



Inspection Services

1. TERMS & CONDITIONS

2. SPECIFICATION CONFIRMATION

3.1 Once the product is ready for inspection, an Inspector will carry out checks on the product to ensure that it meets the specifications as detailed in this 'Request for Inspection Form'.

3.2 Conformance Testing carried out by Inspector depends on the instructions and details given in the 'Request for Inspection Form' completed by the Buyer and utilising random sample techniques in accordance with the Acceptance Quality Level (AQL) for random sampling, and inspection standard **ANSI/ASQC Z1.4-1993(MILSTD 105, equivalent to ISO2859-1)** . No responsibility or liability will be taken by the Inspector for the accuracy of information provided by you, the Buyer.

4. GENERAL

4.1 Unless otherwise specifically and expressly agreed in writing by ChinaDirect, all services provided by ChinaDirect are governed by the following general conditions of service, which prevail any purchase terms and conditions.

4.2 Services carried out by ChinaDirect, on behalf of an entity or individual from whom the instructions to act have originated (hereinafter called the "Buyer") will be carried out by using techniques and processes that permit an independent, impartial and objective approach. The end result of the Service will consist in a document/s (hereinafter called the "Report") communicating the collection of information ChinaDirect has been requested to supply and will be delivered as a fax, a written document or an online report.

4.4 ChinaDirect in the capacity of an independent third party, supplies information in the form of ascertainment or recommendations for the special purpose of contributing to the prevention of the risks to which the beneficiaries of its services are exposed, and of helping them assure the quality of their products. ChinaDirect's services (hereinafter called the "Services") consist of work performed by ChinaDirect, including but not limited to: Factory Audits; During Production Inspections; Pre-Shipment Inspections.

5 ChinaDirect IS NOT AN IMPORTER

5.1 ChinaDirect does not import goods from China on behalf of the Buyer. The role of ChinaDirect is to act as a representative for the Buyer independently from the supplier to better improve the process.

5.2 While all necessary care is taken, ChinaDirect is not liable for non delivery of order, failure to meet time constraints, or failure to meet specifications.

6 ChinaDirect UNDERTAKINGS AND OBLIGATIONS

6.1 ChinaDirect expressly reserves the right to act at its own discretion in accepting or declining a request for service, and cannot be compelled to accept or be held liable for declining a request for services or for products: Falling out of its scope of activity or specialisation; Presenting geographical accessibility problems, such as services to be rendered or products to be found in restricted or highly remote areas; Requiring ChinaDirect to obtain special permission to operate such as governmental permissions.

6.2 ChinaDirect undertakes to supply the Services it has accepted to carry out in a professional and timely manner, in accordance with proper professional practice and in compliance with: The Buyers special instructions when ordering the Service and as confirmed by ChinaDirect – the terms of reference should be duly signed by the Buyer and ChinaDirect -, and in the absence of such instructions: Any relevant professional standard, trade custom, usage or practice; Such methods as ChinaDirect shall consider appropriate on technical, operational and/or financial grounds.

7 BUYERS OBLIGATIONS AND UNDERTAKINGS

7.1 To take all reasonable steps to assure ChinaDirect has access to the site and materials on which Service will be based;

7.2 To provide ChinaDirect with all information and samples, as well as the documents necessary to complete the requested Service, in a timely manner (and in any event not later than 48 hours prior to the desired intervention),

7.3 To insure that adequate instructions and notice are given to ChinaDirect in due time to facilitate proper performance for the Service requested;

7.4 To advise ChinaDirect of the date on which the Services are to commence, or to be resumed, and also of essential dates affecting the item(s) for which Services are being rendered;

7.5 Generally to render all reasonable assistance to ChinaDirect in providing necessary instructions, information, documents, safety and security information in connection with the working conditions, required equipment and access (as the case may be) with respect to the Buyers intended products.

7.6 Documents reflecting engagements between the Buyer and third parties or third parties' document- if

received by ChinaDirect - are considered to be for information only and do not extend or restrict the scope of the services or obligations accepted by ChinaDirect.

8 CANCELLATION POLICY

8.1 Any costs incurred by ChinaDirect for cancellations accepted after the initial order advice will be met by the Buyer and paid within two (2) weeks.

9 DEFAULT IN PAYMENT

9.1 Any Buyer who defaults in payment of any part of the price or the charges due for the Goods, the Buyer indemnifies ChinaDirect against all claims, demands, liabilities, losses, damages, costs and expenses (including legal and accounting costs and disbursements on a full indemnity basis and collection expenses and commissions of mercantile agents).

11 LIABILITY AND INDEMNIFICATION

11.1 Limitation of liability

11.1.1 ChinaDirect is neither an insurer nor a guarantor and disclaims such capacity. Clients seeking a guarantee against loss or damage should obtain appropriate insurance and legal advice.

11.1.2 Subject to the Buyer's instructions as accepted by ChinaDirect (as specified in the terms of reference), ChinaDirect will issue the Report relating to the facts as recorded by it within the limits of the instructions received and on the basis of the documents and information provided by the Supplier but ChinaDirect is under no obligation to report upon any facts or circumstances which are outside the specific scope of its assignment.

11.1.3 ChinaDirect advice is given only in relation to documents and information provided by the Principal, and ChinaDirect cannot be held liable if it has received incomplete or erroneous information.

