



STANDARD TERMS AND CONDITIONS OF CONTRACT FOR AUDIT ORGANISATIONS SCHEMES (AO)

[Version 02, dated 1st February 2021]

Introduction

Transpacific Certifications (Singapore) Pte Ltd ("TCSPL" or "Company") provides audit services to ensure that the Auditing Organisations fulfil the requirement of SAC CT17. The Auditing Organisations Schemes are Safety and Health Management System (SHMS) Audit and bizSAFE Risk Management Audit under Singapore Accreditation Council (SAC)

Where reference is made to 'the relevant standard' in these term and conditions, this is to mean SAC Criteria for Accreditation of Auditing Organization, AO – CT 17 and Accreditation Process for Auditing Organisation, CT-01A and ISO/IEC 17021-1 Requirements for bodies providing Certification of management systems (where ever applicable). As the criteria may not dated, the latest editions of the criteria are applicable.

1. Scope

All applications and Auditing in respect of the relevant Standards are subject to this Standard Terms and Conditions of Contract for Auditing and shall be apply and read in conjunction with the contract proposal and any other related or associated documents.

Other associated documents and requirements published on TCSPL website at www.tcspl.com.sg includes:

- Use of Auditing Scheme mark/ logo
- Complaints

The client's own terms and conditions, including the client's terms and conditions of purchasing, if any, shall not apply and shall hereby be expressly excluded. Terms and conditions by the client will not become part of this contract even if not expressly excluded by TCSPL.

2. Application

The client whose has implemented management system in accordance with its manuals, operation procedures or relevant programme or seeking auditing services as per SAC requirements may apply for the relevant auditing services.

The client who interested for application shall be given an application form/ questionnaire to complete or provide the necessary details for evaluation.

Upon the evaluation of the application form / questionnaire/ details by TCSPL, the client will be given a quotation for the fees for the Auditing. If the quotation is accepted by the organisation, the client will have to submit to TCSPL the signed quotation or an acceptance letter or other means of acceptance.

Once the quotation is accepted, the client is committed to paying for the amount quoted and any expenses incurred.

A separate application shall be submitted for:

- a) different processes / scope at the same location;
- b) same processes if it is carried out at different locations, each with its own autonomous management

TCSPL reserves the right not to process applications due to incomplete or insufficient information in the application form / questionnaire.

3. Requirements from Clients Seeking Audit Services

The client shall furnish to TCSPL all relevant information and documentation relating to the organisation's management system in advance

TCSPL shall require an authorized representative of the applicant organization to provide the necessary information to enable it to establish the following:

- the desired scope of the audit;
- relevant details of the applicant organization, including its name and the address(es) of its site(s), its processes and operations, human and technical resources, functions, relationships and any relevant legal obligations;
- identification of outsourced processes used by the organization that will affect conformity to requirements;
- the standards or other requirements for which the applicant organization wishes to be audited;
- whether consultancy relating to the areas to be audited has been provided and, if so, by whom

Duties of clients

- comply with auditing requirements at all times;
- make all necessary arrangements for the conduct of the audits, including provision for examining documentation and the access to all processes and areas, records and personnel for the purposes of audit and resolution of complaints;
- make provisions, where applicable, to accommodate the presence of observers (e.g. accreditation assessors (SAC), Technical Experts and trainee auditors etc.
- If the auditing organisation (TCSPL) audited client does not allow SAC to witness the audit, then the client may not be provided with a SAC report.
- SAC will also inform all its accredited auditing organizations of the client. If the client chooses to seek auditing services from another auditing organisation, SAC will inform the new auditing organisation that it wishes to witness the audit.
- documents describing the rights and duties of audited clients, including requirements, when making reference to its auditing in communication of any kind in line with the requirements Use of Auditing Organization, AO Mark by Client
- information on processes for handling of complaints
- Auditing shall be conducted on consecutive working days without unnecessary break.

The client will be required to provide access to representatives of TCSPL to carry out assessment activities, witnessed audits and the accreditors of TCSPL, or appropriate competent bodies to facilitate the witnessing or verifying of TCSPL conducting assessment activities.

The client shall appoint one or several audit representative(s) who shall support our audit team in performing the contractually agreed services and act as client's contact person.

The client shall promptly provide required actions on any findings issued during the audit within required timeframe.

The client/auditing organization shall be obliged, throughout the term of the contract, to communicate all changes which significantly affect the Safety and Health Management System (SHMS) and Risk Management System (RM) (whichever applicable). These changes include, but are not limited to:

- The legal, commercial, organizational status or ownership;
- Organization and management, e.g. key managerial, decision making or technical staff;
- Auditing address(es) and site(s);
- Scope of operations under the Safety and Health Management System (SHMS) and Risk Management System (RM) and
- Major changes to the above management system and processes

The client shall be obliged to record all complaints from third parties or from authorities / measures and actions regarding the Safety and Health Management System (SHMS) and Risk Management System (RM) The client shall provide such records to TCSPL or the audit team during the audit or when is required.

