

GUIDE TO SERVICES

<u>Improving the international trade</u> <u>capacities of manufacturers and buyers</u>

- → Product Conformity Assessment
- → Site Supervision
- → Industrial Services
- → Consulting Services





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A. Intro

Inspection, Sourcing and Consulting

CQT is an independent organization, provider of services for quality – dedicated to inspection and project management. Our purpose is to offer the very best solutions to increase the performance of your business. With international offices, located in all major transit and trading location, CQT is a company of global presence.

CQT offers a full range of services for quality.

CQT's services reduce costs for importers and substantially raises the competitiveness in the production chain.

CQT independent third-party inspections help clients protect their branding and legal interests, throughout the entire supply chain – from raw materials and finished goods to plant facilities and assets.

A.1 What we do

- Quality control at supplier's site.
- Solutions integrating quality, safety, and compliance into every aspect of the business.
- Monitoring products throughout the production process.
- Control over commerce and trade.

A.2 Highlights

- CQT's services strengthen business relationships and increase the international trade capabilities of manufacturers and buyers.
- CQT has been at the forefront of in process improvement methods for over a decade, having vast experience and expertise in the operational and regulatory challenges faced throughout an international supply chain.
- With a wide range of services, in a global reach, CQT offers custom-tailored assessment solutions for maximum benefit for international business and trades.
- ► CQT advises on the selection of the right supplier for international trades, monitoring safety and correct loading, shipping, and unloading in any location in the world.
- CQT's client-focused services range from verifying individual processes to full supply chain inspection, development, safety, and compliance checks.
- CQT's professional staff represents your interests on-site. Our staff offers experience in a variety of industries.

A.3 Why choose CQT?

- Our wide range of services provides a single source for all your quality assurance needs.
- ► We count with highly qualified professionals in all major transit and trading locations in the world.
- We work fast, providing tailor-made contracts.
- We work closely with customers.
- We understand well the risks involved in outsourcing.

In a complex market where suppliers are often located all over the globe, CQT is the right partner for providing consistent and high-value supplier audits and inspections worldwide.



A.4 CQT provides services for

- Buyers
- Sellers
- Engineering companies
- Inspection agencies
- Insurance agencies

A.5 Reports and certificates

CQT issues technical or commercial reports in a timely manner, usually within 24 hours, covering all requirements planned with the interested party. Reports can be in English or translated into the desired language as needed.

Certificates on test and inspection services, are issued as required.

A.6 Contact us

We provide services throughout Europe, Middle East, Asia Pacific, and Americas, having our branch offices in strategic locations to provide timely feedback as needed.

Contact CQT - Get in touch with experts to find out more about our services.

The CQT coordination team is accessible at any time, via phone, email or app, to support any need.

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1 Inspection and Audit Services

One of the biggest challenges for retailers and wholesalers is reducing the number of returns. In a market of complex supply chains and wide regulatory requirements, CQT provides **Inspection and Audit services** for a clear evaluation to determine the suitability, quality, reliability, and compliance with the customer's requirements.

Product inspections and factory audits are performed independently. As a result, production reliance is strengthened, and the importer's reputation is enhanced. In other words, high costs and reputation damage caused by product failures and recalls can be avoided if the products have been independently assessed before being marketed.

As a quality controller, CQT ensures that the manufacturing is performed according to specified requirements.

1.1 Inspection Services for Consumer Goods

Ensure that products, components, and materials meet specified requirements and regulatory demands.

CQT Inspection Services cover every aspect of manufacturing and distribution operations – including inspections for pre-production, in-production & pre-shipment, and loading supervision – To ensure compliance with local and industry requirements and customized specifications.

CQT's inspection services ensure:

- The quantity produced matches with the quantity ordered.
- The visual appearance matches with the product ordered.
- The product specifications comply with the order.
- The packaging, labeling, instructions, and markings comply with mandatory standards.

CQT's inspection services for quality can either check the first finished products getting out of the line or come in at a later stage and select samples from a pool of finished goods.

Our inspections are performed according to the requirements of ISO/IEC 17020:2012. We issue the report within 24 hours of the service performed.

Thousands of products inspected, hundreds of factories visited!

