

## **General Terms and Conditions of Service**

### **1. General**

1.1 Unless otherwise agreed in writing all offers or Services and all resulting contractual relationships between APEC-QM and Client shall be governed by the following Terms and Conditions of Service.

1.2. Services carried out by APEC-QM, on behalf of an entity or individual from whom the instructions to act have originated (hereinafter called the "Client") will be carried out by using techniques and processes that permit an independent, impartial and objective approach. The end result of the Service is a document (hereinafter called the "Report") communicating the information APEC-QM has been requested to supply. The report will be delivered as an electronic document to the Client.

1.3 Unless APEC-QM receives prior written instructions to the contrary from the Client, no other party is entitled to give instructions, particularly on the scope of the Services or the delivery of reports resulting there from.

### **2. Services**

2.1 APEC-QM, in the capacity of an independent third party, supplies information in the form of ascertainties or recommendations for the special purpose of contributing to the prevention of the risks to which the clients are exposed, and specifically of helping them assure the quality of their products. APEC-QM Services (hereinafter called the "Services") consist of work performed by APEQ-QM, including but not limited to:

- pre-production quality inspections of the products;
- pre-shipment quality inspections of the products;
- container loading inspections;
- running production inspections.

### **3. APEQ-QM's obligations and undertakings**

3.2 APEC-QM will provide Services using reasonable care and skill and in accordance with Client's specific instructions as confirmed by APEC-QM or, in the absence of such instructions:

- the terms of any standard form or standard specification sheet of the APEC-QM, and/or
- any relevant trade custom, usage or practice, and/or
- such methods as APEC-QM shall consider appropriate on technical, operational and/or financial grounds.

2.3 Information stated in Reports of Findings is derived from the results of inspection carried out in accordance with the instructions of Client, and/or our assessment of such results on the basis of any technical standards, trade custom or practice, or other circumstances which should in our professional opinion be taken into account.

3.4 The Services provided by APEC-QM under this Agreement and any memoranda, calculations, measurements, estimates, notes, and other material prepared by APEC-QM in the course of providing the Services to the Client, together with status summaries or any other communication in any form describing the results of any work or Services performed (the Report(s)) shall be only for the Client's use and benefit.

3.4 The Client agrees and acknowledges that the Services are not necessarily designed or intended to address all matters of quality, safety or condition of any product or material, the scope of work does not necessarily reflect all standards which may apply. The Client understands that reliance on any Reports issued by APEC-QM is limited to the facts and representations set out in the Reports which represent

APEC-QM's review and/or analysis of facts, information, documents, samples and/or other materials in existence at the time of the performance of the Services only.

3.5 The Client is responsible for acting as it sees fit on the basis of such Report. Neither APEC-QM nor any of its employees, agents or subcontractors shall be liable to Client nor any third party for any actions taken or not taken on the basis of such Report.

3.6 APEC-QM shall exercise due care and skill in the selection and assignment of its personnel.

## **4. Client's obligations**

**4.1** To take all reasonable steps to assure APEC-QM has access to the site and materials on which the Services will be performed.

**4.2** To provide APEC-QM, at its own expense, with all information and samples, as well as the documents necessary for the execution of the service, in a timely manner sufficient to enable APEC-QM to provide the required Service. (in any event not later than 5 working days to the desired Service date).

**4.3** To advise APEC-QM of the date on which the Services are to commence (in any event not later than 5 working days to the desired Service date), and also of essential dates affecting the item(s) for which Services should be performed.

**4.4** Supply, if required, any special equipment and personnel necessary for the performance of the Services.

**4.5** Generally to render all reasonable assistance to APEC-QM 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).

## **5. Invoicing, fees and payment**

All Services are billed together in one monthly invoice, issued at the month-end.

- Wire transfer to APEC-QM' account at Our account in HK.
- Online payments: APEC-QM accepts payments via online service providers Paypal and Global Payments. Payments settled via these third party payment processing Services are subject to their terms and conditions and payment processing fees.
- Invoices can be settled offline by transfer (T/T). Monthly invoices are payable within 30 days, each party bearing their own bank charges (including intermediary bank charges if client's bank doesn't process the transfer themselves).

5.2 The Client shall pay each invoice within thirty (30) days of receiving it.

5.3 If any invoice is not paid on the due date for payment, APEC-QM shall have the right to charge, and the Client shall pay, interest on the unpaid amount, calculated from the due date of the invoice to the date of receipt of the amount in full at a rate equivalent to 5% per cent per month, or a fraction thereof.

5.3. Cancellation charges: APEC-QM accepts cancellation until 4 pm (local time at point of inspection) two business days before the requested inspection date. After this time, the Services booked will be charged in full. Based on discussions with the Client, APEC-QM may apply cancellation credits to future inspections.

5.4 In the event any unforeseen problems or expenses arise in the course of carrying out the Services the Company shall endeavor to inform Client and shall be entitled to charge additional fees to cover extra time and cost necessarily incurred to complete the Services.

