

**RULES
FOR THE CLASSIFICATION OF
SHIPS**

*Part 1 – GENERAL REQUIREMENTS
Chapter 4 – Approval of manufacturers and
service suppliers
January 2023*

*Amendments No. 1
July 2023*

CROATIAN REGISTER OF SHIPPING

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By the decision of the General Committee of Croatian Register of Shipping,

Amendments No. 1 to the
RULES FOR THE CLASSIFICATION OF SHIPS
Part 1 – GENERAL REQUIREMENTS
Chapter 4 – Approval of manufacturers and service suppliers

have been adopted on 26th June 2023 and shall enter into force on 1st July 2023

GENERAL TERMS AND CONDITIONS

(March 2022)

Article 1 GENERAL

1.1 CROATIAN REGISTER OF SHIPPING (hereinafter: the *Register*) shall at all times remain an independent contractor and neither the *Register* nor any of its officers, surveyors, auditors, inspectors, agents, appointers, officers or managers shall act as an employee, servant or agent of any other party in the performance of the Services rendered by the *Register*.

1.2 The *Register* acts as a service provider. The Services provided by the *Register* cannot be construed as a commitment by the *Register* to achieve any result or as a warranty.

1.3 The provision of Services is subject to these General Terms and Conditions. No other terms and conditions shall apply, either expressly or by implication, unless expressly agreed in writing between the Parties.

1.4 These General Terms and Conditions shall be incorporated into, or referred to in any Contract and shall prevail over and exclude any other terms and conditions that the Client may wish to impose.

Any amendments to and/or deviations from these General Terms and Conditions, as well as any additional terms and conditions of the Client, shall be binding or valid only if set forth in writing and duly signed by the authorised representatives of both Parties.

1.5 The invalidity of one or more provisions of these General Terms and Conditions shall not affect the remaining provisions.

1.6 The Client acknowledges that the latest version of these General terms and Conditions and the latest version of applicable Rules apply to the Services provided by the *Register*.

1.7 Definitions in these General Terms and Conditions take precedence over other definitions that may appear in other documents issued by the *Register*.

1.8 The Client should at all times be aware of the provisions of these General Terms and Conditions, as they may be further amended, with their latest up to date version available on the web site of the *Register*.

Article 2 DEFINITIONS

2.1 **Certificate** means either a class certificate or statutory certificate, statement, attestation, statement of compliance, and a report following the Services provided by the *Register*.

2.2 **Certification** means the activity of certification in application of international and national standards and international industry practice provided by the *Register*.

Certification is an appraisal given by the *Register* to the Client and cannot be construed as an implied or express warranty of safety, fitness for purpose, seaworthiness of the vessel or its value for sale, insurance or chartering.

The purpose of Certification is to provide classification and statutory services and assistance to the maritime industry, Flag State Administrations, and regulatory authorities relating to maritime safety and pollution prevention.

2.3 **Classification** includes all activities and Services provided by the *Register* in accordance with the Rules. Classification may or may not be accompanied by the issuance of a Certificate of class with reference to the Rules.

Certificate of class is valid only if issued by the *Register*.

However, Certificate of class should not be construed as a guarantee of the safety, fitness for purpose or seaworthiness of the vessel. It is merely an attestation that the vessel complies with the Rules developed and published by the *Register*.

In addition, the *Register* is not a guarantee of the safety of life or property at sea or the seaworthiness of a vessel because, although the classification of a vessel is based on the assumption that the vessel will be properly loaded, operated, and maintained by competent and qualified personnel, the *Register* has no control over how a vessel is operated and maintained between the periodic surveys it conducts.

2.4 **Statutory certification** means certification made by the *Register* on behalf of the Flag State Administrations when and to the extent that the *Register* has been authorised to do so by the respective Flag State.

Statutory certification and services include the assessment of vessels registered by the Flag State and/or ship management companies to determine whether such ships/companies comply with the applicable requirements of international conventions, codes and national legislation, and the issuance of, or assistance in the issuance of, the appropriate certificates and documents.

Statutory certification includes, but is not limited to, certification, survey, and issuance of statutory certificates on behalf of the Flag State.

In cases where the *Register* acts on behalf of Flag State Administrations, the *Register* shall follow guidance issued by IMO (Resolutions, Circulars, etc.) or by IACS through Unified Interpretations (UI), unless otherwise directed by the Flag State.

2.5 **Client** means the shipowner, company, shipyard and/or party requesting Services or taking ownership of a classed vessel. In cases where shipowners have authorized another party to operate the vessel on their behalf, that party shall be considered as the company.

In addition to the above the Client means the person and/or entity that has requested Services from the *Register* and that has entered into a Contract or an agreement for Services with the *Register*.

2.6 **Parties** means the *Register* and Client together.

2.7 **Party** means the *Register* or the Client.

2.8 **Contract** means the contract in the form of a written agreement between the Client and the *Register* requesting Services, including these General Terms and Conditions and the Rules.

The provisions related to the Contract in these General Terms and Conditions shall apply even if there is no written agreement between the Client and the *Register*.

The Client may request the *Register* in writing to make a change to the contracted Services. However, the *Register* shall not be obligated to accept or execute any such change until a written agreement has been signed with the Client regarding the compensation and the possible impact of the change on the schedule as an addendum to the originally contracted Services.

2.9 **Services** shall mean the services specified in 2.2, 2.3 and 2.4, but also other services related to certification, classification and statutory certification, such as, but not limited to: ISM Code certification, ISPS Code, MLC 2006 certification, fuel oil consumption reporting, IHM certification, approval of manufacturers and service providers, certification of materials and products, training activities, conformity assessment, and any other relevant activities such as third party inspections, testing, shore and shipboard trials.

The Services provided by the *Register* are performed on a random basis and in no case include a full inspection of all items.

The *Register* shall provide the Services in accordance with related Contract(s), the provisions of these General Terms and Conditions, Rules, the international and national standards, the international conventions, the EU Regulations, the Flag State requirements and the industry practices applicable to the particular Service and always assuming that the Client is aware of these standards and the industry practices.

When providing Services, the *Register* does not guarantee the accuracy of the information or advice provided.

In providing Services, the *Register* does not assess compliance with standards other than the Rules, international and national standards, international conventions, EU regulations, Flag State requirements and industry practice, to the extent agreed in writing or specified in the Contract.

2.10 The *Register* means the Croatian Register of Shipping, an entity organized and existing under Croatian law, which, according to the Law on the Croatian Register of Shipping (Official Gazette No. 1996/81, 2013/76 and 2020/62) and the Charter of the *Register*, is an independent, not-for-profit, but public welfare oriented, public foundation that performs tasks:

- classification of sea-going ships,
- statutory certification of sea-going ships on behalf of the Flag State Administrations,
- classification of inland navigation vessels,
- statutory certification of inland navigation vessels,
- statutory certification of recreational crafts,
- certification of materials and products,
- conformity assessment of recreational crafts,
- conformity assessment of marine equipment,
- conformity assessment of pressure vessels,
- certification/registration of quality management systems.