CQT offers four main services to check on the quality of the supplier's products.



1.1.1 Pre-Production Inspection (PPI)

For timely corrections of any non-conformities detected.

Working as your eyes in the supplier's manufacturing, from the start of the process, we not only reduce the possibility of the product being stalled by regulatory non-compliance but also reduce the costs of its development.

CQT Pre-Production Inspection or Initial Production Inspection is an examination of components and materials quality at the start of production, to foresee risks of non-conformities and allowing for timely corrections. It ensures that the product specifications are clearly understood.

Conducted when at most 10% of goods have been produced, the CQT Pre-Production Inspection (PPI) is applicable to all goods, checking them with regulations, standards, and contractual agreements.

The PPI Inspection includes:

- Factory's production lines & capability.
- Factory's facilities & equipment.
- Raw materials, main components & accessories.
- Semi-finished samples.
- Some finished samples.
- List of criteria defined by the buyer.



1.1.2 During Production Inspection (DPI)

For the evaluation of the average product quality during manufacturing.

No need to wait until the end of production before doing an inspection. With the CQT During Production Inspection (DPI), the first products to come out of the production line will be inspected for conformity. If issues are detected at this stage, the factory can immediately take some corrective actions, avoiding delays.

The During Production Inspection or In-Line Product Inspection checks semi-finished or finished goods part-way through the production process. Generally, this service takes place when between 30% of the Order has been produced and 20% export-packed. This way, the inspection can be performed without delaying the shipment. The DPI enables to confirm the quality and the compliance to the specification of the components, materials, and products are being maintained during manufacturing. During Production Inspection (DPI) improves the control over production and allows for timely correction of defects and improvements to quality.

Performed on-site, the During Production Inspection (DPI) service assesses samples against regulations, standards, and contractual agreements, highlighting actual or potential defects, so that solutions can be found and the need for costly changes later in the production process can be eliminated.

Also, based on the production start date and the number of products already finished, the buyer can have a fair idea about the shipment schedule.

Another advantage of in-line inspections is the buyer to know where the goods are produced. Some suppliers show a factory to a buyer, and then sub-contract the production in another worksite (this often happens in low-cost countries, such as China and India).

The DPI Inspection includes:

- Production status during the manufacturing process.
- Production line evaluation and timeline verification.
- Sampling of semi-finished and finished products.
- Verify package and packaging material details.
- Overall assessment and recommendations.
- Other criteria defined by the contractor.



1.1.3 Pre-Shipment Inspection (PSI)

An important quality control method for checking the quality of goods.

The most popular CQT's inspection service, the Pre-Shipment Inspection or Final Random Inspection ensures that the production – goods ordered overseas - complies with the specifications and/or the terms of the Purchase Order or Letter of Credit. The Inspection is performed on finished products when at least 80% of the Order has been produced and export-packed.

CQT's independent third-party Pre-Shipment Inspection (PSI) is an important instrument for supply chain management. It enables the importer to check the quality, quantity, and compliance with specifications, contractual requirements, and legal regulations. In practice, at the supplier location, CQT's inspectors identify products and shipments which may contain non-standard components and materials, where a field report, based on the inspection and test results obtained, is submitted to the part requester (importer).

All the inspections are conducted on the basis of the statistical sampling plan, concerning the agreed specifications, or according to the international statistical standard MIL-STD-105E (ISO 2859-1:1999).

The pre-shipment inspection can be agreed upon between a buyer, a supplier, and a bank, and it can be used to initiate payment for a Letter of Credit. A PSI can be performed at different stages before shipment, such as checking the total amount of goods and packing, controlling the quality or consistency of goods, checking of all documentation, as for example test reports, packaging list, or verification of compliance with standards of the destination country like ASME, CE mark and import duties.

Main Features of PSI Programs

- Goods are inspected in their country of export before the shipment to the country of destination, in order to verify that the price paid by the importer is reasonable and that the production batch follows the specifications of the contract.
- PSI Schemes typically cover all imports. However, certain categories of goods (such as defense supplies, newspapers, diplomatic goods, personal effects, and fresh produce), as well as tax-exempt goods, may be excluded from inspection.

