

INSPECTION AND ASSESSMENT RULES AND PROCEDURES

INTRODUCTION AND PURPOSE

On July 27th, 2013 Italcertifer was recognized as an Independent Safety Assessor (ISA) by ANSF, the Italian Agency for Rail Safety in accordance with L.D. 162/07 dated August, 10th, 2007, for rail safety.

Italcertifer operates according to the UNI CEI EN ISO/IEC 17020 Standard and is also accredited by Accredia, the Unified Italian Accreditation Body, as a Type “A” Inspection Body for rail systems and interoperability constituents, and other industries.

Italcertifer also operates as a Notified Body for rail interoperability for the high-speed and conventional rail system in Europe, according to L.D. no. 191 dated October 8th, 2010, and therefore it is also empowered to:

- a) conformity (or suitability) assessment for the use of common interoperability constituents or common interoperability constituents with specific features as per Annex IV of the above-mentioned Legislative Decree;
- b) CE verification as per Annex VI of the above-mentioned Legislative Decree.

Italcertifer is registered as a Notified Body in the European Register, no. 1960. For this set of activities it operates according the UNI CEI EN ISO/IEC 17065 Standard and is accredited by Accredia, the Unified Italian Accreditation Body, as a Product Certification Body.

This Document describes the inspection processes related to the design verification service to obtain validation as per article 112 of D.L. 163/06 (or in accordance with other applicable laws and subsequent amendments) for building construction, works of civil engineering, rail works including train and metro tunnels and related installation works, protective measures and works of environmental protection and industrial plant works.

1. GENERAL

These technical provisions refer to:

- rules concerning inspection and conformity assessment services mentioned above and provided by ITCF's Certification & Inspection Division (hereafter referred to as D_C&I) which have impact on rail safety;
- design verification services requested to obtain validation.

Upon request, Italcertifer undertakes to provide additional information for the assessment process, if need be.

This Document allows access to the assessment services by any Subject (Company or Agent) formally committed to meet all rules set forth in this document.

ITCF SpA's Top Management ensures that its personnel will apply this Document impartially and without any discrimination against any of the Parties involved for the inspection and assessment services; therefore, by accepting its contents, the Parties agree to:

- make available all of the documentation needed to carry out the inspection services as requested by the Applicant;
- work together with ITCF personnel, while they perform all verification services, and to ensure access to required information, areas, personnel for services requiring audit activities in the field;
- designate a contact person for communications, i.e. a Representative, responsible for the D_C&I personnel in charge of the assessment and/or verification.

2. REGULATORY REFERENCES

- UNI CEI EN ISO/IEC 17020:2012 – *Conformity Assessment – Requirements for the operation of various types of Bodies performing inspection;*
- RG-01-04 Accredia – *Regulations for the accreditation of Inspection Bodies*
- RT – 07 Accredia – *Guidelines for the accreditation of Type A, B, and C Inspection Bodies in accordance with the UNI CEI EN ISO/IEC 17020 standard, etc.;*
- RT – 10 Sincert – *General Assessment Criteria applied by Sincert in the assessment services to obtain validation;*

- RT-21 Accredia – *Guidelines for the accreditation of Bodies providing certification of the Quality Management System (QMS) of organizations which perform design verification of works for validation;*
- Legislative Decree 162 of August 10th, 2007 on the operation of Notified Bodies for rail interoperability;
- L.D. no. 191 of October 8th, 2010;
- Guidelines 03/2012 of July 9th, 2012 for the qualification of Independent Safety Assessors (ISA) by ANSF (Italian Agency for Rail Transport Safety);
- Guidelines ANSF no. 02/2013 of August 7th, 2013 for issuing the entry-into-service authorization of vehicles or parts of them;
- Legislative Decree no. 163 of April 12th, 2006 and subsequent amendments and additions;
- Presidential Decree no. 207 of October 5th, 2010 and subsequent amendments and additions

3. SCOPE OF APPLICATION

These conditions apply to assessment services (assessment of conformity to the requirements provided for by ANSF, Ministry of Transport, Infrastructure Manager and other institutions) of various components and subsystems in accordance with L.D.162/07 and all products and processes related to train and metro transport.

