
Memorandum of Understanding

between

The Bureau of Standards, Metrology and Inspection

and

Italian Certification of Company Quality Systems

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and
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1. Preamble

- 1.1 The Bureau of Standards, Metrology and Inspection (BSMI) under the jurisdiction of the Ministry of Economic Affairs, having its address at: 4 Chinan Road, Section 1, Taipei, 100, Taiwan, Republic of China, and the Italian Certification of Company Quality Systems (CISQ), a juridical entity organized as a not-for-profit foundation under the laws of Italy, having its address at: I-20138 Milano - Via Quintiliano, 41, Italy.
- 1.2 The BSMI is an organization which conducts assessments of their clients' quality management systems and registers such systems in accordance with international standards and requirements. The CISQ is a multi-sector, independent, non-profit Federation of Italian organization for the quality and company management system.
- 1.3 Both parties recognize the need to effectively respond to requests for registration of quality management systems and to minimize the costs and burdens on clients requesting such registration. This MoU outlines the arrangements between the BSMI and the CISQ to facilitate the process of assessing and registering quality management systems.

2. Purpose

- 2.1 This MoU is created to provide a mechanism whereby the BSMI and the CISQ will cooperate to respond efficiently to requests for registration and to minimize costs and burdens on clients in the assessments and registration of quality management systems according to the International Organization for Standardization's latest ISO 9001 standard and other comparable local standards in Taiwan and Italy. When current versions of standards are changed, both parties agree to allow a grace period for the application of a new version.

3. Scope

- 3.1 This MoU applies to the following parties:
 - (1) The BSMI
 - (2) The CISQ Certification Bodies including:
 - Istituto di Certificazione della Qualita (CERTIQUALITY)
 - Assoc. Certificazione Tessile-Abbigliamento (CERTITEX)
 - Certificazione Qualita Agroalimentare (CSQA)

- Istituto per la Certificazione della Qualita per le Industrie del Legno e dell'Arredamento (ICILA)
- Certificazioni-Ispezioni-Formazione (ICIM)
- Istituto di Certificazionee Marchio di Qualita per Prodotti e Servizi per le Costruzioni (ICMQ)
- Istituto Italiano di Garanzia della Qualita per i Prodotti Metallurgici (IGQ)
- Istituto Italizno dei Plastici (IIP)
- Istituto Italiano del Marchio di Qualita (IMQ)
- Registro Italiano Navale (RINA)
- La certificazione nei servizi, nell'agricoltura e nel settore alimentare (CISQCERT)

3.2 This MoU applies to the following two situations:

3.2.1 Clients seeking registration of their quality management systems from both parties.

3.2.2 Quality management systems first registered by one party to this MoU may be recognized for joint registration by the other party subject to reasonable verification and investigation of the particular registration conducted pursuant to this MoU.

3.3 A client should apply for registration to the registrar located in their home country. This party shall be the Primary Registrar, and shall be responsible for assessment and surveillance. The other party may send its personnel to participate in the assessment and surveillance as an observer, in order to inspect the on-site operation after gaining written consent from the other party.

3.4 Upon successful completion of an assessment, the party performing the assessment shall share the results of its work with the other party for the purpose of the other party issuing its certificate of registration. Each party reserves the right to comment on or request additional information before accepting the results of the other's assessment.

4. Training and Qualifications

4.1 Lead Assessors and Assessors must meet the minimum criteria in accordance with currently accepted practices and guidelines as followed by other qualified Registrars and other international standards and practices.

5. Joint Application Procedures

5.1 Separate applications and related information will be required from the clients for both the BSMI and the CISQ registration programs. Either party may accept application forms and related information on the other's behalf, provided such information is in accordance with both parties' registration programs.

5.2 A client seeking registration must submit documents describing its quality management systems to the Primary Registrar.

- 5.3 The Lead Assessor of the assessment team will schedule a visit with a client seeking registration at a time mutually convenient for both the client and the assessment team. The Lead Assessor will also be responsible for the coordination of arrangements, paperwork, etc., between the parties. All such arrangements must be mutually acceptable to each party.
- 5.4 Each party shall have the right to conduct the necessary verification and investigation for its registration and shall have the right to determine the process relating to its registration.

6. Certificates

- 6.1 Each party shall be responsible for issuance and control of its certificate of registration.
- 6.2 In the event that joint registration is in effect, each party will notify the other if the client's use or display of the other's certificate of registration and mark(s) is improper.

7. Surveillance Visits

- 7.1 Follow-up visits shall be conducted by the Primary Registrar.
- 7.2 In the event of joint registration, routine follow-up visits will be regularly scheduled and conducted annually.

8. Financial Considerations

- 8.1 Each party will independently determine and administer the financial charges associated with its assessment and registration. Accordingly, each party shall separately invoice the client seeking registration, for its charges for the assessment and registration. Each party shall bear its own costs and expenses incurred in the assessment and registration.

9. Indemnification

- 9.1 The BSMI shall indemnify and hold harmless the CISQ, its successors and assignees, directors, officers, agents, and employees against any and all damages, claims, losses, liabilities, expenses, fines, penalties, or suits of whatever nature, from third parties which may, solely by an act or omission of the BSMI, arise as a causal consequence out of: (i) any breach or violation of this MoU by the BSMI; (ii) any negligent, fraudulent, defective, or delayed performance of BSMI's obligations under this MoU; and (iii) any negligent or willful misrepresentation in any certificate of document delivered in conjunction with this MoU by the BSMI which is not caused by the CISQ. Said indemnification also shall include all legal fees and defense expenses incurred by the indemnitee.