The PSI Inspection includes:

- Quantity
- Quality
- Style and color
- Workmanship (general appearance)
- Functions and safety
- Size and weight
- Package
- Label
- Logo
- Shipping marks
- List of criteria defined by the buyer.



1.1.4 Container Loading Supervision (LS)

To ensure that products are loaded and secured correctly.

CQT Container Loading Supervision services inspect products before or after shipment. Wherever the loading takes place, CQT's inspectors will monitor the entire process, including evaluation of the shipping container, verification of product information, quantities, packaging, and overall supervision of the loading process.

The service ensures that products are loaded and secured correctly, whether the containers are to be transported by ship or truck. The service watches the whole loading process and covers the verification of:

- Needed shipping documents.
- The quantity of goods loaded.
- Traceability including production codes, plant numbers, and stock number.
- External and internal operating conditions of containers to assess damage, wetness, perforation, smell, etc.
- The condition of outer packaging (master cartons, pallets).
- Labeling.
- Shipping marks for regulatory compliance (for example barcode).
- Documentation of any damage observed during loading.
- Documentation of container, vessel and seal number.
- Other parameters depending upon the request.

Unloading supervisions include similar checks of container integrity against checklists or invoices, to avoid import disputes and ensure products arrive in the same state in which they were loaded.



1.1.5 Consumer goods we inspect

CQT provides inspections services for a wide range of consumer products.

- Electronics
- Apparel, textiles, and accessories
- Health and beauty
- Jewelry, bags, and shoes
- Auto and transportation
- Home, lights, and construction
- Gifts, sports, and toys
- Machinery, industrial parts, and tools
- Electrical equipment, components, and telecom
- Packaging, advertising, and office
- Chemicals
- Metallurgy
- Rubber and plastic

These are the most common types of products inspected. Don't see a product on the list? Send us a message, and we will let you know the availability.

1.1.6 Checking criteria

- Accessories
- Appearance
- Assembly
- Assortment
- Color
- Dimension
- Documentation
- Logo
- Material
- Measurement
- Packing
- Painting
- Performance
- Quality
- Quantity
- Safety
- Shipping Mark
- Size
- Weight
- Workmanship



1.1.7 How to proceed with an inspection

- A. Send us a request A specialist will provide a prompt answer, informing the price, availability and other information relevant to the inspection.
- B. Get your goods inspected After the acceptance of the terms, an inspector will be at the supplier, on the required date.
- C. Get your Report before shipment CQT will issue the Report within one working day, for timely correction of defects and improvements mentioned in the report, allowing or reject the shipment.

Required service:			
Company Information			
Company name:			
Responsible name:			
Department:			
Address:			
e-mail:			
Phone:			
Product Information			
Product type:			
Quantity ordered:			
PO/PI number:			
Factory Information			
Factory name:			
Responsible name:			
Address:			
e-mail:			
Phone:			
Upload a document:			
Additional Information			
Comments:			
How did you find us?			



1.1.8 Quality standards

Depending on the product and intended market, CQT uses applicable international standards such as ASTM, CAN/CAS, IEC, ISO, ANSI etc, to ensure requirements are met.

Military Standard 105E (ISO 2859, ANSI/Asqc Z1.4)

The inspections are carried out according to the most common international standard – Military Standard MIL-STD-105E (equivalent to ISO 2859) for Inspection services.

This standard gives inspection sampling by attributes for a given batch size and acceptable quality level. An inspection plan includes the sample size/s (n), the acceptance number/s (c), and the rejection number/s (r). The single sampling procedure with these parameters is as follows: Draw a random sample of n items from the batch. Count the number of nonconforming items within the sample (or the number of nonconformities, if more than one non-conformity is possible on a single item). If the number of nonconforming items is c or less, accept the entire batch. If it is r or more, then reject it. In most cases "r=c+1".

Acceptable Quality Level (AQL)

The inspection level determines the relation between the batch size and sample size. Levels I, II and III are general inspection levels:

- Level II is designated as normal.
- ► Level I requires about half the amount of inspection as level II, and is used when reduced sampling cost is required, and a lower level of discrimination (or power) can be tolerated.
- Level III requires about twice the amount of inspection as level I, and is used when more discrimination (or power) is needed.

