Engineering Services Third Party Inspection

Founded in 1973 | ISO 17025, BIS and NABL Accredited Lab | Multi-National Locations





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1. Executive Summary

Founded in 1973, TCR Engineering Services, is an ISO 17025 accredited independent Material Testing Laboratory, Third Party Inspection and Quality Assurance Company located in India. Over 2000+ customers worldwide use TCR´s services to dramatically improve and certify their products, validate material quality, ensure innovation in the marketplace, and to achieve significant competitive advantages. As a result, these companies are bringing the right products to market, at the right time, at the right cost.

TCR undertakes Independent, third party inspection and quality assurance services, including Factory Audits, OEM Development, Raw Material Inspection, Initial Production Check, In-Production Check, Random Inspection and Loading Supervision directly on-site at a given vendor / supplier location in India. TCR's independent, third-party quality assurance services results in improved product quality, with a reduction in customer complaints, noncompliance and product recalls. TCR Engineering Services Factory Audit service verifies the capability of a manufacturer to meet contract conditions for quality, quantity and delivery terms. Such assessments are often tailor-made as per a client's needs and requirements. By availing of this service, TCR eliminates the need for a client to be present on-site at the manufacturer's plant or factory.

Over 2000+ customers worldwide use TCR's services to dramatically improve and certify their products, validate material quality, ensure innovation in the marketplace, and to achieve significant competitive advantages. As a result, these companies are bringing the right products to market, at the right time, at the right cost.

2. Need for Quality Assurance Services

Quality control is a key success factor for companies dealing with International or non-standard suppliers. A stringent quality assurance program helps businesses to:

- Reduce risks associated with poor quality, loading, storage, transportation and non-compliance with regulatory requirements
- Get informed in advance about production problems and shipping delays
- Ensure that contractual obligations are met: specifications, packaging, marking and delivery
- Identify problems before products are shipped or distributed
- Establish and maintain a high-performance vendor base and lower costs

3. Third Party Inspection Services by TCR

TCR provides inspection and quality assurance services to help retailers, trading partners, importers and manufacturers assess product quality and meet the regulatory requirements of their industry vertical. TCR can also provide qualified NDT Personnel for your inspection projects on contract with strong onsite and offshore expertise.

TCR's Third Party Inspection Services division has specific programs for the following industry verticals:

Commercial and Trading Items	Industrial Goods	Supply Chain and Materials Project Management	
 Electric Appliances and Consumer Electronics Wooden Handicraft and Furniture Leather Products 	st Parts and Mechanical oducts lves, Nuts and Bolts lustrial Machinery and Gear xes	 Supplier Management Expediting Rapid Sourcing and Vendor Management 	



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Textiles and Bags	Industrial Appliances	Reverse Engineering
Gifts and Premiums	Turbines	OEM Development
Garment and Apparel	Heat Exchangers, Boilers, Pressure Vessels	Engineering Consulting
Toys and Juvenile Products	Tanks	Negotiations
Lighting	Piping	Market Research
Sundries and Stationery		
Printing and Packaging	Steel Supply and Minerals	

TCR's inspection team works in multiple geographic boundaries under a common quality conscious goal.

The Third Party Inspection Services model from TCR provides the following service activities for the commercial, trading and industrial goods verticals:

A. Factory Audit

The Factory assessment is performed by our Auditor following a general framework, when requested, with the client's specific requirements. The audit takes at least two full days and begins with a request for documentation. The factory management is assembled. One of the documents reviewed is the Quality Certification. The grantor of the certificate is scrutinized as are the periodic reviews. The factory is required to submit documents for a part similar to the part being considered for production. Documents requested include:

- Process Flow Chart
- Control Plan
- Dimensional Layout
- Capability Study
- Production Failure Effects Mode Analysis
- Financial Position of Vendor
- Reference Checks

The auditor inspects the factory beginning with raw material storage and inspection. Tooling workshops are inspected. The auditor then "walks" the Control Plan through every manufacturing process. The last steps of the factory inspection are final test, packaging, and laboratory areas. By the end of the auditing day, the auditor knows if the quality systems claimed by the factory are in practice and if the management is committed to constant improvement.

