

# Log Inspection Report

(PNGF 08)

<b>Exporter</b> ██████████ ██████████ ██████████	<b>Vessel Name</b> Starford 8 <b>SGS Reference</b> 16402 <b>Export Permit No.</b> 1207067 <b>Export Licence No.</b> N/A <b>Loadport</b> Sowara
<b>PLACE OF INSPECTION</b> <b>Yard</b> <b>Contact</b> ██████████	<b>INSPECTION DATES</b> <b>Proshipment</b> <i>From</i> 18/07/20 <i>To</i> 19/07/201 <b>Loading</b> <i>From</i> 19/07/20 <i>To</i> 24/12/201

## Description of Logs Inspected

Product/Group	Species	Pieces	Volume	Product Group	Species	Pieces	Volume
				<b>Total for Saw/Veneer, Group 2</b>		<b>174</b>	<b>566.539</b>
<b>Saw/Veneer</b>				<b>Group 3</b>	CEL	2	4.887
<i>Group 1</i>	BUR	36	130.893		DYS	3	8.870
	CAL	53	146.143		END	14	52.151
	CAR	12	42.921		GAG	13	37.575
	CEP	9	29.549		GUW	31	107.075
	DIL	1	2.811		HER	11	32.862
	KWI	3	12.249		LIT	8	19.492
	LOP	1	1.735		SAP	1	2.120
	MAL	4	10.415	<b>Total for Saw/Veneer, Group 3</b>		<b>83</b>	<b>265.032</b>
	MER	314	1,156.609	<b>Group 4</b>	BIP	19	89.724
	PLR	1	3.174		BOW	1	2.463
	TAU	51	179.497		CLL	15	58.746
	TER	12	34.624		CWW	1	3.053
<b>Total for Saw/Veneer, Group 1</b>		<b>497</b>	<b>1,750.620</b>		FLA	1	3.281
<i>Group 2</i>	AMO	6	23.022		GOR	1	2.602
	BAS	1	3.153		HAY	1	3.959
	BEW	4	14.334		KAN	36	136.390
	HOH	26	67.751		KAP	1	2.481
	HOL	122	391.520		KIN	1	2.533
	KEM	14	64.989		MAH	41	191.926
	SIL	1	1.770		MAS	6	25.471

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Product/Group	Species	Pieces	Volume	Product Group	Species	Pieces	Volume
<b>Group 4</b>	MAT	16	78.038				
	NUT	10	57.187				
	OAP	3	7.661				
	PAR	5	20.212				
	PLA	19	62.102				
	PLB	18	59.384				
	SLO	17	72.001				
	TRC	8	37.161				
<b>Total for Saw/Veneer, Group 4</b>		<b>220</b>	<b>916.375</b>				
<b>Total for Saw/Veneer</b>		<b>974</b>	<b>3,498.566</b>				

### Low Grade

<b>Group 1</b>	BUR	2	8.481				
	CAL	4	19.416				
	CAR	1	2.007				
	MER	224	1,030.471				
	TAU	3	14.483				
	TER	1	2.322				
	<b>Total for Low Grade, Group 1</b>		<b>235</b>	<b>1,077.180</b>			
<b>Group 2</b>	HOH	4	15.533				
	HOL	3	10.653				
	<b>Total for Low Grade, Group 2</b>		<b>7</b>	<b>26.186</b>			
<b>Group 3</b>	GUW	2	7.672				
	LIT	1	2.570				
	<b>Total for Low Grade, Group 3</b>		<b>3</b>	<b>10.242</b>			
<b>Group 4</b>	KAN	15	98.271				
	MAH	16	116.597				
	PLB	1	3.338				
	SLO	8	44.971				
<b>Total for Low Grade, Group 4</b>		<b>40</b>	<b>263.177</b>				
<b>Total for Low Grade</b>		<b>285</b>	<b>1,376.785</b>				

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SGS PNG Ltd

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Member of SGS Group (Société Générale de Surveillance)

# Log Inspection Report

continued

<b>Exporter</b> ██████████ ██████████ ██████████	<b>Vessel Name</b> Starford 8 <b>SGS Reference</b> 16402 <b>Export Permit No.</b> 1207067 <b>Export Licence No.</b> N/A <b>Loadport</b> Sowara
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<b>PLACE OF INSPECTION</b> <b>Yard</b> ██████████ <b>Contact</b> ██████████	<b>INSPECTION DATES</b> <b>Proshipment</b> <i>From</i> 18/07/2012 <i>To</i> 19/07/2012 <b>Loading</b> <i>From</i> 19/07/2012 <i>To</i> 24/12/2012
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## GRAND TOTAL LOG EXPORTS FOR THIS SHIPMENT

**Pieces: 1,259**

**Volume (m3): 4,875.351**

**Number of Discrepancy Notices Issued: 3**

**DISPUTE OVER ANY DETAIL MUST BE RESOLVED PRIOR TO VESSEL SAILING**

This statement reflects our findings on quantity and species at time and place of inspection only and DOES NOT absolve the sellers from their contractual obligations.  
In the absence of the exporter's final documents required by the Papua New Guinea Forest Authority, no Security Label can be issued by SGS PNG.