The four special inspection levels S-1, S-2, S-3, S-4 use very small samples and should be employed when small sample sizes are necessary, and when large sampling risks can be tolerated. Regarding the tolerance, it is common to use an AQL of 2.5% for major defects, and 4% for minor defects.

The AQL is generally specified by the authority responsible for sampling. Different AQLs may be designated for different types of defects.

Supplier and consumer risks

The supplier's risk is the rejection of a batch of high-quality (according to AQL). The consumer risk is the approval of a low-quality batch.

Assumptions

The sampling method is based on a homogenous batch of products and is assumed that the batch is manufactured on one single production location. If the batch consists of products originated from multiple production locations, this will influence the representativeness of the sample selected for inspection.

It is important to consider that the acceptance of a sampling does not necessarily imply 100% of products without defects. This can only be achieved through continuous improvement of the supplier process.



1.1.9 Remarks

The earlier in the production chain the conformity assessment is carried out; the more effective is the reduction of costs. Serious design "defects" identified at a very early stage, these can be adjusted in a timely manner, not after the products have been transported and placed on the market. Therefore, production delays, costly recalls, and liability risks are significantly reduced.



1.2 Supplier Audits

Have the international supply chain under control.

Ensure that suppliers operate in accordance with the required competence and capacity for expected production.

CQT Supplier Audit service monitor the integrity of the supply chain and ensure that systems, management and operation procedures meet expected standards. It ensures that the factory choices meet the social compliances and quality requirements. The service can also be used for periodic supplier evaluations.

CQT's audit services bring values to the operation and offer the guarantee of the performance of the import by meeting regulatory requirements.

CQT conducts independent audits and audits on behalf of organizations.

Request an audit service and get the Report within one working day – for timely approval or rejection of the supplier, based on the facts and critical points reported.

Benefits of CQT's audit services:

- Guarantee that the right suppliers were chosen.
- Full visibility of international processes and resources.
- Protecting reputation by demonstrating the commitment to quality and safety.
- Performance benchmarking.
- Positive brand reputation and client confidence.
- Performance and valuation of agents, contractors, and suppliers.
- Enhancement of employee motivation.

Taken in total, these factors make a powerful statement to clients and stakeholders.

CQT can provide local professionals, which bring several advantages:

- Lower travel costs.
- Closer interaction with the process, by knowing the language and local culture.
- Detailed and differentiating insights into local markets.



1.2.1 Factory Audit (FA)

Ensure that the chosen supplier is able to produce goods in compliance with required specifications, within the given time frame.

The CQT Factory Audit (FA) brings information about the capabilities of the manufacturer before any business decisions are taken, checking the usual problems when starting with new suppliers.

Depending on the needs, CQT will consider the relevant requirements to conduct the audit at the supplier's factory.

The Factory Audit (FA) includes:

- Buildings and infrastructure.
- Factory capability.
- The validity of the ISO Certificates, as well as the reputation of the Certification Bodies.
- Certificates of products, export, tax, patents, etc.
- Legitimacy of bank information.
- Extension of the Quality Management System (QMS) applied to the critical process.
- Quality control of the products throughout the production process, and final quality control (FQC).
- Instruments and machinery.
- Procedure for packing and traceability.
- Procedure for non-conform materials.
- Procedure for communication and participation.
- Procedure for documents and records control.
- Training and experience of the workforce, as well as the working conditions.
- Other parameters depending upon the request.

Benefits:

- The certainty that the supplier is legal, or real exists; or even that it's a real factory, not a trader.
- Incentive to the supplier, for process improvement.
- Review of compatibility with the current supply chain and means of improvement.



1.2.2 Social Audit (SA)

Ensure an effective and safe working environment.

Social responsibility audits determine the compliance of suppliers with the international criteria and local laws within the framework of the basic work conditions.

The CQT Social Compliance Program is a rational solution to avoid supplier compliance failures. CQT conducts audit according to SA 8000, ETI, ICTI, BSCI, WRAP and various other codes of conduct, ensuring the full compliance with social responsibility issues that affect the country of operation.