B. Picking of samples and Laboratory

Our inspectors can select a pre-determined number of samples from production at a factory and seal them, label & send them to laboratory for testing according to customer requirements. TCR does provide Mechanical Testing, Chemical Analysis, Positive Material Identification (PMI), Non Destructive Testing, Metallography, Corrosion Testing, Failure Analysis, Raw Material Inspection, Metallurgical Product evaluation, Engineering Research and Consulting.

C. Initial Production Inspection

The inspection team from TCR can perform a visual inspection of products as available at the beginning of the production cycle against a client's instructions and Purchase Order specifications. The "Initial Production Check" when combined with a "Final Random Inspection" and any other on-line production checks, helps in taking corrective actions at an early stage of production cycle. The inspection team will send out intermediary reports to the client and keep them informed about the production progress relative to the delivery terms.



D. In-Process Quality Check (IPQC)

The in-process quality check is designed to provide early warning of quality or other problems arising during production and which may delay shipment.

In other words, it is intended to provide a snapshot of the status of production at a factory. During production, semi-finished parts must be inspected based on AQL or percentage according to the company policy and inspection plan.

Checks carried out include stocks of raw materials, production rates, estimated production completion date, production bottlenecks, etc.

E. During Production Check (DUPRO)

The DUPRO provides the on-line inspection, DQC qualified inspectors will check that the corrections and improvements suggested during the IPC were implemented, examine the existing productions, advised the manufacturers of any further corrections or improvements to be made. The DUPRO should be carried out when 30-50% of the merchandise has been produced (minimum 50 pieces) In this service, the inspector from TCR will on-line check the production materials process, semi-finished and finished products. During Production Inspection (DUPRO) is used for to guarantee uniformity of the actual production and specification. The DUPRO should be carried out when 20-50% of the merchandise has been produced (minimum 52 pieces).

F. Pre shipment Inspection (PSI)

The TCR team performs a final random inspection comprising of a detailed visual inspection of goods before shipment. It is generally conducted on the premises of the manufacturer, on samples selected according to defined sampling procedures.

The inspection criteria covering quality, quantity, marking and packing are based on the client's specifications and reference samples, as provided. Upon completion of the final random inspection a detailed inspection report is sent to the client and the inspection certificate issued to the supplier if all findings are positive.

G. Random Inspection

Random Inspection can be chosen as an independent service or for a tighter check on the production, the Random Inspection service can be performed in conjunction with the "Initial Production Check" and "In-Production Checks."

It is carried out when a minimum of 80% of the goods ordered are export packed.

Samples are selected at random, according to AQL sampling standards and procedures.

The Inspection ensures that the production is in accordance with the specifications, purchase orders or letters of credit.

H. Loading Supervision

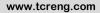
To further manage the product delivery, the TCR inspection team offers Loading Supervision which involves, "as appropriate," the checking of the container condition, identification of the loaded packing units with the previously inspected consignment, tallying of the total number of shipping packing units and sealing of the container. Loading Supervision service is offered in combination.

I. OEM Development

TCR Inspection Services with many years of experience has a team possessing a strong engineering background.

This team stands ready to offer consultation based on the latest technological advances, incorporating current national and international norms and standards.

TCR can help assist in creating a first production prototype, technical documentation, standards evaluation, establishing production and quality criteria, and technical transfer to the supplier.



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TCR is able to integrate teams with resources and expertise in outsourcing to create dynamic and flexible organizational structures able to deal with the requirements of single orders/contracts, and eliminating heavy fixed costs.

TCR does undertake procurement supervision of raw materials, packages, skids or finished products, supervision of sub-contracted production, general management of material flow to the Customer's location, supplier inspection visits and expediting, integrated with material flow management activities, control tests on critical materials and drawing up/updating of Packing Lists.

TCR's Inspection Services department often places personnel provisioned directly at the customer site or as resident at critical supplier sites to ensure smooth supply chain activities and ensure 100% professional and smooth Co-ordination of material flow.

TCR inspectors aim to act as a single interface with the project manager and with project planning department of Customer to ensure coordination of expediting activities, vendor invoicing, drawing up and updating of the Material Status Reports, and assist in analyses of critical situations caused by supply delays.