Assessment/inspection services are provided by Italcertifer personnel or company's contractors according to requirements as per Accredia Regulations and ANSF Guidelines for the qualification of ISAs issued on July 9th, 2012 and according to the UNI CEI EN ISO/IEC 17020 Standard requirements.

These conditions also apply to any verification services for design validation.

4. PRIVACY POLICY

Italcertifer operates in full accordance with the requirements set forth in L.D.196/2003.

The Top Management of the Company and its Divisions ensures that any sensitive information obtained while performing the inspection services - as agreed between the Parties - will be kept strictly confidential, except as otherwise provided for by: law / requests from the Public Security authorities / provisions of Accreditation and Notification Bodies / written authorization issued by the Customer Organization.

Should any information be disclosed, the Customer will be promptly informed in advance.

ITCF is specifically committed to comply with articles 1-12 of the above-mentioned Decree and, for the sake of transparency, to Title II "*Rights of the Person Concerned*" and article 7 "*Right Access to Personal Data and other Rights*".

5. INSPECTION/ASSESSMENT PROCESS

5.1 Preliminary activities - Proposal

Some preliminary activities should take place before providing any inspection services; those can be carried out using different methods, but always in accordance with the procedures set forth by the ITCF Management System.

The following should be defined:

- objectives and purpose of verification;
- references to be verified and applied;
- timeframe and methods to carry out the inspection;
- any information allowing the ITCF Certification & Inspection Division (D_C&I) to assess the resources needed.

Upon receipt of an assessment/inspection application, the Sales Department contacts the Customer to define their requirements and the proposal details.

After verifying that the inspection requested is feasible, based on available resources and skills, D_C&I issues a proposal, complete with the "*General Supply ConditionsCE verification... VIS...or Design Verification*" according to the inspection services requested.

The Customer is also advised to download this Document from the ITCF website (www.italcertifer.com), "download" area.

Acceptance of the proposal (in the Customer's preferred form: e.g., purchase order, agreement, returning the proposal signed, etc.) means the following is also endorsed:

- "General Supply ConditionsCE verification... VIS...or Design Verification";
- of this Document;
- consent to process personal data for purposes strictly related to the inspection services requested.

5.2 Term and Conditions: Proposal - Rates and Payments

The innumerable applications of the services supplied by D_C&I do not allow the provision of a single detailed Price List; travel expenses can be added to a daily charge per Inspector (see Standard Price List).

Each Inspection implies a set of more or less complex activities, involving an ad-hoc number of professionals. For this reason, a specific proposal will be set up for each service.

Quotations offered to the Customer include a verification process and a Final Report.

For the type of inspection services provided, the activities requested can have a duration and a repetition not accounted for in the initial proposal, due to multiple copies of documentation to be examined, sent and/or sent again by the Customer. Therefore, ITCF reserves the right to amend the proposal, after the second revision of each report has been delivered, or, after the second revision of the documentation set has been sent by the Customer.

When the verification process is complete, the Customer is charged an additional cost for printing and shipping expenses for the Certificate/Conformity Assessment.

Periodic survey visits carried out by D_C&I of ITCF for certificate (or assessment) maintenance shall be quoted separately and, as prices indicated in the proposal are those that are valid at the time the proposal was presented, ITCF reserves the right to review prices during the registration period.

Moreover, Italcertifer reserves the right to review rates when the Customer's requests turn out to be at a later moment not to be in line with the information initially provided, that is, with the information used to obtain a proposal. The Customer will be notified of any rate changes.

Additional costs will be charged for those activities not included in the proposal agreement, as well as for verification or survey activities made necessary after a non-conformity is detected. Those charges may include costs for:

- a) repetition of individual steps or of the entire verification program, or for activities resulting from failure to comply with registration rules and procedures;
- b) additional activities following temporary or permanent disqualification, and/or reassignment of the certificate;
- c) repeated verification activities due to changes in design, product or Company organization;
- d) legal obligation to submit documents or provide testimony relating to the activities carried out by Italcertifer.