International suppliers network involves two essential things: detailed contract and reliability. CQT's social audit services provide the needed assurance for corporate social responsibility concerns, setting clear signals against child labor, low wages, and workplace discrimination.

The Social Audit (SA) includes:

- Labor (child/forced labor, discrimination, discipline, harassment/abuse, freedom of association, labor contracts).
- Wages and hours (wages and benefits, working hours).
- ► Health and safety (general work facility, emergency preparedness, occupational injury, machine safety, safety hazards, chemical, and hazardous material).
- Safety conditions of the dormitories, locker rooms, canteen, and dining areas.
- Occupation health and safety management system.

Benefits:

- Creates an effective and secure working environment.
- ► Helps to increase effectiveness by reducing work accidents and occupational illnesses.
- Creates a motivating working environment.
- Increases brand prestige, value and competitive power of the entity.
- Increases profitability and efficiency.

NOTE:

SA 8000 Social Accountability Certification
BSCI Business Social Compliance Initiative
CoC Code of Conduct
ETI Ethical Trade Initiative
WRAP Worldwide Responsible Accredited Production



1.2.3 Tailor-Made Supplier Audit

Ensure that the supply chain is maintaining and improving the specified standards.

CQT Tailor-Made Supplier Audits ensure accurate assessment of supplier performance, based on pre-set requirements or management standards. It verifies the compliance of the supplier with all applicable requirements, pointing out strengths and weaknesses, revealing nonconformities and highlighting improvement potential.

In addition, the service promotes better communication and interaction with the supply chain, taking a joint step towards the quality improvement of co-produced goods and services.

Benefits:

- Reduction of costs by reviewing the portfolio of suppliers and prevent supply shortages.
- Minimization of risks with audits that ensure that suppliers can deliver products that meet the regulatory requirements.
- Opportunity to create supplier's competitiveness by providing quality requirements.
- Improvement of the company's image and client confidence.



2 Industrial Services

Ensure that industrial components and equipment meet specified standards and regulatory demands.

CQT's inspection services for industry goods cover every step from raw material, manufacturing process, final inspection, and loading supervision, adding value and reliability to products, projects and processes.

CQT provides services for cross-cultural and multi-lingual engineering requirements including product design and specification development.

CQT's inspection services for industry goods ensure:

- ► The raw material, manufacturing process and final product match with the required technical specification.
- The packing, marking, loading, and documentation matches with the delivery safety principle and order requirement.

We work closely with our customers to ensure inspection criteria is documented and understood by all concerned parties. We accommodate full-time, part-time or single man-day on-site projects as necessary.

Industrial Services Highlights

CQT provides pipe mill surveillance services on any tubular product and at any pipe mill shop. We rely on professionals with great experience in several kind of pipe mil production processes, available at various locations in the world.

Industry sectors we serve:

- Oil & Gas equipment and pipelines
- Power & Energy
- Chemicals
- Metals & Mining
- Building & Infrastructure
- Industrial machinery
- Industrial transportation
- Automotive
- Aerospace & Defense
- Pharmaceuticals & Biotechnology

Inspection and testing services for industrial goods are applicable for:

FIX EQUIPMENT

- Pressure vessel
- Heat exchanger
- Piping system
- Industrial valve
- Steam boiler
- Storage tank
- Process heater



ROTARY EQUIPMENT

- Centrifugal pump
- Centrifugal compressor
- Reciprocating compressor
- Gas turbine
- Steam turbine
- Fan and Blower

E & I EQUIPMENT

- Electric generator
- Electric motor
- Power transformer
- Control panel
- Switchgear
- Power cable

2.1 Inspection services for industry goods

2.1.1 Raw Material Inspection

For safe and high-quality product, that meets the legal and customer's requirements.

What is inspected:

- Traceability of material heat/lot/batch according to supplier's material tracking procedures and standards.
- Mill test reports/certificates of the main supplier, verification reports of the supplier and the compliance of these documents with relevant material specification and standards listed on the approved drawing.
- Examination of materials surface quality.
- When required by ITP, witness of non-destructive testing at random.
- When required by IPT, witness of material test for casting and forging.
- Certificates of NDE materials, applied to stainless steel materials.

