



DOC001-17EN

REGULATIONS

ON OBTAINING AND MAINTAINING A CHAIN OF CUSTODY MANAGEMENT CERTIFICATION ACCORDING TO FSC STANDARDS AND GRANTING OF THE LICENSE FOR USE OF THE FSC LOGO

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1 TERMINOLOGY AND DEFINITIONS

Organization:	the independent legal entity requesting the certification
Eligible input:	Virgin and/or reclaimed material suitable to become part of a specific group of FSC products depending on the category of material (certified material, controlled wood, reclaimed material)

2 APPLICABLE STANDARDS

- FSC-STD-20-001: general requirements for FSC accredited certification bodies
- FSC-STD-20-011: Accreditation standard for chain of custody evaluations
- FSC-STD-40-004: FSC Standard for Chain of Custody Certification
- FSC-STD-40-004a: products classification
- FSC-STD-40-005: FSC standard for Company evaluation of controlled Wood
- FSC-STD-40-007: Sourcing reclaimed material for use in FSC Product Groups or FSC Certified Projects
- FSC-STD-40-003: Standard for Multi-site Certification of Chain of Custody Operations
- FSC-STD-50-001: Requirements on FSC trademark use by certificate holders
- FSC-POL-01-004: policy for the association of organizations with FSC
- FSC-POL-20-005: annual administration fee policy
- Other: all documents (and in particular: standards, policies, procedures, advice notes, technical notes and guidelines) mentioned as regulatory documents in the aforementioned standards.

The applicable standards shall be used in their last version. The current version of each FSC normative document is available on the FSC website (<https://ic.fsc.org>), currently at the address <https://ic.fsc.org/en/certification/requirements-guidance>.

The eventual change of these documents will be communicated by CSI

3 INTRODUCTION

CSI S.p.A. (hereinafter referred to as CSI) carries out, as set out in its statute, certification of management systems services, product certification services, and training services. CSI does not offer consulting services.

CSI is organized and operates in compliance with the current editions of UNI EN ISO 17021 and EN 45011 and to applicable Forest Stewardship Council – FSC standards.

CSI A is accredited for the provision of FSC Chain of Custody certification services by ASI - Accreditation Services International, and operates under the authority of FSC.

The Organization, as previously defined in Chapter 1, is responsible for all duties associated with the achievement and maintenance of the Chain of Custody certification; in case of a group or a multi-site certification, the body that represents it or that acts on its behalf.

3.1 Objective of the Chain of Custody Management Certification according to FSC standards

The objective of the Certification related to the management of the Chain of Custody according to FSC standards is to provide, with adequate reliability and through third party audits and subsequent surveillance

audits, an independent guarantee concerning the fact that wood, cellulose, or derived materials used to manufacture products marketed with FSC trademarks originate from certified forests or plantations managed in compliance with the Principles and Criteria established by FSC for Forestry Management and that the wood that is used and that originates from non-certified forests is controlled to verify that it is not illegally cut, in violation of the civil and customary rights of local populations, or cut from forests where high conservation values are threatened by management activities, or from forests being converted into plantations or in non-forestry uses, or forests where genetically modified trees have been planted, and that reclaimed materials used are in compliance with the requirements of FSC.

4 PURPOSE OF THE REGULATIONS

These Regulations describe the rules established by CSI to realize Certification of Chain of Custody activities and to issue, whenever allowed by the applicable standards (the reference standards are those present on the site fsc.org in the version in force at the time of signature of these Regulations), the related license for use of the FSC marks to label certified products and for promotional purposes.

5 GENERAL CONDITIONS

This Certification is accessible to all Organizations, of any kind and structure, operating in the forestry and wood supply chain sector and in particular in the field of wood, cork, furniture, furnishing, paper processing, accessories and similar products without any discrimination.

The provisions contained in these Regulations apply to both Italian and foreign organizations, unless disposed otherwise by special provisions related to compliance with international agreements entered into by CSI.

CSI reserves the right not to provide the services set out in these Regulations if the Organization's activities are clearly in conflict with the requirements specified by the accrediting rules of the Certification Bodies or which, in the sole opinion of CSI, reflect badly on the good name of the certification body.

The specific requirements that an Organization must meet to be accepted for the certification process by CSI are described below.

The language adopted to carry out the procedures set out in these Regulations is the Italian language. English and Spanish (as official FSC languages) must be accepted by the Organization, at least in reference to managing technical information and/or concerning the notification of applicable standards and requirements. Other languages may be agreed upon with CSI.

CSI can deny certification to a client when fundamental demonstrated reasons exist, such as illegal activities, history of repeated non conformities with the certification requirements

5.1 Requirements for the Chain of Custody Management Certification according to FSC Standards

5.1.1 Requirements valid for all the Chain of Custody Certifications

To access the Chain of Custody Certification according to applicable FSC standards, the Organization must:

- Implement the Chain of Custody management in compliance to FSC standards applicable to the specific system adopted by the Organization
- Set up prescriptive and recording documents, related to such control system, in compliance with applicable FSC standards
- Accept, in full, what is established in these Regulations, in the "License Agreement for the Certification Scheme" and in the "Self declaration related to the document FSC-POL-01-004"; to this end, CSI will

provide to the Organization a copy of both documents, which will have to be signed and stamped by the legal representative of the Organization and returned to CSI along with the Certification application.

- Accept the FSC requirements related to the Chain of Custody management, to the evaluation of FSC controlled wood and of reclaimed material.
- Provide information about previous applications or certifications related to FSC or other forest certification schemes required and/or obtained in the last five years
- Accept any condition stated by CSI for the issuing of the certificate.

5.1.2 Additional Requirements in case of Group/Multi-Site Certification

In case the Organization requests a group/multi-site certification, it must:

- Demonstrate acceptance, in full, of what is established in these Regulations by all the group/multi-site participants by applying the signature of the “group entity” legal representative as proxy appointed by the group/multi-site members to the management of the relationship with the certification body and the related stamp on the copy of the Regulations that CSI sends to the “group entity” and that must be returned to CSI along with the Certification application.
- Have available documentation that certifies the assignment of the contractual relationship between CSI and the "group entity" issued by the group/multi-site participants concerning their commitment to meet the certification requirements established by FSC and the additional ones established by CSI.