2.11 **Vessel** means a ship, vessel, unit or offshore structure of any kind, whether or not connected to the shore or sea/river bed, located at sea or in inland waters and intended for transportation or special operations on the water, as decided by the *Register*.

2.12 **Rules** means the Rules for the classification, guidelines, instructions, or other documented evidence of the *Register* related to the Services provided.

The competent interpretation of the requirements specified in the Rules or other regulations published by the *Register* shall be the exclusive responsibility of the *Register's* Head Office, notwithstanding any possible different interpretations by other parties.

In cases where the Rules do not contain detailed requirements, the specific approval by the *Register* shall be based on the principles of the Rules and shall ensure a safety standard equivalent to that of the Rules.

Article 3 RESPONSIBILITIES

3.1 It is the Client's responsibility to ensure that all surveys required for vessel's class maintenance are conducted in a timely manner and in accordance with the Rules.

3.2 The *Register* may suspend or withdraw the vessel's existing Certificate of class in the event of serious deficiencies and replace it with a new Certificate of class with a shortened period of validity during which the deficiencies are to be rectified.

In addition, the *Register* shall suspend or withdraw a vessel's Certificate of class if the deficiencies are of such a magnitude as to endanger the class of the vessel, its safety and integrity, the safety of the crew, passengers, or the marine environment, and shall require that the vessel is to be inspected at the first port of call where the necessary repairs are to be carried out.

3.3 The Client should inform the *Register*:

- (i) in the event of a change in the intended use of a vessel, a conversion and alteration of the hull, machinery installations and other equipment affecting the Class of the vessel assigned by the *Register*. Conversions and alterations must be made under the supervision of the *Register* and must comply with the requirements of the Rules and/or additional requirements of the *Register*,
- (ii) in cases where the vessel has been damaged to such an extent that the Class of the vessel is likely to be affected and the safety and integrity of the vessel is likely to be compromised. In such cases, the vessel must be surveyed at the first port of call or as further directed by the *Register*. The survey shall be to the extent deemed necessary by the *Register*, by taking into account the extent of the damage.
- (iii) in cases where class-related deficiencies and/or defects are found as a result of a Flag State inspection or Port State Control. Should the Client fail to notify the *Register* of the detention of the vessel by Port State Authorities due to class related deficiencies, the *Register* reserves the right to suspend or withdraw the Certificate of class.

3.4 The *Register* shall have full control over Certificates issued and may suspend or withdraw a Certificate at any time in its sole discretion if the Client fails to comply with the following requirements set forth in the *Rules for the Classification of Ships, Part 1 - General Requirements, Chapter 1 - General Information*, as applicable:

- (i) para. 5.3 - *Maintenance of the validity of Certificate of Class*,
- (ii) para. 5.4 - *Period of Validity*,
- (iii) para. 5.5 - *Extension of the Period of Validity*,
- (iv) para. 5.6 - *Suspension and Reinstatement of Class in the Case of Overdue Surveys*, and
- (v) para. 5.7 - *Withdrawal of Class*.

3.5 The *Register* may suspend or withdraw a Certificate at any time in its sole discretion if the Client fails to comply with the following requirements set forth in the *Rules for the Classification of Inland Navigation Vessels, Part 1 - Classification and Surveys, Chapter I - Principles of Classification*, as applicable:

- (i) para. 2.8 - *Maintenance of the Validity of the Certificate of Class*,
- (ii) para. 2.9 - *Extension of validity of the Certificate of Class*,
and following requirements set forth in the *Rules for the Classification of Inland Navigation Vessels, Part 1 - Classification and Surveys, Chapter II - Classification*, as applicable:
- (iii) para. 2.1 - *Suspension of Class*,
- (iv) para. 2.2 - *Withdrawal of Class*.

3.6 In addition to clauses 3.2, 3.4 and 3.5 of this Article, the *Register* reserves the right to terminate the Services and related Contract in the event of a breach of the provisions of these General Terms and Conditions.

3.7 If the Client fails to provide the *Register* with the required access or information at the agreed times or fails to prepare for the Service in a timely manner, the *Register* may suspend the provision of the Service until it receives the Client's instructions for access and/or the required information.

The *Register* shall not be liable for the consequences of such suspension, and the Client shall be responsible for the *Register's* additional fees and other unnecessary costs and expenses incurred by the *Register*.

3.8 The Client is obliged to perform timely payments of the invoices for provided Services. However, the *Register* may retain or withhold any Service or Certificate to the Client in the case of outstanding payments, whether mutually related or not, arising out of the entire business relationship with the Client.

Article 4 HEALTH, SAFETY AND ENVIRONMENT

4.1 Both the *Register* and the Client shall apply reasonable standards to promote safety, health, and environmental protection and to provide a safe working environment for their personnel.

4.2 The Client shall provide the *Register* with all access and information necessary for the safe and efficient performance of the requested Services as required by the Rules.

4.3 During the survey, personnel of the *Register* should have secure access to all work that directly or indirectly affects the Service.

4.4 The *Register* has the right to refuse to conduct an activity or visit an area or site if the *Register* in its sole discretion, believes that relevant risks are unacceptable or are not adequately addressed, contained, or otherwise mitigated.

Such a decision shall suspend the obligations of both Parties under the Contract without incurring any liability or penalty until the Parties agree on how to proceed.

Article 5 THIRD PARTIES AND SUBCONTRACTORS

5.1 Each specific Contract, including any Certificates issued, relates specifically to the Client, and no rights, obligations, interests, claims, benefits or Certificates issued shall extend to any third party without the prior written consent of the *Register*.

5.2 The Client shall not be entitled to grant any right to use the Certificates to any third party without the prior written consent of the *Register*.

5.3 The Client shall not without *Register's* consent, cede, assign, transfer, subcontract or deal in any manner with all or any of its rights or obligations under any Service and related Contract.

5.4 With regard to third party rights to access information and Certificates under confidentiality clause reference is to be made to Article 9.

Article 6 TAXES

6.1 Each Party shall be responsible for and shall bear all taxes, duties or similar governmental charges levied or imposed on any activity of that Party.

6.2 Prices, fees, rates, or remuneration are exclusive of any form of sales tax, value added tax, administrative fees and services tax and/or other similar taxes, including any surcharges. If any such indirect tax is or becomes applicable to the Services provided under the Contract, the Client shall be responsible for the payment of such indirect taxes.

Article 7 PAYMENT OF INVOICES

7.1 The provision of Services by the *Register*, whether complete or not, shall include payment of fees thirty (30) days after issuance of the invoice for the portion of the Services performed.

7.2 In the event that the Client fails to meet the requirements for payment in accordance with the instalments and terms of payment contained herein, the *Register* reserves the right to charge the Client with the interest rate in accordance with the applicable laws of the Republic of Croatia.

7.3 If the Client disputes an invoice or part of an invoice, the Client shall notify *Register* thereof in writing without undue delay. If no notification is received by the due date, Client shall be deemed to have accepted the invoice in full. If only part of an invoice is disputed, the undisputed amount must be paid by the due date.

Consequently, no disputes arising between the *Register* and the Client shall interfere with prompt payment of invoices by the Client. Any rights of lien or retention in favour of the Client or otherwise, are hereby excluded.