- 9.2 The CISQ shall indemnify and hold harmless the BSMI, its successors and assignees, directors, officers, agents, and employees, and the R.O.C. government and the employees of the R.O.C. government, against any and all damages, claims, losses, liabilities, expenses, fines, penalties, or suits of whatever nature, from third parties which may, solely by an act or omission of the CISQ, arise as a causal consequence out of: (i) any breach or violation of this MoU by the CISQ; (ii) any negligent, fraudulent, defective, or delayed performance of CISQ's obligations under this MoU; and (iii) any negligent or willful misrepresentation in any certificate of document delivered in conjunction with this MoU by the CISQ which is not caused by the BSMI. Said indemnification also shall include all legal fees and defense expenses incurred by the indemnitee.
- 9.3 Upon obtaining knowledge of facts which, at the sole discretion of the CISQ or the BSMI (the "indemnitee", as applicable), are determined to be sufficient to justify a claim for indemnification under this MoU, the BSMI or the CISQ (the "indemnitee"), shall promptly notify the other party (the "indemnitor") in writing of any damage, claim, loss, liability, expense, fine, penalty or suit which the indemnitee has determined has given or could give rise to a claim under clauses 9.1 or 9.2 above (such written notice being a "Notice of Claim"). A Notice of Claim shall specify, in reasonable detail, the nature of any such claims, and all facts relevant thereto, giving rise to a claim for indemnification and describing all action taken and to be taken by the indemnitee in response to such claim.
- 9.4 The indemnitor may defend, in good faith and at its expense, any such claim or demand set forth in a Notice of Claim, and the indemnitee, at its expense, shall have the right to participate in the defense of any such claim. So long as the indemnitor is defending in good faith any such claim, the indemnitee shall not settle or compromise such claim without consent of the indemnitor. The indemnitee shall make available to the indemnitor or its representatives all records and other materials required to contest any claim, and shall cooperate fully with the indemnitor in the defense of all such claims. The indemnitee shall have no obligation if the indemnitor does not elect to defend any such claim. The indemnitor's obligation under clauses 9.1 or 9.2 above shall not be affected in any way by its election to defend or not defend any such claim.
- 9.5 Notwithstanding clauses 9.3 and 9.4 above, the parties acknowledge that use of internal legal staff may be most cost-effective and able to provide the best defense. Therefore, the indemnitee shall have the right to utilize its own internal legal staff, if any, to participate in the defense or to defend itself and to retain local counsel, if and when appropriate. The indemnitor shall have no responsibility to pay for any portion of a staff attorney's salary, counsel's time, or time spent in defending said damages and claim; all other defense expenses shall be reimbursed.

10. Advertising

- 10.1 It is not intended by this MoU that the BSMI be or refer to itself as a party “accredited” by the CISQ or any similar description, or that the CISQ be or refer to itself as a party “accredited” by the BSMI or any other similar description. Neither party shall refer to or use the other’s name, logo or certification mark in any form of advertising, without the other’s prior consent in writing.

11. Agency Not Created

- 11.1 Neither party is authorized by this MoU to incur obligations on behalf of the other party or to bind the other party in any respect.

12. Independent Organization

- 12.1 The BSMI and the CISQ are independent organizations not affiliated with, influenced nor controlled by customers in any manner that may affect their capacity to render assessments and registrations objectively and without bias. Specifically, the BSMI and the CISQ must comply with the following:

- 12.1.1 To not have any managerial affiliation with customers.
- 12.1.2 That the results of their work do not accrue any financial benefits to any customers, via stock ownership or the like.
- 12.1.3 To possess sufficient breadth of activity that the loss or award of a specific contract to assess a customer’s quality management system would not be a determinative factor in its financial well-being.
- 12.1.4 That the status of its personnel is free of influence or control of customers.

13. Governing Law and Jurisdiction

- 13.1 The parties hereto shall strive to settle or mitigate any disputes amicably between themselves privately. Any controversy or claim arising under, out of, in connection with, or relating to this MoU which cannot be settled or mitigated amicably in private shall be subject to the jurisdiction of Taipei District Court according to the legislation of Taiwan, if a suit is initiated by the CISQ, and subject to the jurisdiction of Milano District Court according to the legislation of Italy, if a suit is initiated by the BSMI.

14. General

- 14.1 Both parties will provide the public with non-proprietary information about quality management registration programs and answer general questions.

- 14.2 Both parties will furnish the other with all necessary information reasonably required to ensure the effectiveness of this MoU. Each party will refrain from voluntarily disclosing to third parties secret information which is obtained by the BSMI or the CISQ in confidence from a client, without the client's prior authorization in writing.
- 14.3 In the event where either party does not adhere to any of the items stated in this MoU, the other party shall bring it to the attention of the other for corrective action.
- 14.4 This MOU, written in duplicate in the English language, shall come into effect upon signing by both Parties and shall remain effective until a notice of termination is given by either party. Termination of this MoU shall be by written notice at least 90 days prior to the effective date of termination.
15. By the signing of this MoU, both the BSMI and the CISQ agree to uphold the terms and conditions herein in good faith and with the aim of mutual goodwill.

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For: The Bureau of Standards, Metrology
and Inspection (BSMI)

For: Italian Certification of Company
Quality Systems (CISQ)

By: _____
Neng-Jong Lin
Director General

By: _____
Dr. Fabio Roversi
General Manager

Date: _____

Date: _____