The client shall immediately report to TCSPL in the event of any fatal accidents, serious injuries, occupational diseases, public health and safety issues or environmental pollution issues, or any incident that may affect the public, violation of rules and regulations, or any potential legal or disciplinary action or lawsuit by a regulatory authority.

The client shall not make or allow any misleading statement regarding the audit and shall not use or allow the use of an audit report or testimony or any part thereof in a misleading manner or applies to activities outside the scope of Auditing.

The client shall not use or permit the use of the TCSPL's (AO) audit report or testimony or the AO's mark in communication media such as the Internet, brochures or advertising, or other documents;

The client shall not use its Auditing in any manner that brings Company and its Auditing system into disrepute and loss of public trust.

4. Audit

TCSPL shall establish an audit plan based on guidance provided in CT 17/ISO 17021-1 requirements (normative) and applicable SAC standards. The audit plan is intended to cover all areas and activities applicable to the specific requirements for different types of AOs and their respective audit criteria are specified in the Appendices 1 and 2, as appropriate covered by the scope of the visit, which are to be assessed by auditors.

However, audit evidence obtained was based on a sample of the information; thereby introducing an element of uncertainty;

Specific Requirements for Safety and Health Management System (SHMS) Audits

- The criteria used for conducting audits shall be based on SAC CT 17 Appendix 1. The criteria used for conducting audits for Construction worksite is based on Requirements for the Construction Safety Audit Scoring System (ConSASS). The current versions of the audit criteria are to be used. The current versions of the auditing criteria can be found at MOM website at www.mom.gov.sg
- First initial audit for a worksite is to be completed within 6 months upon commencement of work activities at the worksite. The audit duration of construction worksites started operation more than 6 months ago will be based on the duration of a subsequent audit
- Initial audit refers to the audit by an Auditing Organisation of the workplace for the first time, after the 1st initial audit or a subsequent audit has been conducted by another Auditing Organisation. The duration of an initial audit for metalworking industries will be based on the duration of the 1st initial audit.
- IAF MD 22 - Application of ISO/IEC 17021-1 for the Certification of Occupational Health and Safety Management Systems (OH&SMS). For SHMS subsequent audits, Auditing Organisations shall consider the audit as an initial audit in IAF MD 22.
- Total man-days in the above table exclude off-site report writing. All auditors in the audit team shall be present on-site for at least one day in order to have adequate time for site appreciation and assessment, unless the total on-site audit duration is 1 man-day
- A maximum of 30% deduction is permitted and justification for the deduction has to be recorded. However, in cases where the audit duration after the maximum deduction permitted is less than 4 man-days, the audit duration shall be adjusted to 4 man-days.

Specific Requirements for bizSAFE Risk Audits

- The criteria used for conducting audits shall be based on Code of Practice on Workplace Safety and Health (WSH) Risk Management.
- The current versions of the audit criteria are to be used. The current versions of the auditing criteria can be found at WSHC website at www.wshc.sg
- The minimum time for conducting an audit is given in Annex 2 to Appendix 2 of SAC CT 17.
- For multiple sampling, it is only applicable for risk management audits under bizSAFE programme for enterprise with same UEN number for all worksites/locations/branches with similar business nature under the same top management. At minimum, 10% of the total number of worksites/locations/branches shall be visited for each enterprise. Every function/operation of the enterprise shall be visited based on the ratio of the function/operation to the whole enterprise's operations. The 10% worksite/locations/branches selected at each 3-year cycle of bizSAFE audit shall be different from the worksite/locations/branches selected from the previous 3-year cycle.
- For enterprise with unique UEN number for each worksites/locations or worksites/locations with different business nature or worksites/locations managed by different top management, all worksites/ locations shall be audited.

The client shall have the right to raise an objection or lodge complaint to the composition of the audit team, providing grounds for such objection. TCSPL shall not unreasonably disregard the grounds for objection. The client shall provide appropriate facilities for such purpose, including office accommodation, and all supporting documentation sought by the auditors.

The organisation's management representative or deputy shall be present, or available, throughout the audit. Where a management consultant is also present, the client shall ensure that the consultant does not attempt to influence the course or outcome of the audit.

Subsequent Audit (SHMS)

SHMS Subsequent audit is referring to after the 1st initial audit or a subsequent audit has been conducted by same or another Auditing Organisation.