TCR's inspectors are well versed in logistics management and can provide Cost estimates and supervision of land, sea, air and rail transport of materials to the Customer site, or any area they may be required. This also includes management of customs documents, letters of credit, import restrictions, local regulations, material return terms, packaging standards, insurance and payment terms.

A. TCR's Material Coordinator

- He/she will provide an inspection/expediting monthly schedule that it will be approved by the Customer;
- He/she will provide a suppliers follow-up, carry out a desk expediting activity;
- He/she will be the owner of the Material Status Report and he/she will provide for a monthly update based on the inspection/expediting activity report received from our inspectors;
- He/she will manage and organize all inspection/expediting activities considering the type of inspection/expediting activity with the inspector specialization;
- He/she will forward all documentation, inspection/expediting reports to Customer appointed person in charge for supplier progress activity related to the Project and he/she will highlight all issue providing also corrective action in order to solve it;
- He/she will highlight, promptly, the necessary Customer action in order do not affect supplier performance;
- He/she will understand Customer priority and he/she will transfer this priority to the inspectors;
- He/she will join the necessary meeting at Customer Office in order to be always update about Customer and supplier progress, change and to avoid conflict or missing information between Customer, suppliers and inspectors.

B. Desk Expediting

Supplier follow up by phone, e-mail and fax (before and after inspection/expediting activities) in order to verify the correct supplier performance in order to avoid quality issue and delivery delay; after this desk expediting activity a

Flash Reports will be forward to the Customer, if the information received will be relevant for the Project and for the following inspection/expediting activity.



C. Inspection/Field Expediting

TCR's inspectors will carry out inspection/expediting activity at supplier workshop after Customer request/authorization, considering the priority in order to:

- Verify if all documentation/information received at supplier workshop are correct.
- Verify delivery date;
- Verify progress status of engineering/procurement/manufacturing and testing;
- Manage QCP issue by supplier and approved by the Customer;
- Issue a report including all information/issue raised during the inspection/expediting visit;
- Witness final test, based on the approved QCP, signed all certificates on behalf of Customer and issue NC if necessary

5. TCR's Inspection Team

TCR employs a large number of dedicated inspectors after a comprehensive and stringent training program. All inspectors are University graduates with at least 5 years experience in Quality Control. They are native to the area in which they work with an unparalleled expertise in local business practices. Inspectors are specialized by product range: plastics, electronics, appliances, textile, toys, metal, printing, housewares, DIY. Inspectors are regularly trained to stay informed about innovative products, new industry segments and latest inspection methods. All inspectors are conscientious and impartial, and strictly abide by TCR's scrupulous Code of Ethics.

A. Department Head – Mr. Ravikiran Choudhary

The inspection services team is headed by Mr. Ravikiran Choudhary. Mr. Choudhary has years of experience in the field of Inspection, Mechanical Testing, Welding and NDT. He assists multiple international customers in maintaining quality deliverables from their suppliers in India. He inspects and reviews manufactured components during the manufacturing cycle to insure manufactured items meet all drawing and specification requirements. He determines the proper methods of inspection and works with customer's Quality Planning teams to develop compliance/non-compliance documents, check sheets, and periodic reviews to insure quality deliverables.

He leads a team of inspectors spread across India that undertake plant and factory audits, and Inspect and verify material and products to determine compliance to engineering drawings, procedures, and client provided specifications.

Mr. Choudhary mentors and develops the skills of junior inspectors in the proper use of all inspection gauging and techniques, reporting formats, coordinate client related meetings, etc and keeps team members abreast of the changing quality environment to implement use of new techniques and the changing customer needs.

Mr. Choudhary is a trusted communicator who identifies and writes clear, concise reports describing variations and inspection results on products not meeting requirements, processes not being followed, or improper planning that may jeopardize the quality of products. He maintains high levels of safety in all inspection projects and follows established safety and security rules and regulations.

TCR has a team of over 20 NDT Level II inspectors, 2 CSWIP welding inspectors and 3 NDT Level III inspectors. TCR also has as access to a strong team of external consultants in the area of API, NACE, and BGas inspectors. The engineers at TCR are experienced and highly qualified with hands-on experience in fabrication, shop and site inspection, non-destructive testing, quality management, environment management systems and technical support service.



