

TIC Council

Petroleum and Petrochemicals Committee

Code of Practice

**THIRD
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General notes and guidance

1. When using or referencing published standards or other documents TIC Council Member Companies will use the latest published revision unless specifically requested by the Principal(s) or required by legislation.
2. This document is intended to act as guidance. It is not possible to cover every legislative requirement or circumstance that may be encountered. Whenever conflict or ambiguity is encountered, TIC Council Member Companies will follow three basic principles:
 - a. Where there is alignment in general, but the question is one of difference in degree or stringency, the most stringent shall be applied.
 - b. Where there is actual conflict, the Principal(s) shall be informed of the conflict and an agreed resolution documented (see Item 4. below).
 - c. No legislative limits shall be breached.
3. Local regulations or physical constraints may prevent inspectors from being able to work in full compliance with standards and / or instructions from the Principal(s). TIC Council Member Companies should advise the Principal(s) in advance or as soon as practicable after it becomes known if it is not possible to comply with standards or instructions due to local limitations, providing details of the issue(s). Typical limitations include restrictions on access to shore tanks, limited or no access to vessel tanks to perform tank inspections, no access to ships' tanks to perform OBQ or ROB measurements, sampling limitations, line verification for permitted, etc.
4. Bulletins are issued by the TIC Council Petroleum and Petrochemicals Committee to bring specific issues relating to safety or technical matters to the attention of TIC Council Members and their Principals. Bulletins are published on the TIC Council website and are reviewed and revised periodically. These Bulletins may refer to or address subjects covered in this Code of Practice and should therefore be read in conjunction with this document.

Bulletins are available to download at:

<https://www.tic-council.org/publications/bulletins/petroleum-committee-bulletins>

1. Introduction

This Code of Practice provides guidance regarding the general standards of delivery and performance that can be expected of a TIC Council Member Company in the execution of its duties in relation to the inspection and testing of Petroleum and Petrochemical cargoes. The term of Petroleum and Petrochemical cargoes will also extend to including all hydrocarbon products including alternative, renewable and future fuels used in the industry.

TIC Council has no responsibility or liability for acts or omissions of members or others making use of this Code of Practice.

This Code of Practice is applicable specifically to petroleum and petrochemical inspection and testing services provided by TIC Council Member Companies. However,

the main principles also apply to related services in the petroleum and petrochemical field such as calibration and metering services.

The inspection and testing of petroleum and petrochemicals by TIC Council Member Companies is normally performed in accordance with international standards and procedures published and controlled by organisations such as the American Petroleum Institute (API), American Society for Testing and Materials (ASTM), International Standards Organisation (ISO), Gosudarstvennyy Standart (GOST), European Committee for Standardization (CEN) and the Energy Institute (IP test methods and HM series of documents), local, national or military standards as well as their own procedures and those produced by their Principals.

2. Compliance and ethics

TIC Council Member Companies shall:

- a) Meet all the ethical requirements of full TIC Council membership including the operation of an active compliance programme.
- b) Train personnel and periodically reaffirm their understanding of compliance and business ethics.
- c) Not have control of any third-party operation(s) (e.g. cargo treatment) unless specifically agreed with the Principal(s).
- d) Not have control, custody or responsibility for any physical stock or cargo irrespective of the wording contained in documents relating to credit, storage, shipping or any other commercial transaction involving such stock or cargo unless this has been agreed in writing with the Principal(s).
- e) Advise the Principal(s) immediately should a TIC Council Member Company be contracted to observe testing in a third-party (e.g. terminal or refinery) laboratory, which is operated by that same TIC Council Member Company.

3. Principles

TIC Council Member Companies shall:

- a) Consider the safety of their personnel as paramount (Section 4).
- b) Obtain and distribute necessary safety related information such as SDS (Safety Data Sheets) or equivalent documentation, noting local, national and international requirements and legislation. (Section 4).
- c) Adhere to the agreed written instructions of the Principal(s) (Section 6 and Note 3 above).
- d) Apply the relevant international standards and guidelines as agreed with the Principal(s). (Section 5 and Note 3 above).
- e) Ensure that personnel are trained and provided with the relevant skills and experience in the field of petroleum and petrochemical inspections. (Section 5).

- f) Operate training and assessment systems for all personnel that meet, as a minimum, the general requirements of EN ISO 9001 or equivalent. (Section 5).
- g) Be committed to the TIC Council Inspector Certification Programme and support the scheme through training and by entering personnel for the certification examination. (Section 5).
- h) Possess equipment necessary to perform petroleum and petrochemical inspections or other special services; that equipment being available, in working order and calibrated.
- i) Operate or control laboratories capable of performing petroleum and petrochemical testing in accordance with the required test methods.