2.1.2 Fabrication Inspection

What is inspected:

- Material cutting, welding seams.
- Witness NDT activity, NDT report review.
- Dimension.
- Flow path.
- Heat treatment witness, heat treatment report review.
- Welding supervision. Inspection of Machined Parts



What is inspected:

- Surface finishing.
- Cross check and witness NDE.
- Witness dimension check, including roughness.
- Final acceptance report review.

2.1.3 Inspection of devices main assembly and sub-assembly during fabrication

What is inspected:

- Used parts according to drawing and technical specification.
- Contacting surface area.
- Clearance and gap measurement.
- Tightening.
- Alignment.
- Cleaning.
- Greasing.
- Distortion.
- Deflection.
- Concentric.

2.1.4 Painting/Coating, Lining Inspection

What is inspected:

- Used paints, according to technical specification.
- Surface preparation.
- Painting application condition.
- Coating thickness.

2.1.5 Inspection for Packing of Equipment

What is inspected:

- Packing quality, according to procedure.
- Box quality, according to procedure.
- Packing list.
- Existence of damages.

2.2 Testing

Ensure that products are in accordance with applicable standards, or that issues have been identified and resolved.

CQT Testing Service verifies the product conformance to design, properties, performance, reliability and lifecycle. We test, assess, and certify materials and semi-finished materials (plates, tubes, forgings, cast iron/steel and other metals).



2.2.1 Witness hydrostatics, pneumatic or any other form of pressure/leak test

What is tested:

- Used water or other testing according to procedure, technical specification and standard.
- Device scope.
- Pressure and other parameter.
- Device calibration.
- Safety preparation and device.
- Leakage and pressure.

2.2.2 Witness test for runner assembly

What is tested:

- Static balance test.
- Pre-assembly with main shaft.

2.2.3 Witness test for distributor assembly

What is tested:

- Gap valve (fully closed).
- Operation.
- Opening valve (fully opened).

2.2.4 Witness electrical test and FAT as required by ITP

What is tested:

- Insulation.
- Conductivity.
- Resistance.
- High voltage.
- Discharge.
- Iron loss.
- Burn on.
- Other parameters.

2.2.5 Laboratory test witness

What is tested:

- Chemical analysis/PMI.
- Tension.
- Bend.
- Hardness.
- Charpy impact.

- Flaring and flattening.
- Grain size.
- Intergranular corrosion.
- HIC/SSC



2.3 Expediting Services

Make sure your project meets planned schedules.

CQT Expediting Service consists in verifying the progress of the manufacturing project according to a predetermined schedule, concerning the quality, packing and compliance with standards and set timelines. The service is performed through inspections at supplier's manufacturing sites.

The progress of manufacture is reported periodically, supported by photographic records. Any delay or inconsistency compared to the established schedule should be reported to the project team of the interested party. At the supplier's location our inspectors verify and optimize the pre-fabrication, manufacturing, and post-manufacturing stages through audits and visual inspections, thus we ensure that the required goods arrive at the appointed date in the agreed quality at the agreed location.

Expediting activities begin soon after the Purchase Order is issued. The schedule provided at the manufacturing plant shall be the basis for progress evaluation, so our inspectors can exert influence to maintain compliance with the established timetable.

Expediting services are relevant for many industries, such as Oil and Gas, Power Generation, Infrastructure, Water / Wastewater and more.

The service covers critical points in the manufacturing process, including:

- Order status
- Delivery dates
- Technical documents
- Inventory of equipment
- Design
- Manufacturing and production plan
- Inspection procedures
- Testing, including painting and protection
- Packing
- Shipment and delivery



2.4 Project Management

Reduce the risks of a project by complying with all applicable requirements.

CQT Project Management Service ensures the quality, timeliness and regulatory compliance, reducing technical risks, preventing errors and controlling budgets.

Our service manage every step of your project, from planning to implementation, supported by the expertise and guidance from our professionals, regarding the compliance with regulatory and quality standards, or client-based requirements.