7.4 In the event of cancellation of all or part of the Services prior to their final completion, the Client shall pay all costs incurred by the *Register* on pro-rata basis for the portion of the Services provided to date. In such event, the *Register* will not claim the Client for loss of profit or reduced income. All reasonable costs directly attributable to the early termination and all amounts due to the *Register* at that time shall become immediately due and payable.

7.5 In the event of termination of the Service and related Contract, the *Register* shall be entitled to retain any payments, deposits or prepayments of fees made by the Client prior to the date of termination up to the amount to which the *Register* is entitled.

Article 8 TERMINATION

8.1 The Parties shall have the right to terminate the Services and the related Contract(s) by written notice to the other Party, and without prejudice to Article 7, in the following cases:

- (i) if the other Party commits a material breach of these General Terms and Conditions and/or the Contract and fails to rectify such breach in accordance with clause 8.4 of this Article,
- (ii) if the other Party becomes insolvent, is unable to pay its debts as they become due, or becomes subject to bankruptcy proceedings, administration, receivership, dissolution, liquidation, winding up or otherwise ceases to carry on its business; or
- (iii) for convenience, after giving the other Party thirty (30) days' prior written notice of termination.

8.2 The Classification issued for the relevant vessel and the Certificates previously issued shall remain valid until the effective date of termination or, in the event of such termination, immediately, subject to compliance with Article 3 and Article 7.

8.3 If, in the reasonable opinion of the *Register*, the Client breaches or is suspected of breaching Article 14 or Article 15, the *Register* shall have the right to terminate the Service and related Contract with immediate effect.

8.4 Notwithstanding the provisions of clause 8.1 of this Article, the Party intending to terminate Services for non-compliance or breach of the provisions of these General Terms and Conditions shall notify the other Party of the non-compliance or violation of the provisions of these General Terms and Conditions and set a reasonable deadline of 15 (fifteen) days for the other Party to remedy the breaches of the provisions of these General Terms and Conditions.

If the Party fails to remedy the breaches of the provisions of these General Terms and Conditions within the aforementioned period, the other Party shall have the right to terminate Services without further notice.

8.5 Termination of the Service and related Contract pursuant to the provisions of these General Terms and Conditions shall not give either Party the right to claim any additional compensation, indemnity or reimbursement from the other Party as a result of such termination, but such termination shall not affect any rights or remedies available to a Party at the time the termination becomes effective or any obligations or liabilities incurred by a Party.

Article 9 CONFIDENTIALITY

9.1 The Parties agree to keep confidential all facts, data, information, etc. related to the other Party's business that they have learned in the course of providing Services. Such information and data shall not be disclosed by the Parties to any third party and shall not be used or misused to the detriment of the other Party.

9.2 The *Register* will keep confidential any data, plans or other technical information received from the Client and will not disclose it to any third party outside the *Register*, unless authorised by the Client. This obligation shall continue to apply after termination of the Services. This obligation shall not apply to any data, plans or other technical information that was in the possession of the *Register* prior to being disclosed to the *Register* by or on behalf of the Client, or that becomes publicly available through no fault of the *Register*, or is otherwise provided to the *Register* by an independent source that is under no obligation of confidentiality to the *Register*.

9.3 Certificates issued by the *Register* to the Client as a result of the Services provided shall not be covered by the confidentiality Article.

Notwithstanding the foregoing, the Client shall be entitled to disclose any data to its affiliates involved in the transactions related to the Services or the Client's core activities.

9.4 Notwithstanding clause 9.1 and clause 9.2 of this Article, the *Register* shall have the right to disclose the Confidential Information to the following parties if required by regulations of:

- (i) authorised representatives of the Flag State Administration,
- (ii) authorised audit teams (i.e., accreditation body or EC auditors),
- (iii) the International Association of Classification Societies (IACS),
- (iv) a court of competent jurisdiction, government agency, or other relevant public authority, in accordance with applicable law, court order, or other public regulation.

9.5 The Client acknowledges that the *Register* is required to provide access to information to the EU Commission or any person acting on its behalf in accordance with applicable EU requirements and that the Client shall give the EU Commission with unrestricted access to the vessels for the purpose of inspection.

9.6 The obligations in this Article shall survive the conclusion of the Service or the termination of related Contract and shall continue for as long as the relevant information remains confidential.

Article 10 INTELLECTUAL PROPERTY

10.1 Each Party shall be the sole owner of all rights to its Intellectual Property created before or after the effective date of these General Terms and Conditions, whether or not associated with any Contract between the Parties.

10.2 The Intellectual Property developed by the *Register* for the provision of the Services, including but not limited to drawings, calculations and reports, shall remain the exclusive property of the *Register*.

Article 11 PROFESSIONAL ETHICS

11.1 Each of the Parties warrants that, with respect to the matters contemplated herein, neither it nor its affiliates has made or will make, directly or indirectly, any offer, payment, gift or authorization of money to any government official or employee, political party, public official or candidate for the benefit or advantage thereof.

11.2 In providing the Services, the *Register* shall strictly adhere to the requirements of its Code of Ethics relating to business activities.

Article 12 FORCE MAJEURE

12.1 For the purposes of these General Terms and Conditions, the term "Force Majeure" includes any event that directly or indirectly prevents the Parties from fulfilling their obligations due to events beyond their control, such as: strikes, wars, riots, piracy, civil commotion, malicious damage, pandemic, compliance with laws or government orders, rules, regulations or directives, sanctions and embargoes, accidents, defects of plants or machinery, seizures, fires, floods, storms and the like.

12.2 If either Party is prevented or delayed from performing its obligations by Force Majeure, such Party shall promptly notify the other Party in writing of the circumstances of the Force Majeure and its influence and, after such notification, shall not be liable for performance of any obligations prevented by the influence of the Force Majeure during its duration. Upon termination of the influence of the Force Majeure, the same Party should proceed with the planned activities in order to fulfil its obligations.

12.3 If one of the Parties is prevented by Force Majeure in its activities and fulfilment of its obligations and this event lasts continuously for three (3) months, the other Party shall be entitled to terminate the Service and related Contract without liability.

12.4 Neither of the Parties shall be liable for non-compliance with these General Terms and Conditions due to Force Majeure. If one of the Parties is prevented from fulfilling its obligations under these General Terms and Conditions due to Force Majeure, it shall immediately notify the other Party in writing within a reasonable period of time, stating the reasons for the Force Majeure and providing relevant evidence, if any.

Article 13 INDEMNIFICATIONS

13.1 Each Party shall indemnify the other Party against all claims arising out of the performance of the Services in respect of bodily injury, illness or death of any of its employees or other representatives and in respect of loss of or damage to the Party's property.

This provision shall apply whether or not the damage is caused or contributed to by the negligence of the other Party. Both Parties are obliged to take out separate insurances for these liabilities.

13.2 The Client shall indemnify the *Register* from and against all claims arising from the Client's violation of the provisions of these General Terms and Conditions and from the misuse of the Certificates issued by the *Register*.