4. Health, Safety and the Environment

Personnel employed by TIC Council Member Companies are expected to operate diligently and not to take actions that will place themselves or others at risk or cause harm. Activities undertaken by TIC Council Member Companies, whether on their own premises or those of third parties, should be subject to a documented risk assessment and the prescribed procedures duly followed. Where a TIC Council Member Company employee believes that the task or the working conditions involve risks which are unacceptable or not suitably controlled, he or she has full authority to refuse to start or to refuse to continue the task. This is commonly referred to as exercising a “Stop Work Authority”. In such circumstances the task shall not be undertaken until those responsible for controlling the conditions have addressed the issues raised and an assessment confirms that it is safe to proceed.

TIC Council Member Companies follow best practice developed internally, use industry best practices and adopt industry programs in order to create a system of continuous improvement with the aim of providing a safe place of work at all times. Lessons learned by TIC Council Member Companies are shared within TIC Council and through appropriate industry forums.

TIC Council Member Companies shall not risk the safety, health and well-being of their personnel and appropriate arrangements must be made for their safety. When conducting field operations, responsibility for some of the necessary arrangements rests with the terminal and / or vessel operators who are expected to adhere to the requirements of local, national and international legislation, International Safety Guide for Oil Tankers and Terminals (ISGOTT) and other relevant guidelines. TIC Council Member Companies respect such requirements and any additional local requirements at the location where the inspection is being conducted and will not breach them.

TIC Council Member Companies will provide training for their personnel, including but not limited to guidance on common hazards such as confined space entry, static electricity, exposure to hazardous substances and gases such as hydrogen sulphide. Personnel will also be trained to exercise appropriate good judgement through dynamic risk assessments and to exercise a “Stop Work Authority” when appropriate.

Occasionally, TIC Council Member Company field personnel are requested to sign indemnities relieving the owner or operator of a site or vessel from their legal obligation to provide a safe place of work. TIC Council Member Company field personnel have no authority to sign or accept such documents on behalf of their Company and are instructed not to do so. Issues of indemnity shall be addressed with the Principal(s) through the nomination or by contract.

TIC Council Member Companies are environmentally conscious organisations and take reasonable and practical measures within their control to protect personnel and the environment.

5. Training

TIC Council Member Companies shall manage the training and experience of their personnel to ensure that the service they provide meets industry standards. Training may be provided internally and / or from external providers and members may use different training resources depending on the topic being covered.

TIC Council has developed and manages the Inspector Certification Programme (ICP). The programme specifies the training and experience that inspectors should have to ensure their competence. This is recorded in an official TIC Council format or internal records maintained by the company for each inspector. When inspectors meet these requirements, their employers can nominate them to sit an examination to gain the certificate. TIC Council Member Companies shall endeavour to certify all their inspectors through the programme. However, the initial process takes a minimum of six months, and it should be recognized that the percentage of inspectors certified at any time, within any organization, will vary as a consequence of the normal turnover of personnel.

The specified training tasks and examination questions for the Inspector Certification Programme are published on the TIC Council website and are reviewed periodically and updated as required to reflect developments in standards and industry practice.

6. Nomination and Acknowledgement

The TIC Council Member Company is not an agent for its Principal(s) but acts under a mandate from its Principal(s). This mandate is often referred to as a nomination. The Energy Institute has prepared and published a guidance document, HM62, which gives recommendations for nomination, contract review and acknowledgement.

A nomination for inspection should be sent by the Principal(s) in sufficient time and in sufficient detail at least 24hrs prior to the inspection to allow the TIC Council Member Company to conduct a contract review and confirm that the instructions can be complied with. Insufficient notice and / or instructions may lead to misunderstandings and / or errors for which the TIC Council Member Company will not be responsible.

Following contract review all nominations should be acknowledged by the TIC Council Member Company and the acknowledgement should include:

- reference to the details of the inspection, including the quantity and tolerances
- reference to the standards and procedures being followed
- confirmation that any test methods required can be executed. Where this is not possible alternatives can be offered for consideration by the parties
- any anomalies or contradictory instructions from Principals
- reference to any specific agreement under which the work is being done
- applicable terms and conditions under which the work is being done

The TIC Council Member Company and the Principal/s shall exchange information necessary for the proper conduct of the inspection. This should include:

- contact names, email addresses and telephone numbers, including contacts for out of normal working hours
- requirements for inspection updates from the TIC Council Member Company
- requirements for inspection documentation and distribution
- requirements for testing
- quantity and quality specifications and tolerances

7. Services

The TIC Council Member Company shall provide services at the time and place agreed with its Principal(s), within the scope agreed with the Principal and, unless expressly agreed otherwise, subject to the TIC Council Member Company's General Terms and Conditions of Business. The basis of the scope of services shall be the express instructions of the Principal(s) received in writing by the TIC Council Member Company at the appropriate time. The TIC Council Member Company may also take additional actions if such are necessary in the circumstances to perform the agreed services and such actions do not contradict the Principal's express instructions.

The TIC Council Member Company shall report to the Principal(s) the information required by the agreed scope of services. Reporting is to be done to the Principal(s) only, unless otherwise expressly instructed by the Principal(s) or as is required by local legislation (e.g. reporting to Customs Authorities).