ITCF reserves the right to add additional charges to current rates, in case of urgent services requested by the Customer, cancellation or rescheduling of services, partial or full repetition of the verification program or testing activities as indicated in this Document. Specifically, should the Customer request the postponement of scheduled and agreed-upon activities requiring ITCF personnel being present at the Customer's premises, without a written notice of at least 10 business days, ITCF will be entitled to charge additional fees, as compensation, equal to 50% of the contractual rate agreed for that activity.

After the Report has been issued, Italcertifer will invoice the Customer. Invoices for additional and/or subsequent activities carried out after the assessment will be issued upon their completion. If not otherwise provided for in the proposal, payment terms are net due in 30 days, whatever the results of the certification process will be.

Any use of the certificate or of the information contained therein by the Customer is subject to timely payment of invoices. In addition to actions provided for by this Document, Italcertifer reserves the right to suspend or interrupt activities and/or withdraw the certificate in case of failure to pay the invoices issued.

For late payment of invoices, Italcertifer also reserves the right to charge annual interest equal to the discount rate plus two percentage points, calculated from the invoice date to the actual payment date. All costs in relation to debt recovery, including any legal expenses incurred, shall be borne by the Customer.

5.3 Provision of inspection/assessment services

Based on what has been provided for in the Agreement (for the inspection/assessment service requested and the applicable standard and/or Technical Specification), D_C&I starts any Inspection/Assessment in accordance with the guidelines as defined in the internal Management System.

The team making up the Inspection Team (IT), the appointed IT Coordinator (who may match the IT, if this is made up of only one professional), inspection scheduling and any designated testing laboratory are identified to the Customer for approval (silence=consent) or application of the right to challenge within five days after receipt of notification.

5.4 Handling samples and/or test materials

D_C&I uses testing laboratories for the supplied inspection services (preferably accredited by Accredia; if not possible, it uses qualified laboratories monitored following a special procedure) to perform tests (on materials/products) of any nature. Sample handling is deferred to the Customer and the laboratory involved.

5.5 Assessment criteria applied

Assessment of inspection outcomes, as specified in the Management System, is performed by the IT Coordinator who applies the following general criteria:

Compliant (C)	standard requirement or regulation complied with
Non-Compliant (NC)	standard requirement or regulation totally unsatisfied or omitted, i.e., when minimum requirements are not satisfied
Observation (OBS)	standard requirement partially unsatisfied, provided minimum requirements are met
Comment (COM)	records a current status in order to highlight improvement opportunities
Not applicable (NA)	when the requirement cannot be applied

N.B.: In case of Non-Conformity, the Certificate or Statement of Conformity issuance may be subject to additional inspection activities that will be quoted separately. Failure to implement the corrective actions within the timeframe agreed, in case of NC or OBS, can cause the certification/assessment of conformity process to be interrupted and started anew.

5.6 Issue of a Final Report

When verifications are complete, the IT Coordinator (or Inspector in charge) draws up a Final Report recording - together with other results (any intermediate report, tests, TS special reports, etc.) - the end-user assessment required to release the certificate of conformity requested by the Customer.

In case of replacement reports, the previous reports will be cancelled; this step will be recorded in the report's title block or purpose.

The Report must contain a clear and concise, detailed description of NCs and/or OBSs and/or COMs, supported by recordings of evidence and/or references to specific provisions of law/standard/reference technical specification.

The Final Report can be:

- compliant: in this case, IT issues the recommendation for granting the Certificate/Statement of Conformity
- non-compliant: in this case, a range of possible solutions will be evaluated together with the Customer to remove obstacles to conformity and/or problems using the most appropriate means (corrective actions).

6. ISSUE/VALIDITY OF CERTIFICATE/STATEMENT OF CONFORMITY

Once the D_C&I personnel responsible for examining the certification documentation accept the IT approval, the Certificate is sent to the Customer.

Otherwise, D_C&I informs the Customer about the decisions made and actions to be taken.

Similarly, the Statement of Conformity (or Report of Conformity) follows the same process; its release is determined by the Technical Sector Coordinator responsible for the inspection.

Both the certificate and the statement of conformity contain the date of expiration before survey actions to maintain the features certified should be taken.