Project management steps:

- Definition of project objectives.
- Definition of execution plans.
- Definition of quality standards.
- Definition of project quality plan (PQP).
- Definition of quality control plan (QCP).
- Definition of inspection test plan (ITP).
- Validation of project procedures.
- Design control.
- Material control.
- Production control.
- Supervision of performance tests.
- Risk management.
- Regulatory compliance management.
- Project performance review.
- Correction of inconsistencies.
- Shipment control.
- Specialized support to the completion of the project.



2.5 Certification

2.5.1 EN 10204 Type 3.2 certification

Ensure that material is fully traceable and meets specified requirements, through third-party independent inspections.

Manufacturers need to demonstrate that steel products meet specific properties. This can be done through certification in Type 3.2, according to BS EN 10204:2010. As part of this process, fulfilling the role of "purchaser's authorized representative", CQT offers independent third-party inspections for Type 3.2 certification, covering the witnessed tests results and verification of material's identification and traceability.

The serve involves:

- Identification of material's identity.
- Verification of material's traceability.
- Identification of stamp piece.
- Witness mechanical testing.
- Check the calibration of the equipment used in the test.
- Report the test results, including possible failure.
- Review of product specification.
- Endorse client's paperwork.
- Inspect the material.
- Hard stamp (restamping) the material for release.

The EN 10204 Type 3.2 certification can be used in many applications, where a high-level independent assurance is required, and it applies to all metallic products e.g. plates, sheets, bars, forgings, castings.

CQT has an extensive network of qualified and trained professionals, able to inspect materials to EN 10204 Type 3.2, and provide technical support.



3 Sourcing Services

3.1 Strategic Sourcing Services

Every year, we help hundreds of organizations effectively execute their sourcing strategies.

CQT provides an end-to-end solution from product sourcing, supplier verification, and contract formation, right through to quality control and shipping to your door.

CQT is a full sourcing service provider and business advisor, a global company operating in China over a decade. Our capabilities are based on our expertise in developing and executing strategies for cost-effective operations.

CQT Sourcing Service is the result of more than a decade of experience in China where, in addition to procurement services, we also perform inspection services for consumer and industrial goods.

CQT has the necessary in-house language capability and the right cultural knowledge to perform the all the proper outsourcing work.

CQT Strategic Sourcing Service helps your organization with:

- Finding the best manufactures and suppliers for intended products.
- Assisting in negotiations and translation.
- Product development and quality assurance.
- Logistics and freight forwarding.

CQT Strategic Sourcing Service includes:

- Procurement intelligence.
- Local and global sourcing.
- Assisted direct purchasing.
- Sample and prototype development.
- Product testing.
- Factory verification.
- Social compliance audit.
- Order processing and follow up.
- Production management.
- Quality inspection.
- Warehousing.
- Re-Packing.
- Shipping support.
- Financial Support.
- Promotion and Retail Merchandise.
- Office representation.
- Brokerage.



CQT Strategic Sourcing Process:

- Clearly definition of intended products in China (and region).
- This stage involves the collection of important information:
 - Product compliance and tests reports.
 - o Company data: Location, registered capital, registered business scope etc.
 - o QMS Certificates and on-site inspections.
 - o CSR and social compliance.
- Search conducting, through dedicated professionals, using the extensive CQT business network.
- Total cost analyses (how much does it cost to provide those goods or services?).
- Identification of suitable suppliers.
- Development of a sourcing strategy (where to purchase, considering demand and supply situations, while minimizing risk and costs).
- ► Negotiation with suppliers (products, service levels, prices, geographical coverage, payment terms etc).
- Implementation of new supply structure.
- Track results and restart assessment (continuous cycle, as necessary).

We have dedicated market intelligence and analytics teams in all major transit and trading locations in the world.

The BRIC countries.

CQT provides full commercial and sourcing support services over the **BRIC** Group, **Brazil**, **Russia**, **India** and **China**, as we have operational bases and local professionals strategic placed in these countries.



3.1.1 Strategic Sourcing Services FAQ

A. What products CQT has experience in sourcing services?

Present in China for more than 10 years, with inspection services in addition to sourcing services, CQT has experience in various industry sectors, from consumer goods to industrial goods.