13.3 The Client shall indemnify the *Register* against any financial responsibility or amounts arising from non-payment, late payment or payment of withholding taxes to the non-relevant tax authority or any other relevant governmental body.

13.4 Each Party shall notify the other Party without undue delay as soon as it becomes aware of any incident that could give rise to a claim against the other Party in respect of the Service provided and related Contract.

Article 14 ANTI-CORRUPTION

14.1 Each Party agrees that in performing its obligations under any Service, it will ensure that its affiliates, employees and/or agents, subsidiaries, subcontractors, consultants, and any other persons providing Services will:

- (i) comply with all applicable anti-bribery and anti-corruption laws (collectively, Anti-Bribery Laws) and, in particular, do not, directly or indirectly, offer, promise, grant, authorise the payment of, or confer any financial or other benefit on any public or government official:
 - to a public or governmental official to obtain or retain business with the intent to influence such official in his or her capacity as an official, if such official is not permitted or required by written law to be influenced by the offer, promise or gift; or
 - to another person with the intent to induce or reward the improper performance of a function or activity or for any other illegal purpose,
- (ii) maintain adequate systems and procedures designed to prevent activities, practises, or conduct in connection with services that would constitute an offence under an anticorruption law; and
- (iii) take reasonable steps to prevent similar acts by customers, contractors, subcontractors, agents and other third parties, persons under its control or influence.

14.2 Any failure by a Party to comply with or ensure compliance with its obligations under this Article shall, notwithstanding anything to the contrary in these General Terms and Conditions, be deemed a breach of these General Terms and Conditions which shall entitle the other Party to suspend and/or terminate the Services by notice in writing with immediate effect without further liability to the other Party except for any liability which may have arisen prior to the date of termination or suspension (as the case may be).

14.3 If a Party elects to suspend the provision of Services under these General Terms and Conditions pursuant to this Article, it shall have the sole and absolute discretion to determine:

- (i) when it will resume performance (if at all); and
- (ii) extend the period for performance of its obligations under the Services in its sole discretion.

Article 15 SANCTIONS

15.1 Each Party shall conduct all activities in compliance with all laws, statutes, rules, economic and trade sanctions (including, but not limited to, U.S. sanctions and EU sanctions) and regulations applicable to such Party, including, but not limited to: child labour, forced labour, collective bargaining, discrimination, abuse, working hours and minimum wages, anti-bribery, anti-corruption, copyright and trademark protection, personal data protection.

15.2 Each Party hereby represents and warrants that it is not or will not be subject to any economic or trade sanctions ("Sanctions") imposed by the United States of America, the European Union, the United Kingdom, any EU Member State, or the United Nations with respect to any country and/or by any sanction giver with respect to any company/individual.

15.3 Each Party represents and warrants that it will strictly comply with all Sanctions.

15.4 Nothing in these General Terms and Conditions shall be construed as causing or obligating either Party to act or refrain from acting in a manner inconsistent with, punishable by, or prohibited by any Sanctions.

15.5 Neither Party shall be obligated to perform any obligation arising under these Terms and Conditions (including, without limitation, the obligation to):

- (i) perform, deliver, accept, sell, purchase, pay or receive any funds to, from or through any person or entity; or
- (ii) engage in any other action whatsoever,
if doing so violates or is inconsistent with sanctions and/or recommendations of international (intergovernmental) organisations to combat the financing of terrorism and other criminal activities and/or money laundering or exposes such Party to investigation or penalties.

15.6 In the event that a Party breaches any Sanctions or the Party's Business and/or Transactions arising out of or in connection with these General Terms and Conditions breach any Sanctions or otherwise violate the recommendations of one or more international (intergovernmental) organisations for combating the financing of terrorism and other criminal activities and/or money laundering, the other Party shall be entitled to terminate these General Terms and Conditions by written notice with immediate effect without incurring any liability to the other Party, except for liabilities (if any) incurred prior to the date of termination.

Article 16 LIABILITY

16.1 The *Register* is not, and cannot be considered as, an underwriter, consulting engineer, naval architect, shipbuilder, shipowner, or ship management company, nor can it assume the obligations and responsibilities associated with such functions, although the *Register's* experience may enable it to respond to inquiries about matters not covered by its Rules, policies, instructions, or other documented evidence.

16.2 The practices and procedures of the *Register* shall be selected by the *Register* in its sole and absolute discretion based on its experience and knowledge and in accordance with generally accepted professional standards in the relevant field of classification societies.

16.3 Nothing herein contained shall release any designer, naval architect or engineer, shipbuilder or manufacturer, shipyard, vendor, supplier, contractor or subcontractor, repairer or owner, from any information, report, certificate or similar document issued in connection with the provision of Services by the *Register*, operator, manager or other person or entity from any express or implied warranty or other contractual obligation or responsibility, or from any negligent act, error or omission of any kind whatsoever, nor shall they create any right, claim or benefit for any third party.

16.4 The *Register* shall exercise due care in the selection or appointment of its surveyors and all other employees whose presence and work is necessary for the provision of the Services.

16.5 If any person or entity using the Services of the *Register* suffers any loss, damage or expense that is or is shown to have been caused by a negligent act, omission or error of the *Register's* officers, surveyors, auditors, inspectors, agents, appointees, officers or managers, or those purporting to act in the name of and on behalf of the *Register*, or a negligent inaccuracy, advice, report or evidence given by or in the name of or/and on behalf of the *Register*, then the liability of the *Register* is limited in respect of any direct or indirect claim shall be limited to an amount not exceeding five times the fee charged or to be charged by the *Register* for the relevant Service.

16.6 Any liability for consequential damages is expressly excluded.

For purposes of this clause, consequential damages include, without limitation:

- (i) indirect or consequential damages,

- (ii) loss and/or delay of production, loss of products, loss of use, loss of bargain, loss of revenue, loss of profit or anticipated profit, loss of business and business interruption, in each case directly or indirectly.

16.7 The Parties are not entitled to assign the performance of obligations under these General Terms and Conditions or parts thereof to third parties without the prior written consent of the other Party.

16.8 If during the term of the Contract, there is a transfer of function due to change of status (merger, acquisition, division, etc.), all obligations and rights under these General Terms and Conditions and associated Contract will be transferred to the legal successor of the Party concerned.

Article 17 GOVERNING LAW AND RESOLVING OF DISPUTES

17.1 These General Terms and Conditions and any dispute or claim between the Parties arising from or in connection with it, or the Services provided hereunder, will be governed and interpreted in accordance with the English law.

17.2 The Parties shall use their reasonable efforts to resolve any claim or dispute arising in relation to rendered Service by negotiations within a reasonable time.

17.3 Should the Parties fail to resolve any claim or dispute by negotiations, the dispute shall be exclusively subject to the jurisdiction of the Permanent Arbitration Court with the Croatian Chamber of Economy in Zagreb, Republic of Croatia.

17.4 The Parties agree to keep the any arbitration proceedings confidential.

17.5 Notwithstanding the above, any claim not presented within three (3) months of the completion of the particular Services, or within three (3) months of from the date when the events which are relied on were first discovered by the Client, shall be deemed waived and absolutely time barred.