NOTE: Hereinafter, both the individual Organization and the group/multi-site Organization shall be referred to ONLY with the term “Organization” in all cases in which the rules apply to both cases; thus, only the rules applicable exclusively to the group/multi-site organization will be specified by difference.

5.2 Request of start of the Certification Process

5.2.1 Submitting an Application

The Organization wishing to achieve the Chain of Custody Management Certification according to FSC standards must submit the following documents to CSI, duly filled out and signed (whenever specified) and containing updated data at the time of document submission:

5.2.1.1 For all of chain of custody certifications

- The Certification Application Form duly filled out
- A copy of the document constituting the contract between CSI and the Organization for the provision of certification services
- A copy of the “License Agreement for the FSC Certification Scheme”, signed and stamped as previously mentioned.
- A copy of the “Self declaration related to the document FSC-POL-01-004”, signed and stamped as previously mentioned.
- An updated copy of the Certificate of Registration to the Chamber of Commerce, Industry, Small Business and Agriculture (CCIAA) or an equivalent document.
- All the information related to specific risks concerning safety at the locations of audits
- A receipt of payment made to CSI for registration and processing of the application and examination of application (as indicated in the offer prepared by CSI and agreed upon by the Organization requesting the certification)

5.2.1.2 Solely for the GROUP / MULTI-SITE APPLICATIONS

In addition:

- The specific application form for the Certification, listing all the group/multi-site participants interested in the certification activities

5.2.2 Effective Date

The certification procedure is effective starting from the date of acceptance of the application and it may be completed, after implementation of the appropriate stages, with the certification and subsequent confirmation for the maintaining of the certification, or with the expiry of the application in the event that the necessary stages are not implemented.

The same conditions established for Italian Organizations are applicable and in force for the certification of non-Italian resident Organizations, unless disposed otherwise by special provisions related to international agreements entered into by CSI.

5.3 Initiation of the Certification Process

Upon receipt of the Request for FSC Certification countersigned and related documentation, CSI enters it in its informatic system and processes it according to a first-come-first-serve order basis. Then CSI proceeds to:

- a) Verify completeness of the application and attached documentation;
- b) Verify the technical consistency of what is described in the documents filed, notifying to the Organization any critical issues;
- c) Adjust the offer, if necessary, in case the results of the review highlight inconsistencies between the information provided by the organization in the application respect to those provided by the organization previously and used in the version approved by the Organization (e.g.: Change to the number of sub-contractors, change of quantity of suppliers providing uncertified reclaimed material);
- d) Accept or refuse the Request for Certification and issue related notification to the Organization and the reasons thereof in case of non-acceptance of the application;
- e) Identify and appoint the Auditing Team and agree with the Organization on the dates for carrying out the audit certification process;
- f) Define and notify to the Organization the Audit Program along with the names of the Auditing Team indicating also the possible presence of "observers" (auditors in training or belonging to the accreditation body, etc.) who may participate to the audit. Along with the scheduling, or at least before starting the audit, all participating personnel is informed about the specific risks related to the environment where they will operate, on the code of conduct to follow and on the basic PPE to have available.
- g) In case standard FSC 40-005 applies
 - a) In case the certification scope audit includes the evaluation of controlled material, request to the Organization to send the documentation related to the risk analysis performed in reference the controlled wood
 - b) Perform the analysis of such documentation and present the results of this analysis to the Organization
 - c) Reformulate, if necessary, the offer in case the results of such analysis highlight a degree of risk different from what is stated, for the purchase districts of uncertified wood.
 - d) Realize the necessary stakeholders consultations
- h) In case of GROUP/MULTI-SITE certificate
 - a) Define the sampling methods for the audits at the Organizations' sites included in the application field.
- i) Perform the audit and write the related report.
- j) Perform the activities of certification decision.

5.4 Certification Audit

The initial certification audit is performed according to the schedule and audit plans submitted earlier to the Organization and showing the purposes, method of operation, logistic aspects, roles and responsibilities of the members of the audit team.

The Organization, in case of justifiable reasons, may refuse the auditors appointed by CSI and may request their replacement, notifying in writing the reasons for the refusal to CSI's Management.

Before proceeding with the audit activities, an opening meeting is carried out where the audit plans and channels of communication are confirmed, the evaluation procedure and classification results are shown, and the commitment to confidentiality of the entire audit team confirmed. At the end of the audit, a final meeting is held in which the conclusions of the audit are shown and clarifications concerning the surveys and actions following the audit are provided.

The Certification audit has the aim of verifying the implementation and proper operation of the Chain of Custody in the various processing stages within the Organization (and at any subcontractor's location, forest management units and suppliers in case of evaluations referred to the Standard FSC 40-005), starting from the supply of eligible materials up to the final product sale on the market, including, whenever allowed, FSC labeling and use FSC logo.

The audit includes a verification of the Organization's procedures to confirm compliance with FSC applicable standards and with their applicability, to ensure traceability of the product based on FSC certified material at each stage of the processing and monitoring of the related implementation.

At the end of the initial audit for certification, the Responsible of the Audit Group fills in the Audit Report and notifies to the Organization the results of the Audit, with particular focus on any findings related to conformity of the Chain of Custody management with the FSC standards.

The Organization's Management (or any other department appointed by the Management) undersigns the report for acceptance and commits to send to CSI, within the agreed time (shown on the Audit Report), its own document describing the way and time within which the Organization will act to correct any non-conformity by applying the appropriate corrective actions.

CSI evaluates the soundness of the proposed approach and timing for implementation of the corrective actions by contacting the Organization to agree on any corrective action to be made. In case of positive evaluation, the actions are approved by CSI with silent assent.