For subsequent on-site audit, the Client shall provide:

- updates of the necessary information regarding the scope of the management system during the past period, including:
- significant changes on the management system;
- change of management structure and/or key personnel; and
- status of the improvement plan and remedial actions, including actions taken to address the nonconformities raised during the last audit, where applicable.

The SHMS Subsequent audit shall be conducted in accordance to the relevant audit criteria defined in SAC CT 17 within after the first initial and for "Construction worksite" scope, the subsequent audit shall be conducted within 6 months after the first initial or subsequent audit has been conducted

The SHMS Subsequent audit for "Other industries / scopes are planned within 12 months from the initial audit or subsequent audit that conducted by the same or other auditing organization.

Subsequent Audit (RM)

The bizSAFE Risk Management audit shall be conducted based on Code of Practice on Workplace Safety and Health (WSH) Risk Management audit criteria and the bizSAFE auditing is valid for 3 years with effective from the date obtain approval from WSH Council.

Special Audit/Short notice Visit/Unplanned Visit

During the validity of the certificate, it may be necessary for TCSPL to conduct audits at short notice. TCSPL shall, as soon as reasonably possible, inform clients in advance of such visits or audits. The client shall accept such arrangements and grant the aforementioned personnel access to their premises to fulfill their purpose of their visits.

Audit Report & Testimony

TCSPL shall provide a written audit report as per the relevant guidance provided in applicable SAC AO standards. The audit report shall provide an accurate, concise and clear record of the audit to enable an informed audit finding and may identify opportunities for improvement, however shall refrain from suggesting solutions.

TCSPL may provide a testimony of the audit conducted if it requested by the client to the audited client by any means it chooses, recognising that the SHMS/RM system operated by the organisation has been audited by TCSPL.

5. Auditors

TCSPL shall notify the client of the appointment of auditor(s) from TCSPL for the conduct of the audit upon request.

All Lead auditors or auditors that involved in the audit shall undergone the recognised accredited training that conducted by the recognised service providers in accordance to competence criteria of auditors defined in SAC AO – CT 17.

The client shall be entitled to object to the appointment of certain auditors or technical experts, provided the client has and submits good reasons for objection.

TCSPL reserves the right to change the assignment of auditor(s) during the initial audit period and during the subsequent audits.

6. Use of Auditing Organization (AO) Mark by Client

Client shall agree the following conditions (which are legally enforceable) on the arrangements on the auditing that client:

- Does not make or permit any misleading statement regarding the audit;
- Does not use or permit the use of an audit report or testimony or any part thereof in a misleading manner.

7. Termination

Both parties shall have the right to terminate the agreement at any time by giving 30 days' notice in writing, or immediately by TCSPL without notice to the client in the below scenarios:

- The other party breach any of the conditions of Auditing and fail to remedy that breach within the requisite timescales as notified in writing by the relevant Company;
- The other party repeat a material breach of the conditions of contract which it has been previously required to remedy;
- The other party has failed to meet its financial obligations to TCSPL;
- The other party become insolvent or enter into liquidation or has a receiver appointed or suffer any similar action as a consequence of debt.

Upon such termination of Services:

- all fees and other payments shall become immediately payable.
- the client will have no claim for or right to compensation for loss of the client rights, goodwill or any similar loss in relation to the termination of the Services and the client hereby agrees to waive any such rights as it may have.

8. Fees and Charges

The one-time fee/ audit fee is payable prior to the audit and is not refundable regardless of the result of the audit.

Fee (RM Audit) was based on the number of worksites/locations/branches of the enterprise and based on the number of number of employees under the direct employment of the enterprise.

Fee (SHMS Audit) was based on Total manpower on site (number of personnel) at the workplace or project site under the control of organisation

During the audit, if there is an amendment in scope, change of sites or change of manpower, or any circumstances that required more audit man-days, the client will be advised of the additional man-day and the fee to be charged.

A change/re-audit is necessary due to change of location or the scope of Auditing or on-site verification of corrective actions, an audit fee shall be payable by the organisation.

In the situation where the auditing scheme of the organisation requires the audit at temporary sites, the organisation is required to submit the list of temporary sites to TCSPL prior to any audit to be carried out. Should the need arise for the audit to be carried out at such temporary sites, additional audit

day(s) may be required which will be charged in addition to the fees accepted in the signed quotation.

The determination of audit time and any justification for increase or reduction of audit time shall be based on the minimum time for conducting an audit given in Annex 2 to Appendix 1 of SAC CT 17 and shall be conveyed to the organisation prior to the computation of the fees to be given to the organisation for their acceptance. Upon agreement, the final fees are accepted by the organisation.

