

General Terms and Conditions of Business

These General Terms and Conditions of Business are based on guideline laid down by the Testing Inspection & Certification Council (TIC). Previously Known as the International Federation of Inspection Agencies (IFIA).

- 1. Unless otherwise specifically agreed in writing Alex Stewart Inspection (China) Ltd (hereinafter called "the Company") undertakes services in accordance with these General Terms and Conditions (hereinafter called "General Terms and Conditions") and accordingly all offers or tenders of service are made subject to these general Terms and Conditions. All resulting contract, agreements or other arrangements will in all respects be governed by these General Terms and Conditions, except only to the extent that the law of the place where such arrangements or contracts are made or carried out shall preclude any of the General Terms and Conditions and in such case such local law shall prevail wherever, but only to the extent that, it is at variance with these General Terms and Conditions.
- 2. The Company is an enterprise engaged in the trade of inspection, sampling, and analysis and testing. As such it:
- 2.1 carries out such standard services as are referred to in General Terms and Condition 6;
- 2.2 render advisory and special services as may be agreed by the Company and as referred to in General Terms and Condition 7;
- 2.3 issues reports and/or certificates as referred to in General Terms and Condition 8.
- 3 The Company acts for the persons or bodies from whom the instructions to act have originated (hereinafter called the "Principal"). No other party is entitled to give instructions, particularly on the scope of inspection or delivery of report of certificates, unless so authorized by the Principal and agreed by the Company. The Company will however be deemed irrevocably authorized to deliver at its discretion the report or the certificate to a third party if following instructions by the Principal a promise in this sense has been given to its third party or such a promise implicitly follows from circumstances, trade custom, usage or practice.
- 4. The Company will provide services in accordance with:
- 4.1 The Principal's specific instructions as confirmed by the Company;
- 4.2 The terms of the Company's Standard Order Form and/or Standard Specifications Sheet if used;
- 4.3 any relevant trade custom, usage or practice;
- 4.4 such methods as the Company shall consider appropriate on technical, operational and/or financial grounds.
- 5. All enquiries and orders for the supply of services must be accompanied by sufficient information, specifications and instructions to enable the Company to evaluate and/or perform the services required. The Company cannot be held responsible for any ambiguity in the client's instructions, nor for any incorrect or misleading information supplied or obtained.
- 5.1 Documents reflecting engagements contracted between the Principal and third parties, or third parties' documents, such as copies of contracts of sale, letters of credit, bills of lading, etc. are (if received by the Company) considered to be for information only, without extending or restricting the mission obligations accepted by the Company.
- 6. The Company's standard services may include all or any of the following;



- 6.1 quantitative and/or qualitative inspections;
- 6.2 inspection of goods, plant, equipment, packing, tanks, containers and means of transport;
- 6.3 supervision of loading or discharging;
- 6.4 sampling and sample preparation;
- 6.5 laboratory analysis or other testing;
- 6.6 survey and audits
- 6.7 weight verification or certification.
- 7. Special services where the same exceed the scope of standard services as referred to in General Terms and Condition 6 will only be undertaken by the Company by particular arrangement.
- 8. Subject to the Principal's instructions as accepted by the Company, the Company will issue reports and certificates of inspection which reflect statements of opinion made with due care within the limitation of instructions received but the Company is under no obligation to refer to or report upon any acts or circumstances which are outside the specific instructions received. The Companies acceptance of instructions in no way indemnifies the Principal for ambiguities which may materially affect the outcome of the job.
- 8.1 Reports or certificates issued following testing or analysis of samples contain the Company's specific opinion on those samples only but do not express any opinion upon the bulk from which the samples were drawn. If an opinion on the bulk is requested special arrangements must be made in advance with the Company for the inspection and sampling of the bulk. Once the Company has issued analysis results, if any doubts arise regarding the accuracy of the results either on the part of the Company or the Principal the Company reserves the right to re-check and amend as they see fit. The Company will retain samples or portions of samples on behalf of Principal for a period of six months from receipt of samples unless principal instructs the Company in writing to retain for a longer period of time. If the Principal requests that reserve samples be forwarded by the Company, the cost of forwarding will be for Principal's account. The Company will not be responsible for samples lost in transit by courier services, Postal Services and the like whether going to or from the Company's offices.
- 9 The Principal will:
- 9.1 ensure that instructions to the Company and sufficient information are given in due time to enable the required services to be performed effectively:
- 9.2 procure all necessary access for the Company's representatives to enable the required services to be performed effectively;
- 9.3 supply, if required, any special equipment and personnel necessary for the performance of the required services;
- 9.4 ensure that all necessary measures are taken for safety and security of working conditions, sites and installations during the performance of services and will not rely, in this respect, on the Company's advice whether requested or not;
- 9.5 take all necessary steps to eliminate or remedy any obstruction to or interruptions in the performance of the required services;



