leaflet attached to the product or its packaging.
- 3.2.13. The Customer shall not permit the use of and/or transfer and/or charge the System stamp in its possession and/or grant any rights in it to a third party.
- 3.2.14. The Customer undertakes to observe all statutory provisions relating to the products which it manufactures and to its customers, including the provisions of the Consumer Protection Law, 5741-1981 and its Regulations.
- 3.2.15. The Company shall be responsible for administering all the information received from the Customer and, unless the information in question was publicized by the Customer, has entered the public domain and/or it was agreed between the Customer and the laboratory

(for example, for the purpose of answering complaints) that it may publicize it and/or the Customer gave prior written consent to its transfer to a third party, the Company shall keep the information confidential (hereinafter: "the confidential information").

3.2.16. Should the Company be required by law to publicize information which was received from the Customer and/or to give information to any authority, including privileged information, the Customer shall be notified of this, unless the Company shall be required by law to keep the transfer of the information to a government authority as aforesaid, confidential.

3.2.17. The Company undertakes to act without discrimination and/or partiality towards the Customer whether in relation to other customers or in relation to third parties.

4. Changes affecting the certification and cancellation of the Agreement

4.1. Either party may cancel the Agreement subject to sending the other party a written notice 30 days in advance to its address as stated in the preamble.

4.2. The Customer shall inform the Company in writing of a change in the ownership of the production plant (or of a subcontractor who provides services to the Customer). If the Customer is a corporation, the certification and permit shall expire 30 working days after a change in the composition of its shareholders. The Company's manager has the authority to extend that period by a further 30 days.

4.3. Should the customer be declared bankrupt, be the subject of liquidation proceedings, enter into negotiations with its creditors to settle its debts, begin closing its business, have a manager and/or receiver appointed for its business, or should bankruptcy and/or liquidation petitions be filed against it, the certification and permit to mark products with the System stamp shall immediately cease to be valid, unless the Company shall decide otherwise and inform the Customer of this in writing. In the aforementioned cases the Customer shall immediately stop making use of the System stamp.

- 4.4. Should the Company's tests or examinations show that all or some of the products are at variance with the specification which applies to them, or that they are not being manufactured or inspected in accordance with the certification requirements, then the Company may, by a written notice to the Customer:
- 4.4.1. Suspend the certificate and demand that the Customer take corrective action as a condition for reinstating it.
 - 4.4.2. Decide to intensify the supervision by carrying out additional tests and/or examinations on the Customer's premises, which the Customer undertakes to pay for in accordance with the price which the Company shall set.
 - 4.4.3. In the case of a serious, life-threatening defect and/or a failure to take the corrective actions within the timeframes prescribed by the Company:
 - a. Revoke the certificate which was given to the Customer and the permit to mark its products with the System stamp
 - b. Cease supervision of the product and the manufacturing process for a specific period or permanently.
 - c. Instruct the Customer to delete/remove the System stamp from the entire stock of products which it has in its possession, to stop publicizing through all media channels that it has received a certificate from the Company, and to return the certificate which it received from the Company.
- 4.5. The decision to cancel the product certificate and the System stamp marking permit shall be taken by the Company's CEO upon the recommendation of the Unit's manager.
- 4.5.1. The Company shall announce the cancellation of the certificate (for a period or permanently) on its website.

4.5.2. In none of the aforementioned cases shall the payment made for the process upon which this Agreement is predicated be refunded.

5. **Publicity**

5.1. The Customer shall not publicize nor give the impression in any way, by act or omission, verbally or in writing, that its production plant or all the products which it manufactures or markets are certified by the Company and are under its supervision or are due to be examined by the Company, other than in relation to a product for which the Customer received a certificate and permit to mark it with the System stamp.

During the tests the Customer shall be required to present the publications as aforesaid.

5.2. In addition, even in those cases in which the Customer has been given a certificate and permit to mark a product with the System stamp, it shall not publish an announcement concerning the certificate and permit that were given to it, in a catalogue and/or media and/or in any other way, until the announcement which it is initiating has been presented to and cleared for publication by the Company. The Company may reject the publication, demand that changes be made to it, or approve it, and the Customer shall act in accordance with the Company's decision. Also and in addition, the Customer undertakes that should it transfer to a third party the certificate which was given to it, then it shall transfer the certificate in its entirety.

5.3. The terms of this Agreement shall apply to any additional product for which the Customer shall request a certificate in the future and it shall also meet the certification requirements and receive a permit to mark it with the System stamp after the signing of the Agreement.

5.4. In return for the supervision which the Company shall undertake after granting the certificate and System stamp permit pursuant to the provisions of this Agreement, and in accordance with the specific certification scheme (**Appendix B**), the Customer shall pay to the Company each year the sum specified in **Appendix A** on the specified dates.