During the audit, the Organization must ensure the availability of:

- all the documents that define and regulate the control system concerning the traceability of wood products (or derived materials) and the commitment regarding health and safety at work, issued by the organization
- All records related to the implementation of the documents that define and regulate the control system concerning the traceability of wood products (or derived materials) and the commitment regarding health and safety at work, issued by the organization
- Adequate support by the Organization's staff
- PPE needed to meet the specific risks in the workplace; the Organization must make any necessary personal protection equipment available to the members of the Audit Team and to any observer and instruct them on their use and it must also provide adequate information on preventive measures, rules of conduct for visitors and emergency measures adopted in connection with the activities. CSI's Audit Group Manager will include this information on the audit report.

The Organization must deem final the Audit Report upon acceptance, including any reported non conformities and related classification, in case the Organization does not receive within 15 (fifteen) days communications stating otherwise from CSI.

5.5 Classification of Findings

During the various Audit activities necessary to issue, maintain, renew, extend, or reduce the Certification, notifications of findings may be reported as a result of weaknesses identified on the system; such findings are documented by the Audit Team Responsible using specific forms.

CSI has the right to change the findings classification assigned by the Audit Team Responsible on the report until the the Decision Making activities are performed..

The findings are classified as follows:

- **PRIMARY NON CONFORMITY (NCP):** Complete lack of one or more elements established by the standards, or serious lack in their implementation/maintenance, resulting from significant failure to reach the objectives of the relevant requirements; a situation that is such that, based on objective evidence, is ongoing for a long time, it is systematic, it affects a significant portion of the production or the integrity of the FSC system; a situation that has not been corrected or not adequately accepted under the responsibility of the Organization's managers once identified; a series of Secondary Non-compliances related to the same regulatory requirements.
- **SECONDARY NON CONFORMITY (NCS):** minor breach or of a formal nature that does not lead to significant failure in reaching the objectives of the pertinent requirements; a temporary situation, that is unusual or not systematic; a situation with a limited impact over time and in its effects on the Organization
- **OBSERVATION (O):** recommendation to pay attention to certain issues, or a breach that in the opinion of the auditor may represent a potential non-compliance in the management of the Chain of Custody.

The formalization of one (or more) NCP at the audit stage lead to a suspension of the certification process in progress (in case of certification audit, supplementary audit, renewal audit and audit extension) until all the causes that generated the NCP have been corrected and the corrective actions proposed by the Organization have been verified by CSI or the issue of a suspension measure of the certification in place (in case of a surveillance audit), if all the causes that generated the NCP have not been corrected and the corrective actions have not been verified within the time defined by CSI.

The issue of five or more NCP to a single Organization or to the Central Office of a multisite/group in a surveillance audit results in the suspension of the certificate. The issue of five or more NCP to a member/site results in the suspension of that member/site but not necessarily of the whole certificate.

All products for which a NCP has been identified, both by the Certification Body and by the Organization cannot be sold with FSC claims until the encountered problems have not been solved; if they have already been sold at the time of the NCP identification, the Organization must inform the customer about the problem within 5 (five) days, indicating (where appropriate) the proper FSC claim for such products.

5.6 Non-Conformities Resolution

The Organization must resolve the Non-Conformities detected by taking adequate corrective actions depending on their level of seriousness and according to the modalities reported below.

The effective completion of the NCP must be within 3 (three) months from the date of the audit; the verification of NCP completion by CSI must be made before the presentation of the audit files to the Decision Making Committee; the resolution process includes the following stages:

- The Organization defines the Corrective Actions and sends them to CSI
- CSI verifies and approves the Proposed Corrective Action
- The Organization performs the Corrective Actions and notifies CSI about their completion

NCP are closed after proper verification performed by CSI on the effective implementation of the Corrective Actions defined by the Organization through and additional audit, which can be performed at the Organization or at CSI's offices by analyzing the documented evidence, depending on the cases. These activities are agreed with the Organization and must be completed within 3 months from the date of audit. In the event of a positive result of the NCP, the audit files are presented to the Decision Making Committee.

In case of failure by the Organization to solve the NCP or failure to solve it within the time limit of the corrective Actions, the file cannot be presented to the Decision Making Committee and, consequently, it will be necessary to repeat the initial certification audit, or the suspension of the certificate in place.

In case of NCS notification, the Organization must define the Corrective Actions it intends to take and such actions must be approved by CSI before the file is presented to the Decision Making Committee, according to the following stages:

- The Organization defines the Corrective Actions it intends to adopt and sends them to CSI
- CSI verifies and approves the Proposed Corrective Action plans
- The Organization implements that Corrective Actions within the timeline specified by CSI, which verifies their completion during the next audit

5.7 Additional Audit to Verify Resolution of Non-Conformities

It is an audit aimed at verifying the completion and effectiveness of the Corrective Actions implemented by the Organization as a result of a NCP.

The audit can be conducted at the Organization or at the offices of CSI by analysis of documented evidence, according to the methods that CSI deems the most appropriate to achieve the highest degree of confidence that the NCP has been adequately resolved; it is planned in agreement with the Organization near the planned date of completion of the Corrective Action plan submitted by the Organization and positively evaluated by CSI. The completion of the NCP is communicated in writing to the Organization

5.8 Granting of Certification and License for use of the FSC trademarks

The granting of Certification is approved by the Decision Making Committee of CSI, after having analyzed the audit documentation. The Committee resolves also concerning the date within which the surveillance audits shall be conducted; these dates are communicated to the Organization with the audit schedule.

The Committee may request changes to the corrective action plan (regarding timing or content) proposed by the Organization.

The Committee may also resolve about an additional audit to verify the conclusion of non-conformities before issuing the certification.

The committee has the right to delay or postpone its decision on certification, in order to take account of new or additional information which has not already been considered in its audit report and which, in the opinion of the certification body, could affect the outcome of its evaluation.

Granting of the Certification may take place even before eligible materials have been procured by the Organization. Whenever the certification audit led to the issuing of non-conformities related to critical control points, CSI will perform an additional audit at the Organization's location within three months from the moment when eligible materials become available in order to ensure that the identification and material segregation system is fully implemented.