**5.5** In the event that APEC-QM is being prevented from performing or completing in full requested Services, for any reason beyond its control, such as but not limited to, wrong information given by Client or Factory (e.g. wrong Information by factory, no access to site,...), the Client agrees to:

- 5.3.1 Reimburse any expenditure, and out of pocket expenses made or incurred in relation to this Service
- 5.3.2 Pay proportion of fees due for Services actually rendered and to release APEC-QM from all responsibility for partial or non-performance of the Services.

5.6. In the event the inspection must be cancelled on the projected inspection day, because of wrong information given by Client or Factory (e.g., goods not ready for inspection), the man-day will be considered spent, and APEC-QM will charge full fee to Client as a "not ready inspection" fee.

## **6. Liability and indemnification**

### **6.1. Limitation of Liability**

6.1.1. APEC-QM is neither an insurer nor a guarantor and disclaims all liability in no such capacity. Clients seeking a guarantee against loss or damage should obtain appropriate insurance.

6.1.2. APEC-QM's Reports of Findings are issued on the basis of information, documents and samples provided by the Client. Neither APEC-QM nor any of its employees, agents or subcontractors shall be liable to Client nor any third party for any incorrect results arising from unclear, erroneous, incomplete, misleading or false information provided to APEC-QM.

6.1.3. APEC-QM shall not be liable for any delayed, partial or total non-performance of the Services arising directly or indirectly from any event outside the Company's control including failure by Client to comply with any of its obligations hereunder.

6.1.4. APEC-QM will use its best efforts and exercise professional skill in the performance of its Services. APEC-QM accepts liability only in case of negligence proven by the Client.

### **6.2 Indemnification**

6.2.1 In the event of AI being held liable in respect to any claim of loss, damage or expense of whatsoever nature and however arising, its liability to the Principal shall in no circumstances exceed two times the total aggregate sum of fees paid for the specific single service for which a claim is made if no approved reference sample was provided by the Client, and four times if an approved reference sample was provided and available for the inspector at the factory on the day of inspection subject to the inspection having been performed to an AQL minimum general inspection level II per product reference.

6.2.2 In case of the Service of 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.

6.2.3 The Client shall guarantee and indemnify APEC-QM and its agents or subcontractors against all claims made by third parties for loss, damage or expense of whatsoever, relating to the performance or non-performance of any service, to the extent that the total sum of such claims exceed the limitation of liability mentioned in Article 6.2.1.

6.2.4 In the event of any claim, notice must be given to APEC-QM Management within 7 days following discovery of the facts, or 3 months from the completion of the APEC-QM Service/s.

6.2.5 APEC-QM shall not be liable for any delayed, partial or total non-performance of the Services arising directly or indirectly from any event outside APEC-QM's control.

6.2.6. The Report does not evidence shipment.

## **7. Termination of Services**

7.1 APEC-QM shall be entitled to immediately and without liability either suspend or terminate provision of the Services in the event of:

- The Client breaches its obligations under these Terms and Conditions.
- The Client is unwilling or unable to pay for the Services.

## **8. Confidentiality**

8.1 All personal data held by APEC-QM will be kept confidential except in such cases where disclosure is necessary to satisfy the purpose for which the data was collected. In these cases, information may be supplied to the following parties:

- Any subsidiary, holding company, associated company, affiliate of, or companies controlled by or under common control with APEC-QM.
- Any individual who is under a duty of confidentiality to APEC-QM, agreeing to keep such information confidential.
- Any financial institution, charge or credit card issuing company, credit information or reference bureau, or collection agency necessary for establishing and supporting the payment of any Services being requested.

8.2. Personal data may also be disclosed to any person or persons that have a right to access such information, provided they are able to prove their authority to access such information. For example, if APEC-QM were served with a court order demanding certain information regarding the customer, then APEC-QM would disclose the information to the duty appointed officer of the court.

8.3. Unless explicitly required otherwise, APEC-QM may use the customer's company name and logo as exhibits of the work performed.

## **9. Governing law, Jurisdiction and dispute resolution**

9.1. Unless specifically agreed otherwise, all disputes arising out or in connection with Contractual Relationship(s) shall be governed by and construed in accordance with the substantive laws of HongKong.

## **10. Miscellaneous**

10.1 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 Client.

10.2 Each party acknowledges that in entering into this Agreement it has not relied on any representation, warranty, collateral contract or other assurance (except those set out or referred to in this Agreement) made by or on behalf of any other party before the acceptance or signature of this Agreement. Each party waives all rights and remedies that, but for this Clause, might otherwise be available to it in respect of any such representation, warranty, collateral contract or other assurance.

## **11. Language**

All legitimate agreements with APEC-QM will be documented in English. Neither Chinese, nor any other language, will be recognized as a valid language for expressing AEC-QM's Quality Services commitments to its customers.