B. What is the criteria used for selecting suppliers?

A proper supplier selection shall be based on customer specific needs. This requires that CQT understands the products technical specifications, and how a supplier's ability to manufacture the product can be assessed, thus requiring a supplier assessment protocols that collect the necessary information to be considered. For each client CQT will develop a unique work plan. We don't rely on affiliated suppliers like Sourcing Agents. CQT keeps the straight focus on the best suppliers for your organization, searching and identifying them in each project developed.

C. CQT inspects suppliers?

Yes, we perform factory audit services, also we offer it as an individual service. In the sourcing process we will ensure that suppliers operate in accordance with the required competence and capacity for expected production.

D. CQT only develops suppliers in China?

No, we also work in other countries in Asia, India, the Middle East, Russia, Europe and Latin America.

E. How CQT prevent payment frauds and other scams?

All stages of the sourcing process are covered by contracts, we also have field agents who verify the suitability of the supplier.

- F. Does CQT primarily select vendors within its own network or provide new vendors for each customer? We provide new vendors for each customer our services are based on strategic planning.
- G. How does CQT assess whether a supplier can manufacture products that comply with specific regulation or standard?

Through audits, pre-inspections and technical investigation of the possible supplier.

H. What happens if CQT fails to find a suitable supplier for our products?

Is very important the first step of the sourcing process, where all relevant information to the intended product are collected. At this stage the CQT technical team analyzes the risks to both parties, according to the nature of the product, and indicates in contract the possible conclusions of the project.

I. Can CQT also help with sample orders, quality control, lab testing and shipping?

Yes, we cover the entire process, with highly qualified professionals, to meet the expectations of your business.



4 Consulting Services

CQT provides technical and commercial consulting covering the entire supply chain, from buyers to suppliers, based on the needs of the parties and the experiences of our professionals in the local market.

4.1 Commercial Consulting

The service includes:

- Communications of buyers' requirements.
- Use of CQT's market database.
- Provision of preliminary list of suppliers.
- Evaluation, audit and negotiation on eligible suppliers.
- Bidding clarifications.

4.2 Technical Consulting

The service includes:

- Specification review and clarifications.
- Project documents review, including QCP/ITP, WPS/PQR, NDT procedures etc.
- Technical data review regarding specified material, welding, NDT and coating.
- System qualification.
- Welding qualification.
- Other necessary technical support.



5 CQT Principles

- CQT operates in a professional, independent and impartial manner in all its activities.
- CQT carries out its inspections and audits honestly and doesn't tolerate any deviation from its approved
 methods and procedures. Where approved test methods make provision for tolerances in results, CQT
 ensures that such tolerances are not abused to alter the actual test findings.
- CQT reports data, test results and other material facts in good faith and doesn't improperly change them, and only issues reports and certificates that correctly present the actual findings, professional opinions or results obtained.
- CQT guides its employees for dealing with clients who expect from us to abuse tolerances to obtain acceptable results.
- CQT operates in the implementation of procedures to ensure that all employees are aware of internal values and apply them in the performance of their duties.
- ► CQT provides a recording system adequate to permit the audit of incidents of non-compliance with relevant corporate rules and procedures in this domain.

5.1 Integrity code

- Inspections and audits shall not tolerate any deviation from its approved methods and procedures.
- Inspections and audits shall be conducted transparently.
- Reports shall reflect actual findings.
- Tolerances shall not be abused.
- Correct methods shall be applied.
- Reports shall not be improperly changed.
- Reports shall remain confidential.
- Reports shall not contain personnel/HR issues.
- Inspectors shall not own an interest, or have a position in a client, a supplier or a competitor, directly or indirectly.

5.2 Conflicts of interest

Employees shall be free of conflicts of interest such as ownership or involvement in outside interests that could influence or adversely affect the employee's performance or CQT's reputation.

5.3 Anti-bribery

- Employees are prohibited from offering, soliciting, giving or receiving bribes.
- All indirect routes for bribes are prohibited.
- Offers of bribes shall be reported.
- Gifts, hospitality, and expenses shall not influence or appear to influence a contractual or materials transaction; serve or appear to serve as an inducement to act improperly.

CQT Development Services Team January 2024