17.6 Any objections against the line adopted by any of the *Register's* servants in fulfilling their duties or against the conclusions reached are to be raised to the *Register* by the Party as soon as possible.

If the Party is not satisfied with the final conclusions and interpretations by the *Register* the arbitration lays upon the Commission for appeal for Classification and Statutory certification of ships, which is to be formed according to the Regulation 39 of the Charter of the *Register*.

TABLE 1 – REVIEW OF AMENDMENTS

This review comprises amendments in relation to the Rules for the Classification of Ships, Part 1 – General information, Chapter 4 - Approval of manufacturers and service suppliers, edition January 2023.

All major changes in respect to the Rules for the classification of ships, Part 1 – General requirements, Chapter 4 – Approval of manufacturers and service suppliers, edition January 2023, throughout the text are shaded.

Items not being indicated as corrected have not been changed.

The grammar and print errors have been corrected throughout the subject chapter of the Rules and are not subject to above indication of changes.

<i>ITEM</i>	<i>DESCRIPTION OF THE AMENDMENTS</i>
SECTION 2 – APPROVAL OF SERVICE SUPPLIERS	
Head 2.4	Item 2.4.2 has been amended in order to align with the revisions of IACS UR Z17

The subject Chapter of the Rules includes the requirements of the following international Organisations:

International Association of Classification Societies (IACS):

Unified Requirements (UR): **Z17 (Rev. 17, July 2022), Z17 (Rev. 18, Feb 2023), Z17 (Rev. 18, Corr.1, May 2023)**

Chapter 4 **APPROVAL OF MANUFACTURERS AND SERVICE SUPPLIERS**

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1 APPROVAL OF MANUFACTURERS

1.1 GENERAL

1.1.1 This section of this Chapter of the *Rules for the classification of ships* (hereafter referred to as: the Rules) of **CROATIAN REGISTER OF SHIPPING** (hereinafter referred to as: the *Register*) is prescribing requirements for the approval of manufacturers.

Manufacturers producing particular machinery, installations, equipment, devices and materials (hereinafter referred to as products) which in compliance with the requirements of the Rules are subjected to the supervision of the *Register*, are to be approved by the *Register*.

Manufacturers of the products for which it cannot be proved that they meet the requirements of the Rules by means of usual methods of testing and supervision, except in case that their manufacture is performed to the prescribed procedures and under controlled conditions (documentation, manufacture, checking during manufacture, identification) shall be approved by the *Register*.

1.1.2 The objective of the approval is to verify that the manufacturer is able to make and deliver products that are fulfilling the requirements of the Rules regarding quality identification and documentation.

1.1.3 The approval of the manufacturer applies to the manufacturer of the products such as:

- .1 Rolled steel products:
 - a) normal strength, high strength and extra high strength structural steel of normal and improved weldability,
 - b) boiler and pressure vessel steel,
 - c) steel for low temperature service,
 - d) alloy steel including stainless steel,
 - e) clad steel.
- .2 Welded steel sections for hull construction and low temperature service.
- .3 Steel forgings.
- .4 Castings (steel, iron and copper alloy).
- .5 Tubes and pipes.
- .6 Semi-products for rolled steel products, steel forgings and steel tubes and pipes.
- .7 Bars for chain cables.
- .8 Chain cables and accessories for ship anchor chain.
- .9 Steel wire rope.
- .10 Wrought aluminium alloys.
- .11 Aluminium/steel transition inserts.
- .12 Pressure vessels manufactured by welding.
- .13 Synthetic ropes.
- .14 Components and products of synthetic materials, and other organic origin materials.
- .15 Components and non-metallic products of non-organic origin.
- .16 Protective coatings and other anti-corrosive means.

1.1.4 In addition to the manufacturers referred to in 1.1.3., other manufacturers to which the requirements in other

parts of the Rules are expressly applied to, shall be approved by the *Register*.

1.1.5 The manufacturers which have implemented and maintained Quality System according with ISO 9001 standard (or equivalent) with certificates on approval and stamps of other institutions will be considered by the *Register* in each particular case.

1.1.6 The manufacturers which are not approved in compliance with the requirements of 1.1.1, may be approved by the *Register* from case to case applying the criteria of the equivalence referred to in the Rules, *Chapter 1 - General information, 1.11*.

1.1.7 Issuing of the certificate of approval of the manufacturer will not exclude the need for type approval of particular products according to the requirements of the Rules (see the Rules, *Chapter 3 - Type approval of products*).

1.1.8 Issuing of the certificate of approval of the manufacturer will not exclude the need for supervision and certification of products during regular production.

1.2 REQUIREMENTS FOR APPROVAL

1.2.1 In order to get the approval for production of determined products, the manufacturer shall meet the following requirements:

- .1 Availability of proper and sufficient equipment for manufacture of product of stable quality and in adequate manner.
- .2 Availability of sufficient number of qualified professional staff for manufacture of product of required quality.
- .3 Manufacturing procedures should enable achievement of stable quality products in accordance with the requirements of the Rules, as well as with standards and specifications accepted by the *Register*.
- .4 Availability of qualified technical service for quality control including qualified staff and regularly gauged equipment for successful performing of all necessary tests during manufacture in order to verify conformity with the Rule standards, and specifications requirements.
- .5 If some of tests or all tests are performed by external organization, then such institution as service supplier is required to be approved by the *Register*. Manufacturer and such institution are obliged to have cooperative agreement.
- .6 Manufacturer's Quality System is to ensure independent decision making on quality of products to aforementioned technical service for quality control.

1.3 APPLICATION FOR APPROVAL

1.3.1 The manufacturer who wants the manufacture of determined product to be approved by the *Register*, shall apply to the *Register* in writing. The following elaborate shall be enclosed thereto containing:

- .1 Products to be approved.

- .2 Production procedures (short description of every phase in production process).
- .3 Chemical composition (for materials).
- .4 Delivery conditions of product including particular features and dimensions.
- .5 List of equipment used in production.
- .6 Description of quality control system including list of qualified staff and testing equipment.
- .7 List of external testing institutions performing tests (fully or partially) and information on authorities that certified them. If such institution has not been approved by the *Register* the whole of the institution or just the part of it is to be subjected to approval procedure.
- .8 Particulars on achievements in production, especially in manufacture of products for which approval is requested. Given data are to be statistically elaborated for manufacturing period of at least last six months.
- .9 Particulars on eventual certification of manufacturer's Quality System according to ISO 9001.
- .10 List of subcontractors and suppliers with the description of receiving inspection procedure (on all incoming material) as a part of the manufacturer's Quality System.

1.3.2 During survey and testing or afterwards the *Register* may request additional data or amendments to the elaborate, as deemed necessary, for laying down decision on approval.

1.3.3 After elaborating the relevant documents, the *Register* shall provide to the manufacturer the approved testing program.

1.3.4 On the basis of data from 1.3.1.8 and 1.3.1.9 the *Register* may reduce the testing program, or recede from testing, if upon first testing for acceptance on determined products verify full compliance with the requirements of the Rules, standards or specifications applied for that testing.