Once the granting of the certification has been resolved, CSI issues to the Organization the Certificate, which specifies the application field of the certification, including, in case of group/multi-site certification, the list of every group/multi-site participants. Issuing of the Certificate to the Organization is subject to the Organization paying the agreed fees indicated in the offer accepted as the cost of certification services and related expenses.

Following the granting of the certification, CSI includes the Organization in the register of Organizations that hold CSI Certification and makes the news public also by updating the FSC International database.

CSI recognizes all the valid certifications of Forestry Management and Chain of Custody issued by any accredited FSC Certification Body.

In case of failure by the Decision Making Committee to grant Certification, the activities deemed the most appropriate by the Decision Making Committee will be implemented in order to verify compliance concerning the Chain of Custody management with the FSC requirements by carrying out an additional audit or requesting documented evidence or repeating the initial certification audit.

The Organization shall not issue any conformity declaration (or next conformity) to FSC requirements until the certificate has been issued.

The Organization shall not issue any conformity declaration about the legislation in place with regards to health and safety at work, for having a FSC certification.

6 VALIDITY

6.1 Application Validity

The application for Certification is valid for eighteen months, within this period the process of certification must be initiated, in other words the established stages to be followed to achieve Certification must take place. If no stage of the process is initiated within this period, the application becomes void. The Organization must submit a new application to achieve its Certification.

Even in case the certification procedure is interrupted for a period longer than eighteen months since the last stage performed, the application is deemed void and the Organization must, in order to obtain the certification, submit a new application.

6.2 Certification Application Field

The Certification application field is deemed extended to the Company names, production units, standards, activities and product categories shown on the CSI certificate.

In no way, the Certification can be used by the Organization outside the field of application defined by the certificate.

6.3 Certification Validity

The certification for Chain of Custody management according to FSC standards issued by CSI has a validity of 5 (five) years from the date of issue of the certificate and it can be renewed. After the period of validity, the Certification renewal takes place following a positive resolution by the Decision Making Committee on the basis of the results of a renewal audit to be carried out within the three months preceding the expiration of the certificate that demonstrated consistent compliance to the applicable FSC requirements.

The validity of the Certificate is bound by the implementation of the surveillance audits.

6.4 Terms of Validity

CSI performs regular audits, at least yearly, on the certified Organization, to ensure that the maintenance terms are in compliance with the applicable requirements of the FSC standards. During the surveillance audits, CSI's Auditors must ensure that the terms that allowed the Certification to be granted are still valid and that have not deteriorated.

CSI has also the right to carry out unannounced or short notice audits.

6.5 Liability

The Organization is, and remains, the sole responsible party both respect to its customers and third parties for all the matters concerning performance of its business activities and goods and/or services offered and/or supplied, their features and requirements, and compliance of such products and/or services with all regulations, laws and/or regulations however applicable.

CSI is not responsible for product defects, processes or services supplied to third parties by the certified Organizations, as established by Laws and Regulations concerning the liability for damages suffered by defective products and overall safety of the product.

7 SURVEILLANCE

CSI performs a periodic inspection of the certified Organization through surveillance audit to ensure:

- that the terms are in compliance with the applicable FSC standards
- that any non-conformities, previously issued have been eliminated
- the correct use of the certificate and FSC trademarks
- the management of complaints related to the FSC certification

These audits are periodical, as shown in the audit Schedule, and they occur at least annually having as reference the date of the certificate issuing, unless otherwise specified by the Decision Making Committee and with a maximum distance, between two audits, when allowed, of 15 months. The first surveillance audit is normally scheduled 9 (nine) months after the certificate issuing. The period established to perform the surveillance audit is notified to the Organization by CSI upon certification/renewal of certification. The monitoring audits must be performed within the notified period; the certified Organization may request, in writing and with justifiable reasons, to anticipate or delay the scheduled audit; CSI Management reserves the right to not grant extensions longer than 3 (three) months or if the time extension does not allow ensuring completion of all the annual monitoring audits.

In case of certification for a group/multi-site client, the surveillance audits include always the monitoring of the Central Office of the Organization and a sampling audit at the group/multi-site participants.

Before performing each surveillance audit, the Organization must submit to CSI updated information previously provided on the specific risks related to safety.

The Decision Making Committee may, however, in case of good reasons notified to the Organization modify the auditing schedule during the period of validity of the certification by performing additional unplanned audits which costs are charged to the Organization.

The implementation and management methods related to the surveillance audits and the identification of findings possibly notified over the course of the audits are identical to those described for the Certification audit.

7.1 Unscheduled and unannounced Audits

Unplanned and unannounced Audits, which for this reason do not fall into the category of additional audits, may take place in the following cases:

- Claims or reports by third parties, deemed significant in relation to the non-conformity with the Chain of Custody management performed by the Organization
- Unintended use of the certification concerning the Chain of Custody and/or improper dissemination of information related to it
- unintended use of FSC trademarks and/or improper dissemination of information related to the FSC certification

If, as a consequence of the audits, whether scheduled or not, irregularities or non-conformities with the applicable requirements are detected, CSI informs in writing the Organization asking it to eliminate the breach within a deadline specified on a case by case basis.

What is reported in the subsequent articles 12 and 13 of these Regulations must be deemed valid in case of identification and notification of non-compliance even if they are detected during unscheduled audits.

Each day of unscheduled or unannounced audit will be charged to the Organization as a "supplementary audit activity" according to the terms listed in the offer accepted.

8 RENEWAL

An audit to renew the certification is performed at the end of the Certification validity; this audit has to be carried out within 3 (three) months before the expiration date of the certificate. The purpose of the audit is to confirm the field of application and compliance with the Chain of Custody management; thus, the audit covers all the certification activities and it is carried out in the field.

It is notified well in advance to the Organization and it is sent to the client along with a specific audit schedule. In case the Organization cancels the visit with an advance notice shorter than seven days, the Organization shall bear the full cost of the audit, as specified in CSI's estimate.

Before performing any renewal audits, the Organization must send to CSI a communication with updated information on the specific risks related to safety in workplace where the audit must be carried out.

The implementation and management methods related to the renewal audits and the identification of any finding notified over the course of the audits are identical to those described for the Certification audit.