6. **General**

6.1. The Customer undertakes to indemnify the Company, upon receiving the Company's first demand for it to do so, against any sum which the Company shall be compelled to pay as a result of a claim and/or legal proceeding (including a third party proceeding) and/or demand which shall be submitted against the Company with respect to and/or in connection with the products which shall be manufactured by the Customer, including litigation costs and attorney's fees. The Customer relinquishes any claim and/or demand against the Company, including within the framework of third party notices relating to the process which the Agreement is based upon, and it is aware that undertaking the supervision process shall not impose any liability on the Company with regard to the products and their manufacture. The Customer may plead submissions against the Company concerning erroneous provision of the System stamp.

6.2. This Agreement shall be in force from the date on which it is signed until _____ and shall be renewed automatically from year to year, unless cancelled by one of the parties in a written notice given a month before its validity is due to expire.

The parties' addresses for the purposes of this Agreement are as stated in the preamble

In witness whereof we have signed on _____ (day) _____ (month) _____ (year)

System Advanced Laboratories Ltd The Customer Certification Unit Manager

Appendix A - List of the products and models which have been certified and the supervision cost

Name of the Customer _____ Private Company No. _____ Date _____
Certificate number _____ Dated _____

Certificate number _____ Dated _____

7. Annual costs of supervision program

The activity	Scope	Price for activity	Total
Full examination			
Partial examination			
Tests of process			
Handling fee for payment			
		Total payments	

8. Without derogating from any other provision in the Agreement, the Customer shall pay to the Company an annual sum of NIS 1,200 at the start of each calendar year and by no later than 15/1 for the right to use the System stamp of approval.
9. The fees for the rest of the activities shall be paid on the basis of current + 30 after performance.

Appendix B - Specific certification scheme



A. Specific certification scheme Appendix B to Agreement No.	Specification:	Scheme number: Approved on : Page 8 of 103 pages
Prepared by:	Date	Signature
Approved by:	Date	Signature

1. Introduction

1.1. The specific certification scheme relates to a specific product/service/process (hereinafter: "product") of a defined customer and specifies requirements for the preliminary stage and the supervision stage.

1.2. The document incorporates the quality control requirements to be implemented by the manufacturer, and the control requirements which System must implement when testing the product and examining the process for the purpose of granting a certificate, which as long as it is valid, affirms that the product satisfies the requirements set out in the specification.

1.3. Additional binding requirements are specified in the General Scheme for Certification of Products (CB 100) and in the Certification Agreement.

2. **Conformity to the specification** - The Customer shall take all the measures required in order to ensure that the product which it manufactures conforms to the specification.

3. Definitions -

3.1. **Subcontractor** - A manufacturer who produces certain parts of the finished product for the certification holder in accordance with certification holder's

design and instructions.

- 3.2. **Examination of the process** - An examination which focuses on coverage of the Customer's manufacturing processes, manufacturing facilities, testing facilities, testing devices and control system. The examination shall be carried out by a qualified process examiner.
- 3.3. **Product quality program** - A document which delineates the control process which the Customer implements during the manufacturing process.
- 3.4. **Full test** - Testing of a product in accordance with the "specification" requirements which apply to it.
- 3.5. **Partial test** - Testing of a product in accordance with part of the "specification" requirements which apply to it.

4. **Family and model - Product family Model of family**

5. **Preliminary stage:**

5.1. **Required actions and tests:**

	Actions	New product without inspection certificate ¹	Inspection certificate in force ²	Certification exists from another body ³
	Option	A	B	C
1	Review visit	According to decision of the Certification Unit		
2	Prototype test	1	---	---
3	Preparation of product file	1	1	1
4	Preparation of quality program	1	1	1
5	Process examinations	1	1	1
6	Partial test	1	1	---
7	Subcontractors	1	1	---

-
- Remarks: 1. The product has no inspection certificates from an accredited laboratory.
 2. The product has an inspection certificate from an accredited laboratory.
 3. The product has a certificate from a recognized certification body.

6. Supervision stage

6.1. Test program

	Paragraph in the specification	Subject of the requirement	Mandatory tests by the Customer ¹		Tests for which the Customer is responsible (tests by the Customer or System Laboratory) ²		Tests by System ³	
			Minimal frequency	Minimal sample size	Minimal frequency	Minimal sample size	Frequency	Sample size
1								
2								
3								
4								

- Remarks:**
1. Mandatory tests which the Customer must perform in every situation
 2. **Tests which the Customer is responsible for performing** if it has the appropriate testing equipment and skilled personnel. Otherwise, it shall ask System to carry out the tests on its behalf.
 3. **Tests performed by System** - Carried out on family representative sample.

6.2. **Process inspections** - Inspections are conducted during the production process by a System representative and include: The manufacturer's quality control procedures, conformity of the product to the product file and implementation of the quality program.

6.3 **Manufacture by a subcontractor of components which affect the product's conformity to the specification** - System's representative examines the production process on the premises of one subcontractor per year.

6.4 **Marking the product with the System stamp** -

6.4.1. Indelible marking through _____

6.4.2 Size of System's stamp shall be _____