

Inspection Regulation

Department in charge: Policy, Planning, and Public Information Department 1041,3

Established on Jun. 1, 1995 Regulation No. 1

Amended on Jul. 1, 1997 Regulation No.11

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Chapter 1 General Provisions

Article 1 (Purpose)

This regulation seeks to prescribe the procedures for inspecting the goods purchased by Handong Global University (hereinafter referred to as "University") based on contracts as well as the related authority and responsibility.

Article 2 (Scope)

Unless specifically provided for otherwise in other regulations, the inspection of goods shall be governed by this regulation. However, matters related to the inspection of goods delivered based on contracts on international business shall be prescribed separately.

Article 3 (Definitions)

The terms used in this regulation shall have the following definitions:

1. "Goods" pertain to all goods excluding assets whose inspection in relation to construction work or acquisition is unnecessary.
2. "Inspection" refers to the act of inspecting, testing, and making decisions on goods delivered based on contracts to determine if they satisfy related specifications, sizes, design documents, and other contract terms and conditions.
3. "Inspector" pertains to any person requesting for the purchase of goods or the user of such goods.
4. "Confirmer" refers to the manager of the department requesting for the purchase of goods (using department).
5. "Delivery date" pertains to the date when the goods specified in the contract are delivered to the designated place.
6. "Inspection date" refers to the day an inspector presents the results of inspection in the inspection

report and affixes his/her signature or seal to the report.

Chapter 2 Inspection Procedure

Article 4 (Principle of Inspection)

1. In principle, inspection shall be conducted by an inspector, with the results confirmed by a confirmer. In exceptional cases, however, a third party may be commissioned to conduct inspections.
2. Purchased goods shall not be used without undergoing inspections.
3. The inspection procedure is illustrated in the attached table.

Article 5 (Responsibility of the Inspector)

Inspectors shall check the quality and quantity of goods impartially, quickly, and accurately and report to the contracting department any and all contractual defects discovered during inspections.

Article 6 (Inspector's Exemption from Responsibility)

Inspectors may be exempted from liability with respect to the results of the inspection under any of the following cases:

1. Inspectors have made decisions in good faith based on the results of tests and analysis.
2. There are material defects that cannot possibly be discovered during sampling checks.
3. Defects could not be found in advance because either the related testing facilities are unavailable at the campus or anywhere in the nation, or they cannot realistically be used.

Article 7 (Delivery)

If all or part of the contracted goods fail to pass the inspections at the designated place by the prescribed delivery date, the contractor shall be held responsible for the resulting delay.

Article 8 (Delay in Delivery)

1. The number of days of delay shall be calculated starting from the delivery date specified in the contract.
2. Any of the following shall be included in the number of days of delay:
 - (1) Delays caused by partial non-delivery or failure to pass the inspection
 - (2) Unreasonable delays in requesting for inspection or delays in taking samples
3. If the contracted delivery date falls on a holiday, the following day shall be the contracted delivery date. If the goods are not delivered the day after the holiday, however, the holiday shall be included in the number of days of delay.
4. The time required to inspect goods after they are delivered to the university shall not be included in the number of days of delay regardless of the inspection methods. If goods are reinspected because the contractor has filed an objection with regard to the unsatisfactory results of the inspection, and if the goods fail the reinspection again, however, the period of reinspection shall be included in the number of days of delay.

Article 9 (Inspection Period)

Inspectors shall complete inspections within 5 days of receiving a request for inspection from the contractor. In case of delays caused by natural disasters, force majeure, performance tests, or other time-consuming reasons, however, this provision shall not apply.

Article 10 (Inspection Place)

Inspections shall be carried out at the place specified in the contract. However, the place may be changed if inspectors cannot perform the inspection satisfactorily for any of the following reasons:

1. The place is too small to conduct inspection effectively.
2. The complex environment may cause the goods to be moved unnecessarily or mixed with other goods during the inspection.
3. Using or transporting goods is difficult, or there is a need to save on secondary transport costs.
4. Inspections need to be carried out in a place equipped with precision testing machines.
5. Changing the inspection place is unavoidable for certain reasons.

Article 11 (Request for Inspection)

When the contractor is ready to undergo inspections, it shall submit to the inspector a request for inspections prepared using the form stipulated in the contract.