The certificate can be reissued only in presence of a valid "Licence Agreement" for the certification Scheme", that is not suspended.

Each certificate following the first one has a validity of 5 (five) years. It is identified with the same number as the previous one.

9 CERTIFICATION CHANGE/EXTENSION

The Organization that wishes to change or extend the field of application of its Certification with respect to its production units, product categories, standards, activities, product categories, timber species or other, must request it to CSI, which, based on the information received, assesses if the change/extension requires performing additional audits and subsequently issues a revision of the agreement terms, informing the requesting Organization. In particular, in case of GROUP or MULTI-SITE certifications with a request for added sites, it could be required a new evaluation of the Central Office of the Organization and of all the new sites must be performed. With regards to GROUP certification, the increase or decrease of the participant sites is not considered a change of the scope, unless in the opinion of CSI the variation requires significant changes in the management system of the Certificate Holder.

The audits and decision making activities necessary to issue the new certificate are subsequently planned and implemented in agreement with the Organization.

The implementation and management methods related to the extension audits and the identification of any breach notified over the course of the audits are identical to those described for the Certification audit.

As a result of the change or extension to an existing certification, the expiry date of the Certificate and the planning of the surveillance audits listed for the Organization do not change. CSI reissues the certificate, askink to give back th one formerly sent to the Organization and to destroy all the copies realized, and updates the FSC International database.

The change of scope shall not include or result in an extension of the certification's expiry date beyond the time period for which it was originally granted.

10 AMENDMENTS TO THE STANDARDS AND APPLICABILITY

Whenever the FSC standards of reference for the certification, including those regulating the amount of any fees requested by FSC, and the related requirements are amended by FSC during the period of validity of the certificate, or in case CSI modifies its certification requirements, the Organization shall adapt to the new FSC requirements according to the provisions provided by FSC, or the Accreditation Body (ASI), or, in their absence, to the provisions established and communicated by CSI.

In the cases above mentioned, CSI gives communication to the Certified Organization within 30 days from the date of changes approval, specifying the actions required and the time available to implement them, and any additional requirement with regard to the ones required by FSC.

Organizations already certified before the approval date of a FSC Standard shall be in conformity to the requirements of the new standard in accordance with "effective date" specified in the standard.

If a new version of an FSC certification standard covering applicable to the Organization certification has been approved with a standards effective date prior to the next scheduled surveillance audit, then this standard version shall replace the standard version previously used as the standard for evaluation.

In case should be required clarifications with regard to standards application, the needs of clarification are forwarded by CSI to FSC IC, to which interpretations the Organization shall thus conform.

11 RIGHTS AND DUTIES OF THE CERTIFIED ORGANIZATION

The Organization has the right to request the replacement of one or more Audit Team members appointed to carry out the audit. This request must be submitted in writing within 7 days from the formalization of the audit and must be duly justified. CSI reserves the right to accept or reject the request on the basis of the reason described by the applicant.

The Organization has the right to propose reservations, written and motivated, on the work of the auditors and on findings during audits, both at the time of delivery the final report and in the days following the audit itself (within 10 working days).

The Organization has the right to postpone the audits planned up to 7 (seven) days from the starting date of the audit notified by CSI. If a request to postpone the audit is received with a notice shorter than 7 (seven) days, CSI has the right to charge to the Organization the costs contractually defined for that specific activity.

The certified Organization has the right to publicize having received FSC Certification, provided it does so in a truthful manner and always in compliance with these Regulations and with the applicable documents herein mentioned, as well as according to FSC standards pertaining to logo and labeling. The certified Organization is granted the right to use the FSC trademarks (name, logo, certificate code, and any other identification element) according to the methods and restrictions reported in FSC standards. Any use of the FSC or CSI trademarks and certificate must take place only and exclusively upon authorization in writing by CSI, which will verify compliance with the applicable FSC standards.

The Certification cannot be used in such a way to make the public understand that its validity is extended to products different from those for which it has been issued, or, anyhow, in such a way to be misleading. The FSC trademarks cannot be used in a misleading way or in a manner that may cause confusion between off-product mark (used by the Organization on promotional messages and informative material) and on-product mark (applied on the product or in direct combination with it).

The Certification is not transferable, except in the event of the assignment or transformation of the Organization. In this case CSI must be promptly notified of the change occurred; CSI will acknowledge such modification after having verified that the Chain of Custody management has not been subject to modifications. CSI will decide on a case by case basis about the need for a supplementary audit.

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If the scope of CSI accreditation is reduced, suspended or withdrawn, the certificate of the Organization, if interested by these acts, will be suspended within six months from the date of reduction suspension or withdrawal of the accreditation scope of CSI.

In case this condition applies to the Organization, CSI will inform within 30 working days the Organization.

In order to maintain the validity of the certificate, the Organization shall in this case seek for a new accredited certification body within six months from the date of the act of suspension, reduction or withdrawal.

The certified Organization commits to:

- maintain its control system for the traceability of products made of wood (or derived material) according to the requirements
 - defined by the FSC standards applicable to the FSC certification obtained
 - defined by CSI procedures and regulations for granting of FSC Certification
 - defined by CSI and FSC with regards to declarations, use of logos and marks
 - defined by laws, regulations, mandatory regulations concerning its products/activities
- comply with the requirements of applicable FSC standards whenever it disseminates information about the certification obtained or sets up a labeling systems or uses the logo provided for promotional purposes
- not use its certification in such a manner as to bring the certification body, FSC or ASI into disrepute and not make any statement regarding its certification that may be considered misleading or unauthorized;
- allow the publication of specific information, as indicated in the applicable FSC normative documents
- comply with the requirements of the CSI Regulations whenever it publicizes the certification obtained, in respect of the scope for which the certification has been obtained
- assure the right to use any information brought to the attention of CSI to follow violations of FSC marks and of intellectual property rights hold by FSC
- acknowledge intellectual property rights of FSC, that FSC maintains the full property of the intellectual property rights, and that nothing can constitute a right for the Organization to use or cause the use of any intellectual property right
- Inform CSI, within 10 days, about any change in its property, organizational structure, management or business conditions (human resources, technical resources etc.) or circumstances related to the implementation of certification requirements
- Notify to CSI the data pertaining to any new outsourcer that may perform FSC material processing, and wait CSI verification, in case the outsourcer is considered at "high risk", before supplying it with the material
- allow CSI, FSC and ASI access to confidential information, verification of documentation considered necessary, and during audit to equipments, premises, areas, personell, companies providing services in outsourcing to customers, outsourcers, reclaimed materials suppliers and, in case of application of Standard 40-005 also to suppliers, sub suppliers and supplying units
- allow the carrying out of witness audits by ASI
- provide adequate support during the audits
- support transaction verification conducted by its certification body and Accreditation Services International (ASI), by providing samples of FSC transaction data as requested by the certification body.
- Consider the participation of observers during audits
- Define and implement corrective actions for the management of the Chain of Custody whenever non-conformities have been detected, as stated at point 5.6
- notify its certification body and all affected direct customers in writing within five business days of the non-conforming product identification and cooperate with its certification body in order to allow the certification body to confirm that appropriate actions were taken to correct the non-conformity
- Record all the complaints received related to the field of application of the FSC certification and the corrective actions undertaken, and inform CSI when the management of the complaints need more than three months, and when when the complaint is considered to be successfully addressed and closed; communicate also to CSI and to National FSC Office about substantial complaints referred to supplying area in reference to the application of the Standard 40-005, and the modalities to be undertaken for their resolution

- adapt its management of the Chain of Custody, within the planned time frames, whenever applicable FSC standards are modified
- honor all financial obligations resulting from services provided by CSI, even if the certification is not granted or if it is suspended or withdrawn
- maintain and keep at disposition to CSI records of complaints received by any stakeholder with regards to products conformity with applicable requirements of FSC standards, and undertake adequate actions, documenting them
- manage complaints, in case of disagreement with findings of the audit, referred to FSC normative documents, according to resolution procedures of CSI, and referring to ASI only in case of non resolution, and to FSC as last chance.

In case the Organization wishes to substantially change its Chain of Custody management in reference to FSC standard, it must promptly notify this intention in writing to CSI and issue a project proposal. CSI must respond promptly to the notice of proposed changes and the Organization commits to accept the decisions about a possible supplementary audit, which costs will be charged to the Organization.

Moreover:

- Solely for the cases pertaining to certification according to FSC 40-005 standards, in addition to what has been previously listed, the certified Organization commits to:
 - Notify CSI about any claim about FSC requirements on Controlled Wood in areas deemed at “low risk”
 - Made publicly available the results of the risk analysis related to the controlled wood
 - Inform CSI about any new controlled wood supplier and any other new district and for any variation of risk classification pertaining to the already analyzed risks so that CSI may evaluate the risk analysis and the Organization's inspection program before the Organization sells such wood as FSC controlled wood.
- Solely for the cases pertaining to group/multisite certification, in addition to what has been previously listed, the certified Organization commits to:
 - Accept the sampling methods and the quantity of sites/members to be sampled as identified by CSI
 - Remove the certification from the participant sites that are non-compliant to the requirements of the certification scheme
 - Notify in writing to CSI, within three business days, about the need to remove or add any site
 - When is applied the percentage or credit system at a multiple site level participate in a monitoring process by providing the information as requested by FSC.

12 SUSPENSION

CSI issues has the right for suspending an existing Certification when:

- the Organization or a group/multisite participant, without reasonable reason, refuses to accept the visit of CSI Auditors or CSI FSC Accreditation Agency
- Any non-compliant situation, notified to the Organization as a primary non-conformity, has not been effectively closed within the time proposed by the Organization and approved by CSI
- In case 5 or more NCPs are notified during a surveillance audit
- not having received from the Organization any availability in organizing the maintenance audit provided for by the contract
- There is a repeated uncorrect use of the certificate or certification trademarks
- The organization fails to pay to CSI any fees required by FSC; FEE are rights that FSC wants, on the basis of the turnover of wood products of the sites included in the certification or on the basis of other considerations, in order to support his main operations

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- CSI does not accept a change in the management of the Chain of Custody that it may reasonably deem as having a negative impact on the compliance of the control system of the Chain of Custody or on the application of the requirements expressed in the FSC standards or regulations and CSI procedures applicable to the certification obtained or for the use of FSC trademarks
- changes related to the Chain of Custody management or for the use of the FSC trademarks requested by CSI, FSC or due to amendments to the reference standards have not been implemented within the terms agreed with CSI
- Any other circumstance takes place that may compromise or negatively impact the Chain of Custody management by the Organization or the use of the FSC trademarks.
- whenever CSI detects any information indicating that the product is no longer in compliance with the applicable standards of the certification system
- in case the "Licence Agreement for Certification Scheme" is suspended
- In case the Organization does not pay the invoices issued by the CSI within the time frames established contractually

The FSC certification is suspended also when the Organization suspends the production of the products for which the certification is valid. In this case, the Organization must notify to CSI the occurred suspension of the activity. CSI shall establish, based on the reasons that caused this event, the maximum duration of the suspension.

CSI reserves the right to impose procedures to eliminate from every product and/or document any reference or trademark related to the certification as well as any action for the recall and/or withdrawal of the product and/or clients and/or market information campaigns.

The suspension provision is notified by CSI to the Organization via registered letter with proof of receipt, advanced via FAX, in which the conditions necessary to the revocation of the suspension provision are also notified.

The suspension provision is effective from the date of delivery of the registered letter to the Organization, in case of failure to receive such registered letter, the suspension provision will become effective on the 15th day subsequent to the notification via fax of the provision. CSI will remove all references pertaining to the Organization from its public listings and those to be notified, and to communicate, together with the effective date and the motivation, the suspension, within three working days, to FSC, updating the database of FSC iC.