The Certificate and Statement of Conformity (if released on a separate document, other than a declaration recorded on the Final Report of Inspection) are property of ITCF, Certification & Inspection Division, and the Customer Organization agrees to return it in case of: modifications/cancellation.

The Certificate/Statement of Conformity is issued in Italian; any Certificate can be issued in a language other than Italian upon the Customer's request before signing the Agreement.

6.1 Temporary disqualification of the Certificate/Statement of Conformity

ITCF (the Certification & Inspection Body), for crucial reasons, always explained in writing to the Organization, has the right to temporarily withhold, as a protective measure, the certification already granted. As an example, the Certification can be withheld when the Organization:

- a) makes a substantial modification to a certified product (design or production process) without promptly informing the Certification & Inspection Body (OdC&I);
- b) does not correctly handle claims;
- c) has overdue payments for services already completed by OdC&I;
- d) does not comply with what OdC&I has formalized and accepted for the implementation of corrective actions;
- e) does not promptly inform OdC&I about current proceedings/actions of the public authority (or even legal proceedings, especially if connected to failure to meet binding requirements). If a lawsuit has been filed (or only announced) ITCF reserves the right to withhold the certificate/statement issued as a protective measure until the elements triggering the lawsuit have been clarified and the activities/products (or their elements and/or responsibilities) have been found irrelevant to the proceedings;
- f) does not comply with the Agreement, provisions of this Document, rules for the use of brand mark/certificate/statement;
- g) does not promptly communicate any corporate changes (including liquidation/selling to a third party);
- h) failure to implement or delay in implementing the periodic audits scheduled by ITCF, upon the Customer Organization's request, or for reasons that cannot be ascribed to OdC&I.

ITCF will send the Customer instructions to re-enable a Certificate/Statement previously withheld by registered mail with return receipt requested or Certified E-mail.

6.2 Cancellation, disqualification and withdrawal of Certification/Statement

The certification/statement will be cancelled following its disqualification by ITCF, or waiving by the Organization. For crucial reasons, explained in writing to the Organization, ITCF has the right to disqualify and withdraw the certificate/statement.

For example, when the Organization:

- a) does not comply with the conditions set forth by ITCF for the revocation of a temporary disqualification of certification;
- b) has such critical shortcomings, detected during inspection, that certification can no longer reasonably be supported by OdC&I;
- c) stops manufacturing the product certified for a considerable period of time (more than one year) or in case of bankruptcy;
- d) does not comply with the financial obligations taken with ITCF or violates the agreements
- e) formally requests it
- f) does not accept modifications to payment conditions
- g) cannot or is unwilling to adapt to any modifications to certification scheme as requested by law/regulation amendments or by ITCF
- h) failure to implement or delay in implementing the periodic audits scheduled by ITCF, upon the Organization's formal request, or for reasons that cannot be ascribed to OdC&I, including failure to carry out the renewal visit by the certificate's expiry date.

The certificate cancellation is officially announced to the organization (by registered mail with return receipt requested or Certified E-mail or any other equivalent means) and published by ITCF (such as removing the Organization from the register) and communicated to the Notification Body (MIT/ANSF). If the Organization, after the certificate has been canceled, continues to refer to it in any way whatsoever, ITCF is entitled to file suit.

In case of withdrawal, any expenses for inspection activities already completed by ITCF will not be reimbursed.

6.3 Validity variations of a Certificate/Statement of Conformity

The Organization can request modifications/extensions of validity for the certificate/statement (for example, after introducing a new model of the same series which does not involve structural changes or any impact on rail safety or extension of the certification to a production site having the same features of the

primary product certified) and this will be done following the same process described for the initial request. Extension is granted after a new verification for the relevant items has been successfully completed. The extension process may also cause the certification process to be repeated anew.

When a new certificate is issued, the obsolete certificate should be returned.

Similarly, ITCF may adopt measures to restrict validity of the certificate/statement. In general, this can happen based on what the Organization has reported, e.g., after a certain period of time has elapsed (usually, 12 months) without any certification activities on products/processes.