Article 12 (Preparation for Inspections)

1. Inspectors shall perform or arrange the following prior to conducting inspections:
 - (1) Checking contracts, specifications, and samples
 - (2) Reviewing requests for inspection and inspection plans
 - (3) Arranging the testing apparatuses and equipment
 - (4) Contractor's past delivery of the same type of goods and results of inspections
 - (5) Reference books and other items deemed necessary for inspections
2. If deemed necessary by inspectors, the contractor may be instructed to provide related materials or make the necessary preparations to handle the items to be inspected.

Article 13 (Attending Inspections)

1. If necessary, an opportunity to express reasonable opinions shall be granted to the contractor by allowing him/her to attend the inspections.
2. If defects are discovered on the goods delivered by a transporter, a certificate of defects shall be prepared in the presence of the transporter and other related persons and kept as evidence.

Article 14 (Inspection Procedure)

Inspections shall be carried out as follows:

1. Decide the inspection priority according to the type of goods.
2. Decide the quantity to be inspected.
3. Take and check samples.
4. Conduct inspections and tests.
5. Make decisions.
6. Prepare inspection reports and other related documents.
7. Prepare inspection reports (see attached forms). However, a certificate of acceptance may be used in lieu of inspection reports in the case of printed matter, expendables, or clothing.

Chapter 3 Inspection Method

Article 15 (Visual Inspections)

1. Visual inspection refers to a series of inspections performed with the naked eye, focusing on the structure, width, length, color, or shapes of each individual product,
2. In principle, the following items shall be inspected visually:
 - (1) General items that do not require material tests (ordinary standard goods): finished goods sold at ordinary markets except goods carrying specific defects
 - (2) KS mark goods
 - (3) Imported materials that have passed international inspections
 - (4) Products that have passed the inspections carried out by authorized testing institutions

Article 16 (Total Inspection)

1. For total inspections, the inspector shall inspect the total quantity and make a decision per individual product.
2. Total inspections shall be carried out under any of the following cases:
 - (1) Products that may seriously affect human life if they have defects are the inspection targets.
 - (2) Products must not be mixed with any defective item.
 - (3) The unit price of the goods is high.
 - (4) The effects are considered more significant compared to the inspection expenses.
 - (5) The required quality level cannot be obtained if only sampling inspections are performed.

Article 17 (Sampling Inspection)

1. Sampling inspections shall be carried out after randomly taking samples from each lot.
2. Sampling inspections may be carried out under any of the following cases (however, expenses related to the provision of test samples and other related matters shall be shouldered by the contractor):
 - (1) Visual inspections or total inspections cannot be carried out owing to the large quantity.
 - (2) There are many inspection items, or considerable inspection expenses and time are required.
 - (3) Organisms are to be inspected.
 - (4) Inspection results with high reliability are needed compared to the unsafe total inspection because the quality standard is clear.
 - (5) The inclusion of defective products is allowed to a certain degree.
3. The lots to be used in the sampling inspections shall consist of the uniform products manufactured under the same conditions; for goods with different component elements, samples representative of each quality shall be taken.

4. Samples shall be taken by inspectors in the presence of the contractor and signed by both parties.
5. Unless specifically provided for otherwise in the contract, sampling inspections shall be performed using the methods prescribed in the Korean Standard. However, foreign standards may be used in the absence of relevant inspection methods in the Korean Standard.

Article 18 (Interim Inspection)

1. Interim inspections shall be conducted under any of the following cases:
 - (1) Interim inspections (production, operating, and assembly process) are required to satisfy the final inspection criteria.
 - (2) The major manufacturing process including the use of quality materials, specifications, and work progress needs to be checked to assure quality.
 - (3) Interim inspections are required to maintain quality.
2. Upon discovering items that run counter to the contract conditions, the inspector shall immediately request the contractor to take corrective actions and report the results of inspection to the confirmer in writing.

Article 19 (Tests and Analysis)

1. If tests and analysis are required, the inspector shall take samples and request a testing institution to conduct tests and analysis.
2. In principle, physical and chemical tests shall be conducted in-house. If the testing ability leaves a lot to be desired, or there are no testing facilities available, however, an authorized third party may be commissioned to conduct the tests.