During the period in which the suspension provision is active, the Organization must:

- Stop immediately the sale of any product previously labeled or marked FSC for the Chain of Custody
- not make any statement that the Organization is in compliance with the requirements of the Certification for FSC Chain of Custody management
- Continue to meet all the obligations undertaken by entering into the agreement in force concerning the certification, without prejudice to what is established in terms of performing surveillance audits that cannot take place during the period in which the suspension provision is active
- Within 3 business days, notify of the suspension all clients, Entities and Agencies to whom the Certification was notified and keep a record of such notification
- Cooperate with CSI and with FSC in order to allow CSI and FSC to confirm that these obligations have been met

The Organization must inform CSI, formally and in writing, of the corrective actions it planned in order to close the non-conformities notified by CSI. The suspension provision is revoked only after CSI has verified that satisfactory resolution of the non-conformity and meeting of the requirements.

In case the causes that led to the suspension provision are not removed within the time set by CSI, the Certification is revoked.

All costs accrued for audit activities (whether field audits or not), registrations and inspections are charged to the Organization.

The Organization, which certificate has been suspended and that does not accept the suspension, may appeal according to art. 17 of these regulations and with the procedures set out on how to resolve the disputes, available on request and published also on the CSI website.

13 REVOCATION

CSI may issue a revocation of the Certification in the following cases:

- non-compliance resulting from serious negligence of the commitments undertaken as per Articles 5, 6, 7, 8, 9, 10 of these Regulations or serious non-conformity with the requirements of CSI or FSC detected during the surveillance audits
- failure to demonstrate the re-establishment of the conditions of compliance at the end of the suspension period
- lack of implementation or the inadequacy of the actions taken by the Organization to prevent unintended and not unauthorized uses of the certificate, FSC trademarks and labels of which the Organization is a licensee, any statement or promotional message related to the Certification obtained
- termination of activities for which the Organization had achieved its Certification
- bankruptcy or liquidation of the Organization
- failure to pay the amounts due to CSI, after a month from the date of official notification by CSI via registered letter
- waiver of certification, with a written justification provided by the certified Organization

The revocation decision is notified by CSI to the Organization by registered letter with proof of receipt sent in advance by Fax.

The revocation provision is effective from the date of delivery of the registered letter to the Organization, in case of failure to receive such registered letter, the revocation provision will become effective on the 15th day subsequent to the notification via fax of the provision.

As a result of the revocation of Certification and the license for use of the FSC and CSI logos, the Organization must

- not make any statement that the Organization is in compliance with the requirements of the Certification for FSC Chain of Custody management
- Stop using/duplicating the certificate and proofs of certification issued by CSI
- remove immediately and at its own costs, from any information material or promotional material, any information or reference concerning the FSC certification issued by CSI and subject to revocation
- immediately remove at its own costs from all products and documents the FSC logos and/or labels of which the Organization is a licensee
- Immediately stop the sale of any product previously labeled or marked using FSC marks
- Return the original Certificate to CSI and destroy any duplicate both in hard copy or digital copy
- Within 3 business days, notify of the revocation all clients, Entities and Agencies to whom the Certification was notified and keep a record of such notification
- Cooperate with CSI and with FSC in order to allow CSI and FSC to confirm that these obligations have been met

CSI will erase the Organization from the Register of CSI Certified Organizations and that from the FSC official lists and it carries out the consequent activities at the Institutes and Companies to whom the Certification was notified. In particular, it will notify the revocation, within 3 business days, to FSC updating the FSC International database

CSI reserves the right to take legal action against any Organization that does not respect the terms related to the revocation of the FSC certificate in order to protect its own interests.

The Organization, which certificate has been revoked and that does not accept such decision, may appeal according to art. 18 of these regulations and with the procedures set out on how to resolve the disputes, available on request and published also on the CSI website (www.CSI.org).

14 WAIVER

The Organization can waive the Certification issued by CSI,

- when the contract expires, with a termination notice of three months
- for justified termination of the agreement
- if it does not agree to any changes in these Regulations or reference standards
- if it does not agree to any changes to the financial terms

In the last two cases, the Organization must give notice of its decision within one month from the date of notification of the changes by CSI.

Following the waiver by a certified Organization, CSI activates the process of revocation of such certification. In case of certificate cancellation, following the revocation itself, the certified Organization is subject to the requirements expressed in chapter "13 REVOCATION " hereto.

15 CONFIDENTIALITY

The deeds (documents, letters, communications) related to the Certification activities of product traceability monitoring based on eligible materials by the requesting Organization are deemed confidential and therefore their access is regulated by a special procedure. An exception is represented by all the information that must be made available to the public (the list of the certified Organizations including, name, certificate number and related application field, product group, risk analysis results in case of applicable of 40-005 standards, and instructions on how to contact the Organizations)

The Accrediting Organizations, FSC Ltd and ASI Ltd, after signature of a confidentiality agreement, reserve the right to access the Confidential deeds of the Organization related to the Certification application of the Chain of Custody management according to what is established by FSC standards.

The individuals who, on behalf of CSI, while performing their duties, become aware of such information or other information pertaining to the activities of the Organization shall be bound by professional secrecy Every aspect related to the confidentiality and protection of the information is managed according to the requirements of the law in force.

Information about the Organization that is not publicly available and is obtained from sources other than the Organization shall be treated as confidential, unless the source of information and the client give written consent to disclose it.

When CSI is required by law or authorized by contractual arrangements to release confidential information, the client or person concerned shall, unless prohibited by law, be notified of the information provided.

According to what is established by FSC standards, the certified organization must, in addition, make available to the public the name and the data related to the Chain of Custody management.

16 COMPENSATION

16.1 Rates

The costs of the services provided by CSI are formally notified by the Organization applying for certification in an estimate that also specifies the terms of payment for the initial stages of the certification and maintenance. The duration of the audit is defined in accordance with FSC standards that regulate the activity for the certification and accreditation of Accreditation Body, in relation to the scope of the requested certification and custody of activities to third parties.

In case of group/multisite certification, the group entity, formally delegated by the participants of the group, is fully responsible for payment of the fees related to all costs associated with obtaining and maintaining the certification of all the group/multisite participants.