6. Material and Goods Acceptance Criteria

TCR uses the recognized international quality control standards to conduct inspections. The following AQL (Acceptable Quality Level) are usually applied by TCR's Third Party Inspection team unless otherwise instructed by the client:

	High valued products	Low valued products	
Critical defects	no critical defect is accepted	no critical defect is accepted	
Major defects	AQL 1.5	AQL 2.5	
Minor defects	AQL 2.5	AQL 4.0	

TCR follows the most widely accepted sampling methods as defined in ISO 2859 tables (also known as AQL tables). This proven method is widely used to decide whether or not to accept or reject a production lot without checking every single item of the lot. Performed on randomly-selected sample items, once the production lot has been completed and packed, this standard is recognized by every industrial company.

For a hypothetical inspection of a 4,000-unit lot, with an Acceptable Quality Level of II, Table B indicates that the sampling size should be 200 units. For an AQL of 2.5, the corresponding acceptance number is 10.

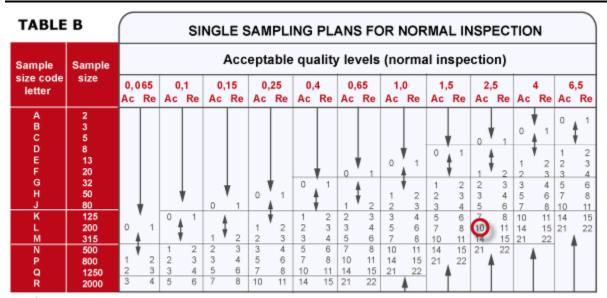
	SAMPLE SIZE CODE LETTERS						
TABLE A	General Inspection levels		Special Inspection levels				
Lot size	- 1	Ш	III	S1	S2	S3	S4
2 to 8 9 to 15 16 to 25	A A B	A B B	B C D	A A A	A A A	A A B	A A B
26 to 50 51 to 90 91 to 150	C C D	D E F	E F G	A B B	B B	B C C	C C D
151 to 280 281 to 500 501 to 1200	E F G	G H J	H J K	B B C	c c	D D E	E E F
1201 to 3200 3201to 10000 10001 to 35000	H J K	Ö	L M N	c c c	D D	E F F	G G H
35001 to 150000 150001 to 500000 500000 and over	L M N	N P Q	P Q R	D D	E E	G G H	J J

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Use first sampling plan below arrow. If sample zise equals, or exceeds, lot or batch size, do 100% inspection.

Use first sampling plan above arrow.

Ac Acceptance number Re Rejection number

A. Social accountability standards

TCR can also enforce inspection for social standards. Much like ISO 9000 for quality management and ISO 14000 for environmental management, the SA 8000 provides a set of standards for evaluating social accountability in the following areas:

Child Labour: Companies may not support the use of child labor. The Social Accountability International (SAI) standard defines child labor as the work of "any person under 15 years of age, unless local minimum age law stipulates a higher age for work."

Forced Labour: Companies may not support the use of "forced labor."

Health and Safety: Companies must provide a safe and healthy working environment for their employees.

Freedom of Association and Right to collective Bargaining: Companies must respect the right of all employees to form and join trade unions of their choice and to bargain collectively.

Discrimination: Companies may not engage in or support discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, or political affiliation.

Disciplinary Practices: Companies may not engage in or support the use of corporal punishment, mental or physical coercion or verbal abuse.

Working hours: Companies must comply with applicable laws and industry standards on working hours.

Compensation: Companies must ensure that wages paid for a standard working week meet at least legal or industry minimum standards.

Management Systems: Top management must define the company's policy for social accountability and labor conditions to ensure that it includes a commitment to conform to all requirements of this standard and national and other applicable laws.



TCR's Code of Ethics

Our role is to be an information collector, dedicated to minimizing the transaction risks for our customers, and protecting their interests while performing quality control inspections. A sound code of ethics is at the heart of our activities and business processes. TCR promotes a corporate culture based on the following principles:

A. Integrity and Independence

The success of TCR relies on the integrity of its employees, who abide by the following principles:

No employee is allowed to accept any gift or favor, for personal or family gain, from any of the company's customers or suppliers. Failure to comply with this principle will result in immediate dismissal of the employee.