- 9.6 inform the Company in advance of any known hazards or dangers, actual or potential, associated with any order or samples or testing including, for example, presence or risk of radiation, toxic or noxious or explosive elements or materials, environmental pollution or positions;
- 9.7 fully exercise all its rights and discharge all the liabilities under the contract of sale whether or not a report or certificate has been issued by the Company failing which the Company shall be under no obligation to the Principal.
- 10 The Company shall be entitled at its discretion to delegate the performance of the whole or any part of the services contracted for with the Principal to any agent or subcontractor.
- 11 If the requirements of the Principal necessitate the analysis of samples by the Principal's or by any third party's laboratory the Company will pass on the result of the analysis but without responsibility for its accuracy. Likewise, where the Company is only able to witness an analysis by the Principal's or by any third party's laboratory the Company will provide confirmation that the correct sample has been analyzed but will not otherwise be responsible for the accuracy of any analysis or results.
- 12. The Company undertakes to exercise due care and skill in the performance of its services and accepts responsibility only in cases of proven negligence.
- 12.1 The liability of the Company in respect of any claims for loss, damage or expense of whatsoever nature and howsoever arising shall in no circumstances exceed a total aggregate sum equal to ten times the amount of the fee or commission payable in respect of the specific services required under the particular contract with the Company which gives rise to such claims. Where the fee or commission payable relates to a number of services and claim arises in respect of one of those services the fee or commission shall be apportioned for the purposes of this paragraph by reference to the estimated time involved in the performance of each service.
- 12.2 The limit of liability of the Company under the General Terms and Condition 12.1 may be increased upon request received by the Company at least five working days in advance of the performance of the service to such figure as may be agreed upon payment of additional fees equal to one tenth of the increase in the limit of liability or as may be agreed upon.
- 13 The Principal shall guarantee, hold harmless and indemnify the Company its officers, employees, agents or subcontractors against all claims made by any third party for loss, damage or expense of whatsoever nature and howsoever arising relating to the performance, purported performance or non-performance of any services to the extent that the aggregate of any such claims relating to any one service exceed the limit mentioned in Condition 12.
- 14 Every officer, employee, agent or subcontractor of the Company shall have the benefit of the limitation of liability and indemnity contained in these General Conditions and so far as relates to such limitations any contract entered into by the Company is entered into not only on its own behalf but also as agent and trustee for every such person as aforesaid.
- 15 In the event that any unforeseen problems or expenditure arise in the course of carrying out any of the contracted services the Company shall be entitled to make additional charges to cover additional time and cost necessarily incurred to complete the service.
- 16. The Principal will punctually pay not later than 30 days after the relevant invoice date or within such other period as may have been agreed in writing by the Company all proper charges rendered by the Company failing which interest will become due at an additional rate of 3% per month180 days from the original date of invoice until payment is completed.
- 16.1 The Principal shall not be entitled to retain or defer payment of any sums, due to the Company on account of any dispute, cross claim or set off which it may allege against the Company.
- 16.2 In the event of any suspension of payment arrangement with creditors, bankruptcy, insolvency, receivership or



cessation of business by the Principal the Company shall be entitled to suspend all further performances of its services forthwith and without liability.

- 17 In the event of the Company being prevented by reason of any cause whatsoever outside the Company's control from performing or completing any service for which an order has been given or an agreement made, the Principal will pay to the Company:
- 17.1 the amount of all abortive expenditure actually made or incurred;
- 17.2 a proportion of the agreed fee or commission equal to the proportion (if any) of the service actually carried out; and the company shall be relieved of all responsibility whatsoever for the partial or total non- performance of the required service.
- 18 The Company shall be discharged from all liability to the Principal for all claims for loss, damage or expense unless suit is brought within six months after the date of the performance by the Company of the service which gives rise to the claim or in the event of any alleged non performance within three months of the date when such services should have been completed.
- 19 The Company is neither an insurer nor a guarantor and disclaims all liability in such capacity. Principals seeking a guarantee against loss or damage should obtain appropriate insurance.
- 20. In order to avoid conflicts of interest, or the appearance of conflicts of interest, in our business transactions and services, Alex Stewart International follows IFIA Regulations regarding conflicts of interest.
- 21 All results and data contained in e-mail or fax are valid only when supported by the original document on the Company's file.
- 22 These general conditions are governed by the laws of England and are subject to the exclusive jurisdiction of the English courts.
- 23 No alteration, amendment or waiver of any of these General Terms and Conditions shall have any effect unless made in writing and signed by an officer of the Company.