### INSPECTED BY SGS PNG:

**Name:** Bame V. Kumo

**Signature:** 

**Date:** 25/07/2012

*Original Copy* **SGS PNG**

*Blue Copy* Exporter

*Yellow Copy* PNGFA

*Pink Copy* File

### RECEIVED ON BEHALF OF EXPORTER:

**Name:** ██████████

**Position:** SHIPPING IN CHARGE

**Signature:** 

**Date:** 25/07/12

**ENTERED**

17/10.12

Wednesday, 25 July 2012

# General Conditions of Service

1. General
- (a) Unless otherwise agreed in writing or except where they are at variance with (i) the regulations governing services performed on behalf of governments, government bodies or any other public entity or (ii) the mandatory provisions of local law, all offers made or services provided by SGS Société Générale de Surveillance SA or any of its affiliated companies or any of their agents (each a "Company") and all resulting contracts or other arrangements shall be governed by these general conditions of service (hereinafter the "General Conditions").
- (b) The Company may perform services for persons or entities (private, public or governmental) issuing instructions (hereinafter, the "Client").
- (c) Unless the Company receives prior written instructions to the contrary from Client, no other party is entitled to give instructions, particularly on the scope of the services or the delivery of reports or certificates resulting therefrom (the "Reports of Findings"). Client hereby irrevocably authorises the Company to deliver Reports of Findings to a third party where so instructed by Client or, at its discretion, where it implicitly follows from circumstances, trade custom, usage or practice.
2. Provision of Services
- (a) The Company will provide services using reasonable care and skill and in accordance with Client's specific instructions as confirmed by the Company or, in the absence of such instructions:
- (1) the terms of any standard order form or standard specification sheet of the Company; and/or
  - (2) any relevant trade custom, usage or practice; and/or
  - (3) such methods as the Company shall consider appropriate on technical, operational and/or financial grounds.
- (b) Reports of Findings issued further to the testing of samples contain the Company's opinion on those samples only and do not express any opinion upon the lot from which the samples were drawn.
- (c) Should Client request that the Company witness any third party intervention, Client agrees that the Company's sole responsibility is to be present at the time of the third party's intervention and to forward the results, or confirm the occurrence, of the intervention. Client agrees that the Company is not responsible for the condition or calibration of apparatus, instruments and measuring devices used, the analysis methods applied, the qualifications, actions or omissions of third party personnel or the analysis results.
- (d) Reports of Findings issued by the Company will reflect the facts as recorded by it at the time of its intervention only and within the limits of the instructions received or, in the absence of such instructions, within the limits of the alternative parameters applied as provided for in clause 2(a). The Company is under no obligation to refer to, or report upon, any facts or circumstances which are outside the specific instructions received or alternative parameters applied.
- (e) The Company may delegate the performance of all or part of the services to an agent or subcontractor and Client authorises Company to disclose all information necessary for such performance to the agent or subcontractor.
- (f) Should Company receive documents reflecting engagements contracted between Client and third parties or third party documents, such as copies of sale contracts, letters of credit, bills of lading, etc., they are considered to be for information only, and do not extend or restrict the scope of the services or the obligations accepted by the Company.
- (g) Client acknowledges that the Company, by providing the services, neither takes the place of Client or any third party, nor releases them from any of their obligations, nor otherwise assumes, abridges, abrogates or undertakes to discharge any duty of Client to any third party or that of any third party to Client.
- (h) All samples shall be retained for a maximum of 3 months or such other shorter time period as the nature of the sample permits and then returned to Client or otherwise disposed of at the Company's discretion after which time Company shall cease to have any responsibility for such samples. Storage of samples for more than 3 months shall incur a storage charge payable by Client. Client will be billed a handling and freight fee if samples are returned. Special disposal charges will be billed to Client if incurred.
3. Obligations of Client
- The Client will:
- (a) ensure that sufficient information, instructions and documents are given in due time (and, in any event not later than 48 hours prior to the desired intervention) to enable the required services to be performed;
  - (b) procure all necessary access for the Company's representatives to the premises where the services are to be performed and take all necessary steps to eliminate or remedy any obstacles to, or interruptions in, the performance of the services;
  - (c) supply, if required, any special equipment and personnel necessary for the performance of the services;
  - (d) ensure that all necessary measures are taken for safety and security of working conditions, sites and installations during the performance of services and will not rely, in this respect, on the Company's advice whether required or not;
  - (e) inform the Company in advance of any known hazards or dangers, actual or potential, associated with any order or samples or testing including, for example, presence or risk of radiation, toxic or noxious or explosive elements or materials, environmental pollution or poisons;
  - (f) fully exercise all its rights and discharge all its liabilities under any relevant sales or other contract with a third party and at law.
4. Fees and Payment
- (a) Fees not established between the Company and Client at the time the order is placed or a contract is negotiated shall be at the Company's standard rates (which are subject to change) and all applicable taxes shall be payable by Client.