6.4 Certification Renewal

For Certifications/Statements with an expiry date, based on applicable regulations (e.g., 2-year duration for statement of conformity of Mod.SD in Product Certification), D_C&I has defined the renewal procedure. When drawing up a new agreement with equal validity, or confirming the existing one, changes may be applied to the existing Agreement's conditions. Those changes which will be communicated in due time to the Organization.

A renewal audit, when a valid agreement is in place between the parties, is scheduled by ITCF, according to procedures similar to those used for survey audits, well ahead of the certificate/statement's expiration and should be carried out by this expiry date. Failure to carry out the audit within the defined timeframe will cause the previous certificate to be cancelled, the first issue date will be reset and a new certificate will be issued (using a new identification number and a new first issue date).

Should the Organization wish to waive the certificate before its expiry date and give up the audit (e.g., agreement not renewed with ITCF) the certificate/statement will be promptly withdrawn.

In order to schedule a renewal visit before the certificate's expiry date, the Agreement should be renewed, when necessary, at least 15 days before said date.

During the renewal visit, the Organization's commitment to maintain, implement and keep the system updated to its scope of application is verified, and in light of results obtained during the previous certification cycle.

6.5 Changes to the Certification Scheme

Should any substantial modifications be made to rules/requirements of the certification scheme by the designated authorities (laws, MIT/ANSF regulations, etc.) ITCF shall inform the certified (or those in process of being certified) Customer Organizations, taking into account any counter-remarks they might have made. ITCF will set the date when the modifications become effective, allowing enough time for these to be acknowledged.

Failure of the Organization to adapt to predefined corrective measures within an agreed-upon timeframe may cause the certificate/statement be withheld.

7. USE OF STATEMENTS AND BRAND MARKS

The Organization may refer to the assessment obtained.

Display of the Certificate/Statement of conformity or delivery of Reports of Assessment/Verification to third parties can be in full (all pages of the report) and should comply with the ethics requirements of transparency and correctness, avoiding misleading statements.

There is no such thing as a brand mark of the Certification and Inspection Division of ITCF; therefore, the ITCF Corporate Logo may be used only in special cases after ITCF's prior written consent. The use of the ITCF Logo should in no way whatsoever be transferred from the Customer to any third parties.

In case of unfair or deceptive use of the statements released or of its Logo, ITCF will take appropriate measures, at the expense of the Organization that was found to make improper use of the statements or Logo.

The use of the ACCREDIA Brand Mark by D_C&I of ITCF is only allowed according to provisions set forth in the Accredia General Regulations RG-09 available at the website www.accredia.it.

The use of the 'Accredia' brand mark is forbidden to the Customer.

8. CLAIMS, PETITIONS AND DISPUTES

Written claims (for example, about the personnel's behavior) can be presented to Italcertifer by its Customers, Inspection Bodies, Accreditation Bodies, etc.

The Organization using the assessment services provided by Italcertifer also has the right to file a written petition against decisions made against it by Italcertifer (for example, for failing to release a product certification).

In case of claims or petitions, Italcertifer will acknowledge receipt in writing and will determine whether the claim or petition covers its services. In such cases, ITCF will reply within 30 (thirty) days of receipt.

Upon request, Italcertifer will also provide a brief description of how it will proceed with the claim/petition. Italcertifer also pledges not to take discriminatory action during investigations and decisions on claims or petitions.

When necessary, any disputes arising from dissatisfaction of either party will be settled according to the “Italian Arbitration Regulations” of the “Italian and International Arbitration of Florence” in accordance with the “promissory clause for informal arbitration”.

9. TERMINATION

Unless otherwise agreed in writing, the Customer can terminate the agreement at any time upon at least thirty (30) days prior written notice to Italcertifer. Should the Customer terminate the Agreement before the Report of Assessment has been released for reasons other than Italcertifer’s non-fulfillment of its obligations, Italcertifer reserves the right to charge the Customer an amount equal to 20% of the total value of the Agreement in compensation for termination, without prejudice to charging the Customer rates and expenses for services provided up to the date of termination.

Italcertifer also reserves the right to terminate the Agreement at any time before issuing the Report upon at least thirty (30) days prior written notice to the Customer. Should Italcertifer terminate the Agreement for reasons other than the Customer’s non-fulfillment of their obligations, Italcertifer shall refund the Customer any amounts paid in advance, net any expenses incurred in the implementation of the Agreement without further reimbursement or compensation.