1.3.5 The *Register* is liable to keep all obtained data as a manufacturer's business secret.

The *Register* may transfer technical data to third parties, with approval in writing of the manufacturers only.

1.3.6 If subcontractor's representative is a member of the *Register's Assessment Team* then the *Register's* duty is to oblige him to keep business secret on writing agreement.

1.4 APPROVAL PROCEDURE

1.4.1 The procedure consists of:

- .1 Checking the condition of the manufacturer and his production possibilities specified in the elaborate, as well as the needs for possible amendments.
- .2 Appraisal of the testing results upon testing carried out to approved testing program (and possible additional tests).

1.4.2 Activities under 1.4.1.1 and 1.4.1.2 are to be performed by the *Assessment Team* appointed by the *Register*.

1.4.3 In general the *Assessment Team* consists of a Surveyor from the Head Office who is an expert in manufacture to be approved, and the Surveyor from the Branch office covering the area where the manufacturer is sited.

1.4.4 If the technology of manufacturing particular product is complex, the *Register* may include other appropriate experts. One of the experts will be appointed as a leader of the *Assessment Team (Lead Assessor)*.

The *Register* retains the right to engage on contractual basis eminent experts from outside of the *Register* if deemed it necessary.

1.4.5 On completion of approval procedure, the *Assessment Team* shall submit to the *Certification Commission* of the *Register* detailed assessment report including recommendation regarding approval of the manufacturer.

It is not allowed for a member of the *Assessment Team* to be also a member of the *Certification Commission* of the *Register*.

1.5 DECISION ON APPROVAL

1.5.1 The *Certification Commission* of the *Register* shall decide on approval of the manufacturer on the basis of the elaborate, assessment report and appraisal of the testing results (according to approved testing program) submitted by the *Assessment Team*.

Decision on approval comprise approval of manufacturing of determined product, and also includes the approval of the manufacturer's Quality System.

If manufacturer has documented Quality System complying with ISO 9001 standard (or equivalent), the *Certification Commission* of the *Register* may consider it acceptable.

1.5.2 The manufacturer reserves the right to complain about the decision of the *Certification Commission* of the *Register*.

The complaint shall be submitted to the Commission referred to in the regulation 39 of the *Charter* of the *Register*.

1.5.3 After laying down the decision on approval of the manufacturer, the certificate of approval of the manufacturer will be issued to the manufacturer, and entry of approved manufacturer in the *List of type approved products, approved manufacturers and service suppliers* available on the official web site of the *Register* will be made.

1.6 VALIDITY OF THE CERTIFICATE OF APPROVAL OF THE MANUFACTURER

1.6.1 Certificate of approval of the manufacturer shall be valid for a period of four (4) years, if the manufacturer during that validity period shall meet the requirements as stated in 1.2.

If any of mentioned requirements, or essential method of production happens to be changed, the manufacturer is bound to inform the *Register* in due time, as well as to

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apply for the extension of approval to the new method or manufacture.

If the manufacturer shall not proceed as specified, the certificate of approval of the manufacturer may be withdrawn or cancelled and manufacturer deleted from the *List of type approved products and approved manufacturers*, as well.

1.6.2 Generally, three months before the expiry date of the Certificate of approval of the manufacturer, the *Register* shall send a written reminder to the manufacturer.

At least one month before the expiry date of the validity of the Certificate, the manufacturer should apply to the *Register* in writing, for re-assessment for renewal of the validity of the Certificate of approval of the manufacturer.

1.6.3 Re-assessment for renewal of the approval consists of checking at random, and inspection of all production plants and testing facilities used in the manufacture and testing of product, as well as verification of the efficiency of the manufacturer's Quality System.

1.6.4 The *Register* may, within the term specified in 1.6.1, require performing periodical surveys, if found out that the quality of products has been considerably imperilled, with regard to criteria under which manufacturer has been approved, if receives information on change of the production method independently of the manufacturer, or furthermore, in case of an essential alternation of particular requirements of the Rules, either standards, specifications or conventions.

1.6.5 On completion of periodical, survey *Assessment Team* shall submit to the manufacturer report inclusive non-conformities found during survey, and term for implementation of the corrective actions.

1.6.6 If the manufacturer does not apply corrective measures within a reasonable time, or does not fulfil additional requirements imposed by the *Register*, or does not proceed as specified in 1.6.2, then it will be deleted from the *List of type approved products, approved manufacturers and service suppliers*.

2 APPROVAL OF SERVICE SUPPLIERS

2.1 GENERAL

2.1.1 This section of this Chapter of the Rules is prescribing requirements for approval of service suppliers.

2.1.2 To approve firms providing services, such as measurements, tests or maintenance of safety systems and equipment, the *Register* is to apply procedures in this section and in the following document of the *Register*, QP7.5.1-3 – APPROVAL OF SERVICE SUPPLIERS (available upon request).

The *Register* may also accept results of the services from service suppliers approved by other classification societies, if being IACS members only.

2.2 APPLICATION

2.2.1 This section applies to the approval of the following categories of service suppliers:

2.2.1.1 Statutory services:

- .1 Firms engaged in servicing inflatable liferafts, inflatable lifejackets, hydrostatic release units, marine evacuation systems.
- .2 Firms engaged in inspections and testing of radio communication equipment.
- .3 Firms engaged in inspections and maintenance of self contained breathing apparatus.
- .4 Firms engaged in annual performance testing of Voyage Data Recorders (VDR) and simplified Voyage Data Recorders (S-VDR).
- .5 Firms engaged in sound pressure level measurements of public address and general alarm systems on board ships.
- .6 Firms engaged in inspections of low location lighting systems using photo luminescent materials and evacuation guidance systems used as an alternative to low-location lighting systems.
- .7 Firms engaged in maintenance, thorough examination, operational testing, overhaul and repair of lifeboats and rescue boats, launching appliances and release gear.
- .8 Firms engaged in inspection, performance testing and maintenance of Automatic Identification Systems (AIS).
- .9 Firms engaged in Commissioning Testing of Ballast Water Management System (BWMS).

2.2.1.2 Classification and/or Statutory services:

- .1 Firms engaged in thickness measurements on ships or mobile offshore units.
- .2 Firms carrying out an in-water survey on ships and mobile offshore units by diver or Remotely Operated Vehicle (ROV).

- .3 Firms engaged in inspections and maintenance of fire extinguishing equipment and systems.
- .4 Firms engaged in tightness testing of closing appliances such as hatches, doors etc. with ultrasonic equipment.
- .5 Firms engaged in measurements of noise level on board ships.
- .6 Firms engaged in examination of Ro-Ro ship's bow, stern, side and inner doors.
- .7 Firms engaged in testing of coating systems in accordance with IMO Resolution MSC.215(82), as amended, and IACS UI SC223 and/or MSC.288(87), as amended.
- .8 Firms engaged in survey using Remote Inspection Techniques (RIT) as an alternative means for Close-up Survey of the structure of ships and mobile offshore units.
- .9 Firms engaged in Cable Transit Seal Systems inspection on ships and Mobile Offshore Units.