All employees are responsible for reporting any corrupt offer made to them or involving the company. Failure to comply with this principle will result in immediate dismissal of the employee.

No employee shall, directly or through intermediaries, acquire an interest in a supplier, customer or competitor of TCR.

Conflicts of interests or the appearance of conflicts of interests in business transactions should be avoided.

B. Transparency and Safety

Work must be carried out according to international inspection standards and the specific instructions of our customers.

Our teams of inspectors are required not to deal with any factory that employs children under 14 years of age in Bangladesh, Sri Lanka or India and 16 years of age in China, in compliance with the existing labor regulations in these countries. It is also their duty to inform customers if this occurs.

Our customers are regularly informed of major developments relative to their orders.

Our employees will not disclose confidential information of any kind - including lists of our customers, details about specific transactions or any computer data or programs – to any third party.

For our policy regarding privacy and protection of personal information provided during the registration process, please refer directly to our Privacy policy

C. Compliance with Laws and regulations

We are committed to abiding by all the national laws, legislation and regulations of the countries in which we carry out inspections and audits.

TCR is committed to doing business with suppliers that comply with local labor laws regarding the employment of children.

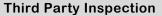
TCR is committed to maintaining close ties with law enforcement authorities and provide them with any possible assistance in tracking and prosecuting corruption.

In case of conflict, or legal ambiguity, between different national legislations, our employees should seek advice from management.

We take great pride in our business and are strongly committed to compliance with all local laws. We believe that we have put in place the necessary safeguards to ensure that our policy is effectively implemented throughout our organization.

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Locations

We welcome service and technical inquiry, from simple questions to more involved interpretations of codes and specifications. We are located at:

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N. M Joshi Marg, Lower Parel, Mumbai - 400 011, India

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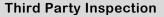
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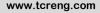
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Appendix A Schedule of Rates, Terms and Conditions





Rates

The inspection charge is quoted on a man-day basis. The number of man-days involved depends on the product complexity, shipment quantity, inspection location and specification requirements. Additional expenses such as traveling, accommodation will be charged separately.

Manday means one inspector works a day (8 hours). How many mandays we need depend on the product complexity, and inspection sample size which need random inspection. Traveling cost will be reimbursed for actual expenses.

That is total inspection fee = manday rate + traveling cost (extra) + hotel (if needed).

A. Inspection in India

·	Within India	Remark	
Product Inspection	\$300 per day	Transportation costs extra	
Factory/ Social Audit	\$750 per day	2 Man days minimum. More man days may be required of the factory employs over 500 employees.	
Desk Expediting	\$500/report		
Supplier Management	TBD		
NDT or Material Testing Laboratory	Quoted on Request		

Please note that NDT Services and NDT Inspector rates are quoted on request. The above rates are for visual inspector only. A service tax of 12.36% is added on all invoices raised in India.

B. Inspection in China

TCR works with a number of inspection agencies in China, all adopting the same quality standard as that of TCR. The provinces we serve are:

Guangdong province: Shenzhen, Dongguan, Guangzhou, Shantou (for inspection of all kinds of electrical & electronic products, sundries)

Fujian province: Xia'men, Fuzhou (for inspection of electrical & electronic products, sundries, garments, shoes)

Zhejiang province: Wenzhou, Ningbo, Hangzhou (for inspection of electrical & electronic products, sundries, shoes)

Shanghai area : Shanghai (for inspection of fabric, according to 4-point system adopted by USA).

Jiangsu province: Nanjing (for inspection of electrical & electronic products, sundries, garments)

Shandong province: Qingdao (for inspection of electrical & electronic products, sundries)

: Tianjin (only for loading supervision in Tianjin, Tangshan and adjacent area)

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The rate for inspection is China is:

	Within China	Remark	
Product Inspection	\$500 per day	Transportation costs extra	
Factory/ Social Audit	\$1500 per day	2 Man days minimum. More man days may be required of the factory employs over 500 employees.	
NDT or Material Testing Laboratory	Quoted on Request		

Please note that NDT Services and NDT Inspector rates are quoted on request. The above rates are for visual inspector only.