10. FORCE MAJEURE

Should Italcertifer, for any reason or cause beyond its control, be prevented from implementing or completing the service agreed, the Customer shall pay Italcertifer:

- a) the amount of expenses actually incurred;
- b) the share of charges agreed to, proportional to services actually provided.

Italcertifer shall therefore be released from any responsibility for failure to provide the services requested partially or in full.

11. LIMITED LIABILITY AND DAMAGES

Italcertifer is committed to perform its services accurately and skillfully and agrees to be held responsible only in case of proven negligence. As inspection service is an intellectual work, it is therefore subject to responsibility only for fraud or gross negligence. D_C&I of ITCF shall never take the role of responsible party for production, or executor of a test or project; it shall only deal with inspection and assessment of conformity as agreed.

While performing their activities, professionals involved in the Agreement maintain their own legal responsibilities and, therefore, D_C&I of ITCF cannot be held liable for its conformity assessment to the Customer if the Customer provides false and/or incomplete information/documents. It should be noted that Inspectors are not responsible for verifying truthfulness for content of reports, documents, memos or certificates issued by third parties and received during inspection. ITCF also shall not be held liable for defects of products/services the Customer shall provide to third parties.

Italcertifer does not assume responsibility deriving from or related to the Agreement and its execution, as a consequence of statements or failure to meet conditions or warranties, expressed, implied or statutory, for any indirect, special, incidental, or consequential damages claimed by the Customer and all claims by the Customer for other causes will be limited, for any event or series of interconnected events, to an amount not exceeding amounts paid to Italcertifer according to the Agreement (exclusive of VAT).

Italcertifer shall also disclaim liability to the Customer for loss, damage, or expense, unless these are claimed within a year’s time starting from the date Italcertifer provided the service that originates the claim.

Similarly, ITCF shall not be liable for alleged failure to complete the service requested unless claimed within the same term starting from the date the service was to be completed.

Italcertifer does not act as an assurance company nor as a guarantor and therefore rejects such responsibility. Customers who wish to protect themselves against loss or damage should subscribe an insurance policy.

The Customer acknowledges that Italcertifer, when entering into an agreement or providing services, does not take, define, cancel or discharge any obligations of the Customer towards third parties.

12. DOCUMENT ARCHIVING AND STORAGE

Italcertifer shall store in its archives the documentation for the assessment and survey program as long as provided for by law.

After the storage period expires, ITCF shall transfer, store, or destroy the documentation, unless otherwise directed by the Customer.

Italcertifer reserves the right to charge the Customer costs generated from activities derived from such directions.

13. INTELLECTUAL PROPERTY OF REPORTS/CERTIFICATES/STATEMENTS

Any document provided by D_C&I of ITCF and its contents are copyrighted and are proprietary products of ITCF and the Customer Organization should not alter or interpret erroneously its contents in any way whatsoever. The Organization will be authorized to make copies for internal use only and Certificate duplicates for communication purposes are available on request.

14. ACCREDITATION OF THIRD-PARTY CERTIFICATIONS (CB/IB)

ITCF recognizes Certificates/Statements issued by other CBs/IBs accredited by Accreditation Bodies adhering to the MultiLateral Agreements (MLAs), unless this does not affect the integrity of the certification/inspection scheme adopted.

ITCF may accept to endorse certification issued by another CB under the following conditions:

- after examining the documentation supporting the certification to be endorsed (previous reports issued by the former Body, validity status of the certificate in accordance with the endorsement application)
- approval by the Certification Committee

Should the Certification be withheld or withdrawn, or in case the Certificate is no longer valid, the endorsement application should follow a new certification procedure.

15. WAIVER, TEMPORARY OR PERMANENT DISQUALIFICATION OF ACCREDITATION

ITCF agrees to promptly inform the Customer Organization about any waiver or temporary/permanent disqualification of accreditation/notification in an industry scheme any of the released certifications may fall within, as well as to support the Organization during transition to a different Body.