Chapter 4 Decision

Article 20 (Decision)

1. Inspectors shall make a decision after conducting inspections.
2. Decisions shall be made as follows:
 - (1) If the results of inspection satisfy the contract conditions, the inspection shall be considered successful.
 - (2) If the results of inspections show very minor defects that can be easily corrected, the inspector shall discuss with the contracting department and accept the products in question on the condition that the defects are repaired by the specified date and report related details to the contractor. If the defects are not repaired by the specified date, however, the inspection shall be considered rejected from the beginning.
 - (3) If the results of inspections show minor defects, and under any of the following cases, the

inspector may discuss with the contracting department and accept the products in question on the condition of reduced prices after obtaining the consent of the contractor (however, any limit to the price reduction or other conditions stipulated in the contract shall be followed):

- A. There is no problem in using the product.
- B. The user's need for the product is urgent.
- C. Purchasing substitutes is impossible.

Article 21 (Changing a Decision)

1. The confirmer (head of the inspection department) shall review the process and results of the inspections conducted by the inspector and may change the decision made by the inspector under any of the following cases:
 - (1) There are defects in the process of inspections.
 - (2) The limits to the price reduction have been exceeded.
 - (3) Defects are extremely minor and can be easily corrected.
 - (4) There is no problem in using the products, and the user's need for them is urgent.
 - (5) Products are specially needed for other reasons.
2. When changing the inspection decisions, the confirmer shall assume the corresponding responsibility.

Article 22 (Independence of Decision)

Inspectors shall make impartial and independent decisions pursuant to the contractual clauses and other related regulations. If there are a multiple number of inspectors assigned, however, decisions shall be made based on a unanimous agreement. If no decision can be reached, the confirmer of the department where the inspectors belong shall make the final decision.

Article 23 (Redelivery)

In case products fail to pass the inspections, the contract may be canceled. If considered advantageous for the university to receive a redelivery, however, products may be redelivered at the expense of the contractor.

Article 24 (Reinspection)

Products may be reinspected under any of the following cases:

1. The contractor has redelivered the products after they failed the initial inspection.
2. The inspection stamp, seal, or other acceptance mark has been destroyed, or identifying such is difficult after the inspection was declared successful.
3. Conducting reinspections is deemed necessary by the confirmer.

Article 25 (Confirmation of Inspection)

Prior to paying the price of goods, the person in charge of accounting shall check the results of inspections.

Article 26 (Exceptions)

Matters other than those stipulated in this regulation shall be decided separately by the president.

ADDENDUM

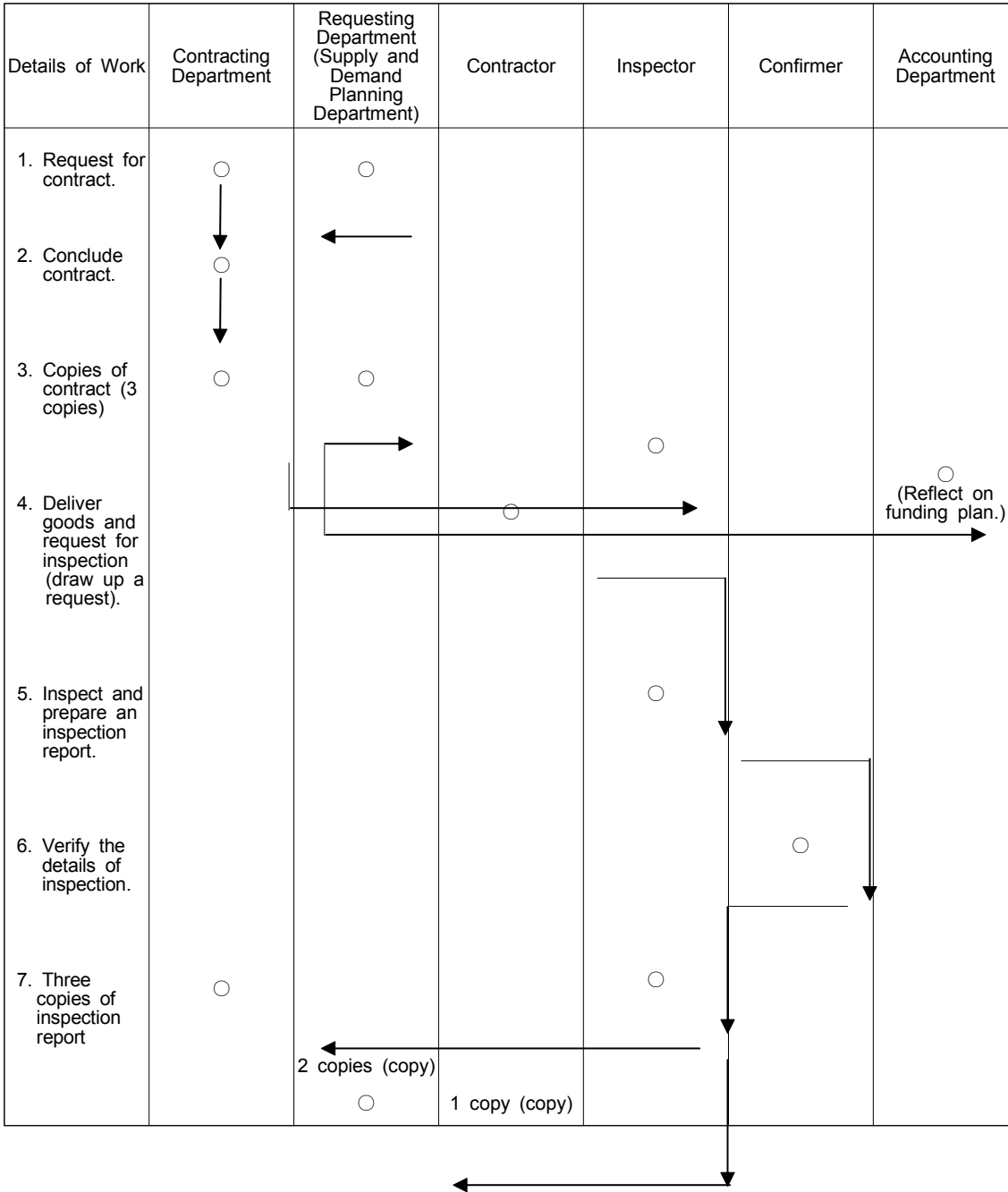
This regulation shall enter into force as of June 1, 1995.