C. Inspection in Europe, Americas, Korea and Japan

Below we have indicated the rates for the Inspection/Field Expediting (We will use external partners for such works in those countriues):

	Daily Rates	Km Rates
Italy	€ 550,00	€ 0,50
Finland	€ 660,00	€ 0,53
Germany	€ 620,00	€ 0,53
France	€ 680,00	€ 0,50
USA	€ 685,00	€ 0,50
Japan	€ 850,00	At cost
Korea	€ 580,00	€ 0,45
Spain	€ 630,00	€ 0,53
Sweden	€ 700,00	€ 0,40
Switzerland	€ 750,00	€ 0,40
United Kingdom	€ 570,00	€ 0,48

Daily Rates: rates include 10 working hours and they include travel time, inspection/expediting time and report time; if the inspection/expediting will be longer than 10 hours Hourly Rates will be applied.

Km rates: At cost means that the inspector will provide all necessary documentation in order to validate his cost.

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If the inspection/expediting activity will be longer than 1 day, living cost will be paid at cost after presentation of expenses documentation.

D. Inspection in Middle East

From its offices in Saudi Arabia., Kuwait and UAE, TCR provides in-depth third party inspection in the Middle-East. Rates for visual inspector in Middle East is:

	Within Middle East	Remark	
Product Inspection	\$800 per day Transportation costs e		
Factory/ Social Audit	\$2500 per day	2 Man days minimum. More man days may be required of the factory employs over 500 employees.	
NDT or Material Testing Laboratory	Quoted on Request		

Please note that in some countries, our inspectors may need a visa. Mobilization times will depend on visa and travel ticket availability.



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9. Terms and Condition for Third Party Inspection

1. General

- 1.1 Unless otherwise specifically and expressly agreed in writing by TCR Engineering Services (hereinafter called "TCR"), all services provided by TCR Engineering Services are governed by the following general conditions of service, which prevail any purchase terms and conditions.
- 1.2 Services carried out by TCR, on behalf of an entity or individual from whom the instructions to act have originated (hereinafter called the "Principal") 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 certificate or document (hereinafter called the "Report") communicating the collection of information TCR has been requested to supply and will be delivered as a fax, a written document or an online report.
- 1.3 No other party than the Principal shall be entitled to give instructions to TCR, particularly on the scope of inspection or delivery of Report, unless so authorised by the Principal.

2. Provision of services

- 2.1 TCR 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. TCR's services (hereinafter called the "Services") consist of work performed by TCR, including but not limited to:
 - audit of factories ;
 - pre-production inspections and quality control of the products;
 - pre-shipment inspections and quality control;
 - container loading inspections;
 - during production inspections.
- 3. TCR's obligations and undertakings
- 3.1 TCR 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 TCR to obtain special permissions to operate such as governmental permissions.
- 3.2 TCR 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 Principal's special instructions when ordering the Service and as confirmed by AI the terms of reference should be duly signed by the Principal and AI -, and in the absence of such instructions:
 - Any relevant professional standard, trade custom, usage or practice;



- Such methods as TCR shall consider appropriate on technical, operational and/or financial grounds.
- 3.3 TCR shall exercise due care and skill in the selection and assignment of its personnel.
- 4. Principal's obligations and undertakings
- 4.1 To take all reasonable steps to assure TCR has access to the site and materials on which Service will be based;
- 4.2 To provide TCR with all information and samples, as well as the documents necessary to complete requested Service, in a timely manner (and in any event not later than 48 hours prior to the desired intervention), except for generally available documents such as codes and standards, either directly or through suppliers or agents of the Principal;
- 4.3 To insure that adequate instructions and notice are given to TCR in due time to facilitate proper performance for the Service requested:
- 4.4 To advise TCR 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:
- 4.5 Generally to render all reasonable assistance to TCR 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).
- 4.6 Documents reflecting engagements between the Principal and third parties or third parties' documents if received by TCR - are considered to be for information only and do not extend or restrict the scope of the services or obligations accepted by TCR.
- 5. Invoicing, fees and payment
- 5.1 Payment

Payment is expected upon booking prior to the performance of the Service.

All Inspections, Audits and Testing are billed together in one monthly invoice, issued at the month-end.