2.2.2 Where the results of the following service providers:

Where the results of the following service providers:

- .1 Firms engaged in thickness measurements on ships or mobile offshore units;
- .2 Firms carrying out an in-water survey on ships and mobile offshore units by diver or Remotely Operated Vehicle (ROV);
- .3 Firms engaged in tightness testing of closing appliances such as hatches, doors, etc. with ultrasonic equipment;
- .4 Firms engaged in survey using Remote Inspection Techniques (RIT) as an alternative means for Close-up Survey of the structure of ships and mobile offshore units;

are used by a Surveyor in making decisions affecting classification services then that service provider must be approved and verified by the *Register* or by other classification societies, if being IACS members only.

2.2.3 Where such services are used by Surveyors in making decisions affecting statutory certification and service, the firms are subject to approval and verification by the *Register* where the *Register* is so authorised by the relevant flag Administration (i.e. the flag of the ship on which the servicing is to be done or the service equipment is to be used). For such services the *Register* may accept approvals done by:

- the flag Administration itself,
- duly authorized organizations acting on behalf of the flag Administration, or
- other organizations those are acceptable to the flag Administration (e.g. other governments, etc.).

2.2.4 Use of the approved service suppliers is not mandatory for the following services, unless instructed otherwise by the flag Administration with respect to statutory certification:

- .1 Firms engaged in inspections of low location lighting systems using photo luminescent materials and evacuation guidance

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systems used as an alternative to low-location lighting systems.

- .2 Firms engaged in sound pressure level measurements of public address and general alarm systems on board ships.
- .3 Firms engaged in measurements of noise level onboard ships.
- .4 Firms engaged in testing of coating systems in accordance with IMO Resolution MSC.215(82) as amended and IACS UI SC223 and/or MSC.288(87), as amended
- .5 Firms engaged in examination of Ro-Ro ships bow, stern, side and inner doors.

2.2.5 Detailed requirements specific to the various categories of suppliers are given in QP7.5.1-3 – APPROVAL OF SERVICE SUPPLIERS. National and/or international requirements may give additional requirements. References to such national and/or international requirements, if any, are also given in QP7.5.1-3 – APPROVAL OF SERVICE SUPPLIERS.

2.3 PROCEDURE FOR APPROVAL AND CERTIFICATION

2.3.1 Submission of documents

2.3.1.1 In order to be approved for the specific activity, service supplier shall submit to the *Register* an application for approval in writing, which shall include the following documents for review. General requirements are given in 2.3.2, while specific requirements are given in QP7.5.1-3 – APPROVAL OF SERVICE SUPPLIERS.

- .1 Outline of the company, e.g. organisation and management structure, including subsidiaries which are to be included in the approval/certification.
- .2 List of nominated agents, subsidiaries and subcontractors.
- .3 Experience of the company in the specific service area.
- .4 For categories of Service Suppliers that require certification from manufacturers, manufacturer's documentary evidence that the Service Supplier has been certified or licensed to service the particular makes and models of equipment for which approval is sought shall be provided.
- .5 List of operators/technicians/inspectors with documented training and experience within the relevant service area, and qualifications according to recognised national, international or industrial standards, as relevant.
- .6 Description of equipment used for the particular service for which approval is sought.
- .7 A guide for operators of such equipment.
- .8 Training programmes for operators/technicians/inspectors.
- .9 Check lists and record formats for recording results of the service referred to in

QP7.5.1-3 – APPROVAL OF SERVICE SUPPLIERS.

- .10 Quality Manual and/or documented procedures covering Quality System requirements in 2.3.3.
- .11 Documented procedures for communication with the crew prior to commencing work, so that it is safe to decommission the equipment being maintained, and to provide a safe system of work in place
- .12 Evidence of approval/acceptance by other bodies, if any.
- .13 Information on the other activities which may present a conflict of interest.
- .14 Record of customer claims and of corrective actions requested by certification bodies.
- .15 Operators/technicians/inspectors documentation they have acknowledged the code of conduct.

2.3.1.2 The *Register* will give special consideration to firms with restricted scope of services and/or with three or less employees.

2.3.2 General requirements

2.3.2.1 Extent of Approval - The supplier shall demonstrate, as required by 2.3.2.2 to 2.3.2.11, that it has the competence and control needed to perform services for which approval is sought.

2.3.2.2 Training of personnel - The supplier is responsible for the qualification and training of its personnel to a recognised national, international or industry standard as applicable. Where such standards do not exist, the supplier is to define standards for the training and qualification of its personnel relevant to the functions each is authorized to perform.

The personnel shall also have adequate experience and be familiar with the operation of any necessary equipment.

Operators/technicians/inspectors shall have had a minimum of one year tutored on-the-job training. Where it is not possible to perform internal training, a program of external training may be considered as acceptable.

2.3.2.3 Supervision - The supplier shall provide supervision for all services provided. The responsible supervisor shall have had a minimum of two years of experience as an operator/technician/inspector within the activity for which the supplier is approved. For a supplier consisting of one person, that person shall meet the requirements of a supervisor.

2.3.2.4 Personnel records - The supplier shall keep records of the approved operators/technicians/inspectors. The record shall contain information on age, formal education, training and experience for the services for which they are approved.

2.3.2.5 Equipment and facilities - The supplier shall have the necessary equipment and facilities for the service to be supplied. A record of the equipment used shall be kept and available. The record shall contain information on maintenance and results of calibration. The *Register* shall assess and record the validity of previous measuring results when the

equipment is found not to conform to requirements. The *Register* shall take appropriate action on the equipment affected.

2.3.2.6 Control of data - When computers are used for the acquisition, processing, recording, reporting, storage, measurement assessment and monitoring of data, the ability of computer software to satisfy the intended application shall be documented and confirmed by the service supplier. This shall be undertaken prior to initial use and reconfirmed as necessary.

NOTE: Commercial off-the-shelf software (e.g. wordprocessing, database and statistical programmes) in general use within their designed application range may be considered to be sufficiently validated and do not require any subsequent confirmation.

2.3.2.7 Where several servicing stations are owned by a given company, each station is to be assessed and approved except as specified in 2.3.3.3.

2.3.2.8 Procedures - The supplier shall have documented work procedures covering all services supplied.

2.3.2.9 Subcontractors - The supplier shall give information of agreements and arrangements if any parts of the services provided are subcontracted. Particular emphasis shall be given to quality management by the supplier in following-up such subcontracts. Subcontractors providing the services of the approved service supplier shall also meet requirements of 2.3.

2.3.2.10 Verification - The supplier shall verify that the services provided are carried out in accordance with approved procedures.

2.3.2.11 Reporting - The report shall be prepared in a form acceptable to the *Register*. The report should detail the results of inspections, measurements, tests, maintenance and/or repairs carried out. Special guidelines may be found in QP7.5.1-3 – APPROVAL OF SERVICE SUPPLIERS. The report shall include a copy of the Certificate of Approval.

2.3.2.12 Documented procedures and instructions should be available for the recording of damages and defects found during inspection, servicing and repair work. This documentation is to be made available upon request.