- (b) Unless a shorter period is established in the invoice, Client will promptly pay not later than 30 days from the relevant invoice date or within such other period as may be established by the Company in the invoice (the "Due Date") all fees due to the Company falling which interest will become due at a rate of 1.5% per month (or such other rate as may be established in the invoice) from the Due Date up to and including the date payment is actually received.
- (c) Client shall not be entitled to retain or defer payment of any sums due to the Company on account of any dispute, counter claim or set off which it may allege against the Company.
- (d) Company may elect to bring action for the collection of unpaid fees in any court having competent jurisdiction.
- (e) Client shall pay all of the Company's collection costs, including attorney's fees and related costs.
- (f) In the event any unforeseen problems or expenses arise in the course of carrying out the services the Company shall endeavour to inform Client and shall be entitled to charge additional fees to cover extra time and cost necessarily incurred to complete the services.
- (g) If the Company is unable to perform all or part of the services for any cause whatsoever outside the Company's control including failure by Client to comply with any of its obligations provided for in clause 3 above the Company shall nevertheless be entitled to payment of:
- (1) the amount of all non-refundable expenses incurred by the Company; and
  - (2) a proportion of the agreed fee equal to the proportion of the services actually carried out.
5. Suspension or Termination of Services
- The Company shall be entitled to immediately and without liability either suspend or terminate provision of the services in the event of:
- (a) failure by the Client to comply with any of its obligations hereunder and such failure is not remedied within 10 days that notice of such failure has been notified to Client; or
  - (b) any suspension of payment, arrangement with creditors, bankruptcy, insolvency, receivership or cessation of business by Client.
6. Liability and indemnification
- (a) Limitation of Liability:
- (1) The Company is neither an insurer nor a guarantor and disclaims all liability in such capacity. Clients seeking a guarantee against loss or damage should obtain appropriate insurance.
  - (2) Reports of Findings are issued on the basis of information, documents and/or samples provided by, or on behalf of, Client and solely for the benefit of Client who is responsible for acting as it sees fit on the basis of such Reports of Findings. Neither the Company nor any of its officers, 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 Reports of Findings nor for any incorrect results arising from unclear, erroneous, incomplete, misleading or false information provided to the Company.
  - (3) The Company 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.
  - (4) The liability of the Company in respect of any claim for loss, damage or expense of any nature and howsoever arising shall in no circumstances exceed a total aggregate sum equal to 10 times the amount of the fee paid in respect of the specific service which gives rise to such claim or US\$20,000 (or its equivalent in local currency), whichever is the lesser.
  - (5) The Company shall have no liability for any indirect or consequential loss (including loss of profits).
  - (6) In the event of any claim, Client must give written notice to the Company within 30 days of discovery of the facts alleged to justify such claim and, in any case, the Company shall be discharged from all liability for all claims for loss, damage or expense unless suit is brought within one year from:
    - (i) the date of performance by the Company of the service which gives rise to the claim; or
    - (ii) the date when the service should have been completed in the event of any alleged non-performance.
- (b) Indemnification: Client shall guarantee, hold harmless and indemnify the Company and its officers, employees, agents or subcontractors against all claims (actual or threatened) by any third party for loss, damage or expense of whatsoever nature including all legal expenses and related costs and howsoever arising relating to the performance, reported performance or non-performance, of any services.
7. Miscellaneous
- (a) If any one or more provisions of these General Conditions are found to be illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.
  - (b) During the course of providing the services and for a period of one year thereafter Client shall not directly or indirectly entice, encourage or make any offer to Company's employees to leave their employment with the Company.
  - (c) Use of the Company's corporate name or registered marks for advertising purposes is not permitted without the Company's prior written authorisation.
8. Governing Law, Jurisdiction and Dispute Resolution
- All disputes arising from the provision of services hereunder shall, if:
- (a) provided by the Company to a Client both having their registered offices in the same country, be governed by and construed in accordance with the laws of such country and all disputes shall be submitted to the jurisdiction of the competent courts of such country.
  - (b) provided by a U.S. Company to a U.S. Client, be governed by the substantive laws of the jurisdiction in which services are rendered exclusive of any rules with respect to conflicts of laws and all disputes shall be finally settled under the rules of commercial arbitration of the American Arbitration Association. Unless otherwise agreed, the arbitration shall take place in New York, New York with each party bearing its own costs. The arbitrators shall be required to provide a written opinion detailing the basis and rationale for their decision.
  - (c) in all cases which do not fall within the provisions of (a) or (b) above and provided by the Company to a Client, be governed by the substantive laws of Switzerland exclusive of any rules with respect to conflicts of laws and all disputes shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the said rules. Unless otherwise agreed, the arbitration shall take place in Geneva, Switzerland in English.
9. Languages
- These General Conditions have been drafted in English and may be translated into other languages. In the event of any discrepancy, the English version shall prevail.

Wednesday, 25 July 2012

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