11.1.4 In the event of false information being given to ChinaDirect by a third party, ChinaDirect accepts no liability.

11.1.5 ChinaDirect undertakes to use its best efforts and to exercise due care and skill in the performance of its Services, and accepts liability only in case of negligence proven by the Buyer

12 INSURANCE

12.1 It is strongly recommended that logistics insurance be taken out by the Buyer over the goods. ChinaDirect is not liable for the goods at any stage of the transportation of the goods.

13 LEGAL COMPLIANCE

13.1 It is the Buyer's responsibility to obtain and fully comply with all licenses, permits, authorisations and approvals needed under any relevant legislation, regulation, proclamation, ordinance, by-law,

industrial award and other statutory instrument or rules and provide such details to ChinaDirect.

14 INDEMNIFICATION

14.1 In the event of ChinaDirect being held liable in respect of any claim for loss, damage or expense of whatsoever nature and however arising, its liability to the Buyer shall in no circumstances exceed ten times the total aggregate sum of fees paid for the specific Services for which a claim is made.

14.2 In addition, in case of the Pre-Shipment Inspections: Where less than 100% of the production is complete, our responsibility will only extend to those items completed at the time of inspection; the report does not evidence shipment.

14.3 The Buyer shall guarantee and indemnify ChinaDirect and its servants, agents or subcontractors against all claims made by third parties for loss, damage or expense of whatsoever nature arising, relating to the performance or nonperformance of any service, to the extent that the total sum of such claims exceed the limitation of liability mentioned in Article 6.2.1.

14.4 In the event of any claim, notice must be given to ChinaDirect headquarters (located at 155 Lytton Rd Qld Australia 4169, Phone +61 7 3392 1421, Fax +61 7 3392 3057 within seven days following discovery of the facts, or three months from the completion of the ChinaDirect Service.

15 TERMINATION OF SERVICES

15.1 ChinaDirect shall be entitled to automatically either terminate and/or suspend provision of services in the event that:

15.1.1 The Buyer commits any material breach of its obligations under these terms and conditions and/or the terms of reference and (if such breach shall be capable of remedy) fails to make good such breach within ten (10) days of receipt of notice served by the Non-Defaulting Party (ChinaDirect) requiring it so to do. Material breaches include, without limitation any willful and deliberate breach by the Buyer of its obligations under clause 4 here above;

15.1.2 The Buyer is insolvent or unable to pay its debts, in suspension of payments, or convenes a meeting of or compounds with its creditors or has a receiving order made against it or (other than for the purposes of bona fide amalgamation or reconstruction) has an order made or a resolution passed for its winding up or for the appointment of an administrator to manage its affairs, business and property or has a receiver or administrative receiver appointed over any of its assets or undertaking or if ChinaDirect takes or suffers any similar or analogous action in consequence of debt.

16 MISCELLANEOUS

16.1 ChinaDirect shall be entitled to automatically either terminate and/or suspend provision of services in the event that:

16.1.1 ChinaDirect, and/or its subsidiaries and/or affiliates and the Buyer undertake not to divulge to any third party, which is not involved in the execution of the Service, confidential information obtained from the other party regarding the execution of ChinaDirect Services.

16.2 The Report will reflect findings of the Service at the time and place of Service. This Report does not discharge sellers and suppliers from their legal and/or commercial obligations towards the principle.

16.3 Unless otherwise provided, these terms and conditions shall be governed by and construed in accordance with Queensland Law.

16.4 All disputes or differences of any kind whatsoever between the parties in connection with or arising out of the services shall be submitted to the non exclusive jurisdiction of the courts of Queensland, Australia.

16.5 If the Buyer defaults on the contract between them and the Supplier, this is a matter for them to resolve.

17 PACKAGING

17.1 Buyers should fully complete the 'Request for Inspection Form' which details specific information relating to their packaging requirements prior to any Quality Inspection services to be undertaken by ChinaDirect Inspectors.

17.2 If products require specialised handling, this should be communicated in detail to ChinaDirect prior to any Quality Inspection. Responsibility for any broken goods will not be accepted for goods inappropriately handled should prior advice not be received.

18 FINAL ARTICLE INSPECTION

18.1 Once the Factory has completed the goods and they are ready for Shipment a ChinaDirect Inspector will conduct the Inspection at either a) the factory, b) the a designated warehouse , or c) the freight forwarders warehouse. Details of the address should be provided to ChinaDirect at least 48hrs prior to the Inspection date.

18.2 The Buyer should complete the 'Specifications Form' which details specific information relating to their product specifications, including a jpeg attachment of product/s. Product samples should be provided where possible, which will remain the property of ChinaDirect for reference purposes.

18.3 Inspection does not include checking the internal mechanics of technical/mechanical products, chemical testing or tests that require specialised qualifications and equipment. Such work is not included under the standard agreement, and must be coordinated through a separate request.

19 CONSULTANCY FEES

19.1 Fees charged for the provision of services as outlined in the Service Agreement are calculated as per the ChinaDirect Fee Schedule.

19.2 All banking transfer fees, logistics, customs & quarantine (China & Australia) and other incidental will be met by the Buyer.

19.3 The Buyer must pay for the Services within the time period for payment specified in the relevant invoice of the Consultant.

19.4 Payment must be in the agreed format. Payment by cheque will not be treated as having been made until that cheque is cleared. Payment will be made in favour of the Consultant by cash on delivery, or by cheque, or by bank cheque, or by any other method as agreed to between the Buyer and the Consultant. The Consultant may charge a processing fee of \$50 on all dishonoured cheques.