2.3.3 Quality system

2.3.3.1 The supplier shall have a documented system covering at least the following:

- .1 Code of conduct for the relevant activity.
- .2 Maintenance and calibration of equipment.
- .3 Training programmes for operators/technicians/inspectors.
- .4 Supervision and verification to ensure compliance with operational procedures.
- .5 Recording and reporting of information.
- .6 Quality management of subsidiaries, agents and subcontractors.
- .7 Job preparation.
- .8 Periodic review of work process procedures, complaints, corrective actions, and maintenance and control of documents.

2.3.3.2 A documented Quality system complying with the most current version of ISO 9000 series and including the above items, would be considered acceptable.

2.3.3.3 If a manufacturer of equipment (and/or its service supplier) applies to the *Register* for inclusion of its nominated agents and/or subsidiaries (excluding any subcontractor) in the approval, then it must have implemented a quality system certified in accordance with the most current version of ISO 9000 series. The quality system must contain effective controls of the manufacturer's (and/or service supplier's) agents and/or subsidiaries. The nominated agents/subsidiaries must also have in place an equally effective quality system complying with the most current version of ISO 9000 series. Such approvals shall be based upon an evaluation of the quality system implemented by the parent company against the most current version of ISO 9000 series. The *Register* may require follow-up audits on such agents or subsidiaries against the most current version of ISO 9000 series to confirm adherence to this quality system.

2.3.4 Service suppliers relations with the equipment manufacturer

2.3.4.1 A company which works as a service station for the manufacturer(s) of equipment (and as a service supplier in this field) is to be assessed by the manufacturer(s) and nominated as their agent.

The manufacturer shall ensure that appropriate instruction manuals, material, etc. are available for the agent as well as of proper training of the agent's technicians. Such suppliers shall be approved either on a case by case basis, or in accordance with 2.3.3.3.

2.4 CERTIFICATION PROCEDURE

2.4.1 Certification of service supplier shall be carried out by the *Assessment Team* (see 1.4.3). Upon reviewing the submitted documents with satisfactory results, the supplier is to be audited in order to ascertain the supplier is duly organised and managed in accordance with the submitted documents, and that it is considered capable of conducting the services for which approval/certification is sought.

2.4.2 Certification is conditional on a practical demonstration of the performance of the specific service as well as satisfactory reporting being carried out. At initial audits, when the service supplier is already certified by other QSCS certified Society according to the provision of IACS UR Z17, this may be verified through documentary review that a practical demonstration has already been carried out. At renewal audits, verification by documentary review of jobs undertaken since the previous audit and that have been accepted by a QSCS certified Society is acceptable and is sufficient to satisfy this requirement.

2.4.3 It is not allowed for a member of the *Assessment Team* to be also a member of the *Certification Commission* of the *Register*.

2.5 DECISION ON APPROVAL OF SERVICE SUPPLIER

2.5.1 Upon satisfactory completion of both the audit of the supplier and the demonstration test, as applicable, the *Assessment Team* shall submit a report to the *Certification*

Commission of the *Register* for the approval of a service supplier.

The *Certification Commission* of the *Register* is then to make decision on issuing of the Certificate of Approval stating that the supplier's service operation system has been found to be satisfactory and that the results of services performed in accordance with that system may be accepted and utilised by the *Register's* Surveyors in making decisions affecting classification or statutory certification, as relevant. The Certificate shall clearly state the type and scope of services and any limitations or restrictions imposed including type of equipment and/or names of Manufacturers of equipment where this is a limiting restraint.

2.5.2 After the decision on approval, the *Register* may include service supplier in the *List of type approved products, approved manufacturers and service suppliers* on the official web site of the *Register*.

2.5.3 A service supplier reserves the right to complain about the decision of the *Certification Commission* of the *Register*.

The complaint shall be submitted to the Commission referred to in the regulation 39 of the *Charter* of the *Register*.

2.6 VALIDITY OF CERTIFICATE OF APPROVAL OF SERVICE SUPPLIER

2.6.1 Renewal of the Certificate is to be made at intervals not exceeding four (4) years by verification through audits that approved conditions are maintained or, where applicable, on expiry of the supplier's approval received from an equipment Manufacturer, whichever comes first. In the latter case, the *Register* is to be informed in due course by the Service Supplier.

For firms engaged in thickness measurements, renewal of the Certificate shall be made at intervals not exceeding 3 (three) years, by verification that original conditions are maintained.

2.6.2 Generally, three months before the expiry date of the Certificate of approval of service supplier, the *Register* shall send a written reminder to the service supplier.

At least one (1) month before the expiry date of the validity of the Certificate, the service supplier should apply to the *Register* in writing, for re-assessment for renewal of the validity of the Certificate of approval of the service supplier.

2.6.3 Re-assessment of the service supplier covers the review of the Quality Manual, work instructions, control sheet with the data on measurement and testing of the equipment to prove that the metrological conditions are complied with, control of the corrective actions and results obtained from procedure dealing with complaints.

Additional testing in order to improve and develop the area of activities of a service supplier may be carried out in the course of assessment.

2.6.4 Within the terms, other than those stated in 2.6.1 and 2.6.2, the *Register* may require performing of intermediate audit, if considers it necessary for quality of the performed

services, implementation or amendments of standards, resolutions, conventions and similar.

2.6.5 Upon such audit the *Register* may require that the corrective actions are carried out to remedy non-conformities within the specified period of time.

2.6.6 In exceptional cases when the process of re-assessment for renewal of the validity of the Certificate of approval of the service supplier cannot be finished before the expiry date of the Certificate due to circumstances reasonably beyond the supplier's or the *Register's* control, the *Register* may allow the service supplier to continue with activity, for a period not exceeding three (3) months, in order to complete the re-assessment process.

2.7 INFORMATION REGARDING ALTERATIONS TO THE CERTIFIED SERVICE OPERATING SYSTEM

2.7.1 When any alteration to the certified service operating system of the supplier is made, such alteration is to be immediately informed to the *Register*. Re-audit may be required when deemed necessary by the *Register*.

2.8 CANCELLATION OF APPROVAL

2.8.1 The *Register* reserves the right to cancel the approval and to inform the IACS Members accordingly (for firms engaged in thickness measurements refer to IACS PR23).

2.8.2 Approval of a service supplier may be cancelled in the following cases:

- .1 Where the service was improperly carried out or the results were improperly reported.
- .2 Where a Surveyor finds deficiencies in the approved service operating system of the service supplier and appropriate corrective action is not taken.
- .3 Where alterations have been made to the Company's Quality System relevant to the service supplier certificates, without written notification to the *Register*.
- .4 Where the intermediate audit, if requested as per 2.6.4, has not been carried out.
- .5 Where wilful acts or omissions are ascertained.
- .6 Where any deliberate misrepresentation has been made by the Service Supplier.

2.8.3 A supplier whose approval was cancelled, may apply for re-approval after six month period, provided a supplier has corrected the non-conformities which resulted in cancellation, and the *Register* is able to confirm that supplier has effectively implemented the corrective action. This possibility may not be granted if cancellation has been based on a grave fault, such as violation of ethics.

2.8.4 Expiration or cancellation of the Supplier's parent company approval automatically invalidates approval of all agents and subsidiaries if these are certified according to 2.3.3.3.