An administrative fee as set out in Schedule (I) be payable for:

- a) the re-issuing of the audit report due to change of organisation's name and/or location;
- b) the change in the scope of auditing scheme;
- c) the issue of duplicate copy of the audit report

9. Cancellation Policy and Charges

Clients shall be given adequate notice of a visit by TCSPL.

In the event of reschedule or cancellation of agreed audit date by client, the following cancellation fees shall be chargeable to client:

- For any reschedule of audit received 3 days prior to the agreed audit date, \$200 of admin fee shall be charged
- For cancellation received 3 days prior to the agreed audit date, 50% of the agreed Auditing or auditing fee shall be charged
- For cancellation received on the actual audit date, 100% of the agreed Auditing or auditing fee shall be charged

In all cases, any non-refundable travel or subsistence costs that have been expended will be recovered from the client.

An invoice for the cancellation charge will be sent to client and Company reserves the right to withhold any new issuance, maintenance or renewal of Auditing until the payment of the aforementioned invoice is settled.

If the audit is cancelled by TCSPL, in these cases, TCSPL will be responsible for its own costs associated with the cancelled or rescheduled audit. Company accepts no liability for any costs incurred by the client in relation to any audit cancelled or rescheduled by TCSPL.

10. Invoicing and Payment Term

Invoices are raised in an electronic format and sent via email in the local currency or the agreed currency, and are due and payable in full.

All fees quoted are subject to local taxation laws. Any and all applicable tax and/or all other transaction charges relating to the payment remain the responsibility of the client.

Payment is normally required before any work is undertaken, and unless otherwise indicated on the invoice. Company reserve the right to withdraw credit in cases where payment is required in advance of any work being undertaken. For overseas clients, payment must be made before any work is undertaken.

TCSPL reserves the right to charge interest for late payment at a rate of 1.5% per month, calculated from the date of the invoice and inclusive of any costs of recovery, which will be payable with any outstanding amount due.

11. Force Majeure

TCSPL shall be relieved of liability should either or both parties become unable to carry out their obligations as a result of any matter beyond their reasonable control and which was not to be reasonably foreseen.

12. Assignment

TCSPL may at any time assign, transfer, charge or mortgage all or any of its rights under these term and conditions.

No applicant or registered company shall, without the prior written consent of TCSPL, assign, transfer, charge, subcontract, declare a trust over or deal in any other manner with all or any of its rights or obligations under these term and conditions.

13. Confidentiality

Unless required by law or by a judicial, governmental, regulatory body or SAC of Company, all information obtained by either party as a result of our mutual involvement in the Auditing process shall be held as confidential and not disclosed to any other party unless required as part of the Auditing process and agreed by both parties.

14. Law and Jurisdiction

Unless otherwise stated, our agreement is governed by, and construed in accordance with Singapore law. The Courts of Singapore will have exclusive jurisdiction in relation to any claim, dispute or difference concerning our agreements. Each party irrevocably waives any right it may have to object to any action being brought in those courts, to claim that the action has been brought in an inappropriate forum, or claim that those courts do not have jurisdiction.

If any provision in this Standard Terms and Conditions of Contract for Auditing or any associated proposal, auditing agreement, or its application, are found to be invalid, illegal or otherwise unenforceable in any respect, the validity, legality or enforceability of any other provisions shall not in any way be affected or impaired.

15. Liability and Indemnity

TCSPL shall in all events not be liable to the client and its proprietors, directors, shareholders, officers, employees, agents or contractors for any claims, expenses, losses or damages (including all legal expenses) whether directly or indirectly suffered by the client and/or its proprietors, directors, shareholders, officers, employees, agents or contractors, as a consequence of or arising from (i) the client's usage of the accreditation supplied by TCSPL hereunder; or (ii) TCSPL's refusal to award or renew or decision to suspend or terminate the accreditation, for any reason whatsoever. In the event that TCSPL is found liable by the operation of the law, the maximum amount of TCSPL 's liability shall be limited to the fees paid by the client.

The client agrees and undertakes to indemnify and hold Company and its proprietors, directors, shareholders, officers, employees, agents or contractors harmless and fully against all liabilities, claims, costs, expenses, losses or damages (including all legal expenses) suffered by and/or made against Company including but not limited to all claims by any third parties against Company, as a result of any act by the client (whether direct or indirect) or for which it is responsible.

Except for cases of proven negligence or fraud by Company, the client further agrees and undertakes to hold harmless and indemnify Company and its proprietors, directors, shareholders, officers, employees, agents or contractors against all claims (actual or threatened) by any third party for loss, damage or expense of whatsoever nature including all legal expenses and related costs and howsoever arising (i) relating to the performance, purported performance or non-performance, of Company's services hereunder; or (ii) out of or in connection with the client's product, process or service the subject of the Auditing (including, without limitation, product liability claims).