TCR Engineering Services offers 2 payment solutions

- 1. Online payment: TCR Engineering Services uses Paypal as online payment solution. Orders settled online are subject to payment of Paypal payment processing fees (see Paypal conditions on www.paypal.com).
- 2. Offline payment: Invoices can be settled offline by transfer (T/T) for an extra +5% handling fee.

Monthly invoices are payable immediately upon receipt, each party bearing their own bank charges (including intermediary bank charges if client's bank doesn't process the transfer themselves).

Late payment will incur an interest charge at 1.5% per month, or fraction thereof.

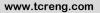
5.2. Cancellation charges: we accept cancellation until 72 hours before the projected Inspection date. After this limit, the Services booked will be charged in full.

TCR Engineering Services advises its clients to then re-charge this cost to their factory when the factory is proved to be mistaken.

In the case of an Order paid online and cancelled, TCR Engineering Services will credit the buyer's Credit Card account with Paypal Refund solution.

Revised Date: 12/23/2018

Creation Date: 12/13/07 BY: TCR Engineering Services



2019

For Laboratory Testing (LT) orders, cancellation is not possible once the Testing has been launched by the Laboratory.

- 5.3 In the event that TCR 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. goods not ready for Inspection despite information given by Factory,...), the Principal 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 TCR from all responsibility for partial or non-performance of the Services.
- 5.4. In the event when 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 despite information given by Factory,...), the man-day will be considered spent, and TCR Engineering Services will charge full fee to Client as a 'missed Inspection' fee. TCR Engineering Services advises its clients to then re-charge this cost to their factory when the factory is proved to be mistaken.
- 5.5. For Laboratory Testing (LT) orders:
- 5.5.1. Should the quotation given online upon Order booking vary once the Product Samples are received and checked by TCR Engineering Services, it is agreed that:
 - If the Test price increase is less than 25% or US\$ 500, TCR Engineering Services will inform the Client and launch the Test immediately for quicker processing
 - If the Test price increase is more than 25% and US\$500, TCR Engineering Services will seek Client's confirmation before launching the Test
- 5.5.2. The minimum charge for any Lab Test order is US\$100 for standard delivery and US\$150 for express.
- 6. Liability and indemnification
- **6.1** Limitation of liability
- 6.1.1 TCR is neither an insurer nor a guarantor and disclaims such capacity. Clients seeking a guarantee against loss or damage should obtain appropriate insurance.
- 6.1.2 Subject to the Principal's instructions as accepted by TCR (as specified in the terms of reference), TCR 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 Principal (refer to ¦4 above), but TCR is under no obligation to report upon any facts or circumstances which are outside the specific scope of its assignment.
- 6.1.3 TCR advice is given only in relation to documents and information provided by the Principal, and TCR cannot be held liable if it has received incomplete or erroneous information.
- 6.1.4 In the event of false information being given to TCR by a third party, TCR accepts no liability.
- 6.1.5 TCR 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 Principal.



6.2 Indemnification

- 6.2.1 In the event of TCR being held liable in respect of any claim for loss, damage or expense of whatsoever nature and however arising, its liability to the Principal shall in no circumstances exceed ten times the total aggregate sum of fees paid for the specific Services for which a claim is made.
- 6.2.2 In addition, in case of the Service of pre-shipment inspections:
 - Where less than 100% of the production is complete, our responsability will only extend to those items completed at the time of inspection;
 - The Report does not evidence shipment.
- 6.2.3 The Principal shall guarantee and indemnify TCR 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 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.
- 6.3 In the event of any claim, notice must be given to TCR headquarters (in Navi Mumbai, India) within seven days following discovery of the facts, or one month from the completion of the TCR Service.

7. Termination of services

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

- 7.1 The Principal 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 (TCR) requiring it so to do. Material breaches include, without limitation any wilful and deliberate breach by the Principal of its obligations under clause 4 hereabove;
- 7.2 The principal 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 TCR takes or suffers any similar or analogous action in consequence of debt.
- 8. Miscellaneous
- 8.1 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 principle.
- 9. Applicable and Governing law, Jurisdiction and settlement of dispute
- 9.1 Unless otherwise provided, these terms and conditions shall be governed by and construed in accordance with India Law.
- 9.2 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 India.

10. Language

These terms and conditions have been drafted in English. In case of discrepancy, the English version shall be controlling for all purposes.