16.2 Rate Changes

The costs of individual Audits may change during the lifetime of the agreement if these changes apply to the field of application of Chain of Custody Certification or offices/subcontractors interested in managing the processes of the Chain of Custody

The change of these costs is communicated by CSI to the Organization at the time of the evaluation of changes/extensions of the application field of the certification, based on the information received from the Organization or in response to the audit activity. The certified Organization has the right not to accept the proposed changes, waiving the Certification amendment, within one month from the date of receipt of the notification of change.

CSI reserves the possibility to change the rates on the basis of new standards, changes of them or simple communications issued by FSC that deals with the certification issued to the Organization.

16.3 Payment

The terms and conditions of payment are shown in the estimate accepted by the Organization.

Notwithstanding the provisions established by Legislative Decree 231 dated October 9, 2002, and unless otherwise agreed and documented, the amounts owed to CSI for its services must be paid to the Agency within the time and in the manner specified in the Estimate accepted. Interests on late payment of 9% per year will be calculated effective from the due date.

The Agency must send a formal notice of breach and then revoke the Certification, in accordance with the provisions of article 13, in the event of failure to meet said obligations

17 USE AND DUPLICATES OF THE CERTIFICATE AND PROOFS OF CERTIFICATION

The Organization certified for the management of the Chain of Custody according to FSC standards can advertise the certification obtained by duplicating the certificate and using the proof of certification of the Chain of Custody for wood or paper, established by CSI.

The copy of the certificate issued by CSI and the use of the certificates of compliance are governed by the document CTR20 - Rules and Guidelines for the Use of Certification Trademarks and the Duplication of Certificates and Proofs of Certification, concerning the revision in force, which has a prescriptive value and is an integral part of these Regulations, available on request.

17.1 Specific Requirements related to the use of FSC logos

FSC grants the use of specific FSC logos or labels to mark the products included in the certification according to specific requirements, or to notify of an existing certification.

The Organizations that have been granted the Certification of the Chain of Custody according to FSC standards can use the certificate as well as the FSC Certification trademarks.

The FSC trademark and logo, the "Forest Stewardship Council" name and the "FSC" acronym are internationally registered trademarks protected by copyrights and the exclusive property of the Forest Stewardship Council A.C. They are the identification tools of the certification and labeling system of products developed by FSC to promote responsible stewardship (environmentally sustainable, socially useful and economically viable) of forests worldwide.

The conditions for the use of such logos are defined in the "License Agreement for the Certification Scheme" and in the applicable standards that the Organization must meet.

Any use of logos must be previously reviewed and approved by CSI, which verifies its correct use respect to all the conditions established in the standards. In any case, their use prior to obtaining the certification is strictly forbidden.

The Organization is responsible to ensure that all use of FSC trademarks are in compliance with FSC requirements.

It is confirmed that the dissemination of any information, in graphical or text format, identifying the certification obtained or its use must not mislead the recipient of the information. In particular the following information or use of information is deemed a finable breach:

- Information outside the application field of the certification or for products/activities not included in it
- on the product(s) or directly associated with it/them when this is not allowed by the applicable standards
- when next to the FSC mark the code for the License for use of the logo is omitted.
- when certification has not been granted
- when certification has been suspended
- when the certification has been revoked (even after a waiver by the certified Organization)
- when the references related to the obtained certification are incorrect or inaccurate
- when the graphic format, instructions for use or contents of any message related to the composition of the product in terms of FSC certified material or specific meaning of the FSC trademark are incorrect or misleading

CSI is required to monitor the compliant use of trademarks or labeling as authorized by the license for use granted by FSC to the certified Organization.

In case of failure to meet the rules established in these Regulations and/or in the Standards defined for the use of the FSC trademarks, CSI will undertake the necessary steps, according to its own Regulations and any necessary legal action deemed necessary.

18 CLAIMS, APPEALS, MEDIATION AND ARBITRATION CLAUSE AND EXCLUSIVE JURISDICTION OF THE COURT OF MILAN

18.1 Claims

A claim means: a manifestation of dissatisfaction concerning the performance of CSI (technical, administrative, response time, etc.) issued by a customer Organization or any interested party to the certification.

The Organization must submit any claim in writing, which will be noted in a proper register and analyzed by CSI's Management, which will identify any actions to be taken and within 30 days from the date of receipt will send a written reply to those who forwarded the claim.

18.2 Appeals

An appeal means: a manifestation of documented non-acceptance towards CSI decisions concerning the activities of Certification and/or application, interpretation, performance and termination of these Regulations and agreement in force, established with the acceptance of the estimate issued by CSI and accepted by the Organization and with the submission by the Organization of the Application for Certification and subsequent acceptance of it by CSI. Any appeal must be addressed to the Management of CSI and sent by registered letter with proof of receipt. The appeal, noted in a special register, will be reviewed by CSI Management, which will carry out an investigation into the matter and attempt to reach an amicable agreement.

18.3 Disputes

Once the procedures, referred to in sections 18.1 and 18.2 have been carried out without reaching a settlement, the disputes arising from the application, interpretation, performance and termination of these Regulations except for the issues related to payments of services offered by CSI for which the Court of Milan will have jurisdiction, will be submitted for mediation to the attention of an CSI Arbitrator (the Chairman of Committee for the impartiality and independence of CSI S.r.l., independent from the daily activities of CSI and from the process of PEFC certification). If the conciliation attempt fails after the complete application of the procedure, the Arbitrator shall invite the parties to submit to the decision of three arbitrators. International arbitration rules will apply. The arbitration will have ritual nature and the arbitration commission will judge according to law, in accordance with the Rules of Arbitration Chamber of Milan, which the parties expressly state to know and accept in their entirety. The procedure cannot exceed 90 days from the filing of the dispute.

Arbitration shall take place in Milan.

The Court of Milan shall have the exclusive jurisdiction for cautionary proceedings and for any need to resort to the Ordinary Court.

19 APPLICABLE LAW

These Regulations and the Agreement entered with the signature of the offer, Application for Certification and the documents of the agreement connected and referenced are subject to Italian law.