ADDENDUM

This regulation shall enter into force as of July 1, 1997.

[Attached Table]

Inspection Procedure



[Attached Form]

<p>물품검수의뢰 및 조서 (Inspection Request/ Inspection Report) 검수의뢰서(납품자 기재란) (Request for Inspection (contractor column))</p>		<p>검수부서 결재 (Approval by inspection department)</p>	<p>담당 (Person in charge)</p>	<p>계장 (Assistant manager)</p>	<p>과(학부)장 (Manager of department/ Chairman of undergraduate school)</p>
<p>계약번호 : (Contract number)</p>		<p>납품기한 : (Delivery deadline)</p>			
<p>계약건명 : (Contract title)</p>		<p>납품일자 : (Date delivered)</p>			
<p>계약금액 : (Contract amount)</p>		<p>납품내역 : 불임 계약서(내역)참조 (Details of delivery) (See attached contract (details))</p>			
<p>실납품금액 : (Amount actually delivered)</p>		<p>검수장소 : (Place of inspection)</p>			
<p>상기건에 대하여 검수를 의뢰 합니다. Kindly conduct an inspection as described above. 년 월 일 (Month/Day/Year) 상 호 : (Company name) 신청인 (Applicant) 성 명 : (Name)</p>					
<p>검수일 : (Date of inspection)</p>		<p>검수방법 (해당란 ○표) (Inspection method (mark with ○))</p>		<p>외관검사, 전수검사, 표본추출검사, 중간검사, 시험 및 분석 (Visual inspections, Total inspection, Sampling inspection, Interim inspection, Test and analysis)</p>	
<p>판정 (Decision)</p>		<p>검수자 : 합격·불합격·기타 (Inspector: Passed/Rejected/Other actions) - 의견 : (Opinions) 확인자 : 합격·불합격·기타 (Confirmer: Passed/Rejected/Other actions) - 의견 : (Opinions)</p>			
<p>의견 (Opinions)</p>		<p>납품자(불합격판정시 기재) : (Contractor (fill out only in case of rejection))</p>			
<p>상기와 같이 검수하였음을 확인 함. This is to certify that an inspection has been conducted as described above.</p>					
<p>검수자 부서명 : (Inspector department)</p>		<p>직 위 : (Position)</p>		<p>성 명 : (Name)</p>	
<p>확인자 부서명 : (Confirmer department)</p>		<p>직 위 : (Position)</p>		<p>성 명 : (Name)</p>	

※ 검수자는 검수조서 4부를 작성 1부는 자체보관하고 2부는 총무과, 1부는 요구부서(수급계획부서)로 통보
 ※ The inspector shall prepare 4 copies of the inspection report, send 2 copies to the General Affairs Department and 1 copy to the requesting department (Supply and Demand Planning Department), and keep 1 copy.