The TIC Council Member Company may also report on any additional points relevant to the inspection or testing performed if it considers such additional information relevant and of potential interest to the Principal(s) but the TIC Council Member Company shall not have any liability for not reporting on anything beyond the scope agreed with the Principal(s) in the appointment.

Unless otherwise expressly agreed with the Principal(s) the involvement of the TIC Council Member Company shall be to observe, record and report to the Principal(s) only on those matters within the scope of the nomination. Any such report shall be valid only for the time and place of the inspection.

The TIC Council Member Company shall not be or be deemed to be a party in any contract of sale, carriage etc. or to substitute for any contractual party. Under no circumstances does the TIC Council Member Company's involvement relieve any party to such a contract from its contractual responsibilities or other legal obligations.

The Services of a TIC Council Member Company may include but are not limited to the following:

- quantity inspection
- quality inspection
- sampling
- laboratory testing
- measuring, sampling, testing and inspection within the limits of the nomination
- reporting the facts, events and figures obtained by its inspectors at intervals before, during and after the inspection as detailed in the nomination
- monitoring of the operations as specified in the nomination
- other related services such as cargo treatment, calibration, meter proving.

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8. Sampling

Sample sealing:

Samples drawn by a TIC Council Member Company and maintained under their control are not normally sealed unless specifically requested. Where sampling is to be done jointly, the sealing of the samples must bear the marks of all interested parties. If an interested party is not equipped to perform such sealing, their signature on labels may be accepted.

Samples leaving the control of a TIC Council Member Company shall be sealed and records kept of the respective seal numbers should they be required for future reference.

Samples submitted by other parties:

Samples are sometimes submitted to TIC Council Member Companies for testing where they have not performed or observed the sampling operation and therefore have no knowledge of the sample source, sampling method, the quantity the sample represents or how representative the sample may be. TIC Council Member Companies cannot be held liable for any differences in the analysis results produced from samples submitted in this way and results from any subsequent sampling and analysis purported to be from the same source or cargo and should add appropriate disclaimers to the analysis reports.

9. Tank Inspection

It is the tank owner's responsibility to ensure that tanks are in a suitable condition to receive the intended cargo. However, the TIC Council Member Company will record, so far as reasonably possible, the condition of tanks and associated pumps and lines, for the presence of residues and the existence of any foreign odours. No responsibility can be taken for inaccessible areas within those tanks, pumps and pipelines.

Safety and environmental concerns, frequently supported by legislation or local regulation, often prevents direct access to tanks. Where inspections cannot be performed visually, a limited indirect assessment of tank floor residues may be carried out using soundings from available access points. Reports will note that this procedure was used, with findings as at the time of the inspection.

TIC Council Member Companies will not countersign third party Tank Inspection Certificates or Reports without an appropriate agreement and / or disclaimer and will issue their own report when and as requested.

The inspection does not relieve the parties to the contract of sale or those to the contract of carriage from their obligations; notably those pertaining to the presentation of a receptacle fit for carrying or containing the goods.

10. Subcontracting of Analysis

The execution and the choice of subcontractor and any respective fees will be advised accordingly. It should be noted that when analysis is subcontracted on behalf of the Principal(s) then the TIC Council Member Company will not be responsible for the

results obtained unless risk has been transferred by contract. Should a Principal(s) object to this condition, it is appropriate for the Principal(s) to contract directly with a laboratory of their choice under separate terms and conditions of responsibility. The TIC Council Member Company will then offer up a sealed sample to the chosen contractor.

11. Test Observation in Third Party Laboratories

Where tests are performed by persons other than the personnel of the TIC Council Member Company and the TIC Council Member Company is contracted to observe the testing, the TIC Council Member Company will pass the results to the Principal(s) “as received” without any responsibility for the accuracy of the results:

- all apparatus, instrumentation and measuring devices are assumed to be in calibration and in good working order
- reagents and standards are accepted as utilized
- the laboratory technicians are assumed to be qualified
- the responsibility of the TIC Council Member Company is limited to its representative attending during the testing and ascertaining that in their opinion the tests were carried out on the correct sample.

If the Principal(s) require a more detailed observation of the performance of the testing, with regard to adherence to the required test methodology, standardization of instruments, traceability of standards, observation of good laboratory practice, etc., the TIC Council Member Company can be contracted to supply such a service by special arrangement.

12. Reports and Certificates

No party should rely on a Report or Certificate without understanding that it is issued subject to contractual Terms and Conditions and to applicable material statements, which form an integral part of such Report or Certificate and may consist of several pages. Where the TIC Council Member Company has adopted Terms and Conditions of Business based on the Model Terms and Conditions recommended by TIC Council, these will include provisions which limit the amount of damages for which the TIC Council Member Company may be liable.

The issuance of Reports and Certificates does not relieve any party of its legal obligations.