Compliance Code

Introduction

Compliance Code Objective

The objective of the Intertek Compliance Code ("Code") is to explain Intertek's approach to Compliance within its organisation. This approach accords with the IFIA (International Federation of Inspection Agencies) Compliance Code which aims to enhance the status of the Profession by ensuring that each IFIA Member ("Member") abides by high standards of professional conduct throughout its Organisation to assure its ethical behaviour and the integrity of its services.

Some of the key components of this Compliance Code are summarized in the Intertek Code of Ethics, which all employees sign on joining the group. Both the Compliance Code and Code of Ethics are posted on the group intranet and on www.intertek.com.

Code Definitions

Any words and expressions which are defined in the IFIA Articles of Association, shall have the same meaning in this Code unless otherwise defined herein.

Code Documentation

This Code consists of two parts as follows:

(i) **Intertek Compliance Principles**: stipulating the fundamental Principles of Compliance in respect of integrity, conflicts of interest, confidentiality, anti bribery and fair marketing (Section I)

(ii) **Intertek Compliance Rules**: providing the implementation requirements of the Intertek Compliance Principles (Section II).

I Intertek Compliance Principles

1. Integrity

Intertek shall operate in a professional, independent and impartial manner in all its activities.

Intertek shall carry out its work honestly and shall not tolerate any deviation from approved methods and procedures. Where approved test methods make provision for tolerances in results, Intertek shall ensure that such tolerances are not abused to alter the actual test findings.

Intertek shall report data, test results and other material facts in good faith and shall not improperly change them, and shall only issue reports and certificates that correctly present the actual findings, professional opinions or results obtained.

2. Conflicts of interest

Intertek shall avoid conflicts of interest with any entity in which it has a financial or commercial interest and to which it is required to provide services.

Intertek shall avoid conflicts of interest or undue influence between its companies and/or divisions engaged in different activities but which may be providing services to either the same client or each other.

Intertek shall ensure that its employees avoid conflicts of interest with the activities of Intertek.

3. Confidentiality

Intertek shall treat all information received in the course of the provision of its services as business confidential to the extent that such information is not already published, generally available to third parties or otherwise in the public domain.

4. Anti-bribery

Intertek shall prohibit the offer, payment or acceptance of a bribe in any form, including kickbacks on any portion of a contract payment.

Intertek shall prohibit the use of any third parties for provision of improper benefits to, or receipt of improper benefits from, customers, agents, contractors, suppliers, or employees of any such party, or government officials.

5. Fair marketing

Intertek shall only present itself and conduct marketing, including any comparisons with or references to competitors or their services, in a manner that is truthful and not deceptive or misleading.

II. Intertek Compliance Rules

1 Implementation

Intertek has implemented a Programme[1], based on this Code, throughout its Organisation centrally coordinated by the Vice President Risk Management and Internal Audit with the Business Stream Compliance Officers working at the divisional level.

2 Intertek's Compliance Principles and Rules

2.1 The Intertek Group Board[2] has confirmed its commitment to implementing the IFIA Compliance Code by publishing this Code.

2.2 Intertek has sent a copy of this Code to the Director General of IFIA for verification of compliance with the IFIA Compliance Code.

3 Compliance Officer

The Board has ultimate responsibility for its compliance Programme. The Vice President Risk Management and Internal Audit is appointed as the Compliance Officer, who, irrespective of his/her other responsibilities shall have responsibility and authority for the coordination of the implementation of the Programme throughout Intertek's Organisation. Additionally, he/she shall be assisted by the Business Stream Compliance Officers in the implementation at divisional level.

4 Compliance Committee

The Board has established an Audit and Risk Committee which serves as the Compliance Committee (as defined by IFIA). The Committee meets four times per year. The Audit and Risk Committee, as part of its duties, carries out an annual review[3] of the progress of the Programme and provides policy guidance. The Audit and Risk Committee is composed of non executive directors from the Board who receive reports from the Vice President Risk Management and Internal Audit.

5 Human Resources

5.1 Recruitment

Prior to recruitment, prospective employees of Intertek are informed of Intertek's Compliance Programme.

[1] **"Programme"** means the entire system employed by Intertek to ensure compliance with the Code including Intertek's Compliance Principles and Rules, software, processes, internal procedures, etc.

[2] **"Group Board"** is the Board of Directors of Intertek Group plc.

[3] The scope of the annual review includes receiving compliance reports, audit reports and ad hoc reports.

5.2 Employee commitment

Intertek ensures that:

(a) a copy of the Code is available to all employees. Intertek employees are required annually to confirm in their annual appraisal their understanding of, and adherence to, Intertek's Code of Ethics.

(b) each Senior Manager shall be required to sign an annual declaration that Intertek's Programme has been implemented in his/her area of responsibility, and that violations of the Code have been reported. The Senior Manager's are nominated each year by the respective divisional or functional head. The VP Risk Management & internal Audit reviews and coordinates this exercise.

Employees will not suffer demotion, penalty or any other adverse consequences arising from strict implementation of the Programme even if it may result in a loss of business.

5.3 Training

All employees, including managers, undergo Compliance Training upon employment and periodically thereafter. A Record of training is maintained.

5.4 Consultation on Code development

Employees shall have the opportunity to provide input on the development of the Programme during performance evaluations, staff training sessions, at review meetings, directly through their superiors or staff representatives, or directly to the Vice President Risk Management and Internal Audit or the Business Stream Compliance Officers.

5.5 Ensuring Employee understanding of the Code

Employees shall have an ongoing understanding of the Code through periodic training, briefing, internal communications or during employee performance evaluations.

5.6 Employee "Help Lines"

"Help lines" (telephone, email, etc.) from which employees may obtain guidance on any question or matter of concern relating to the implementation or interpretation of the Code shall be provided. These will normally be through the relevant Compliance Officer or the Vice President Risk Management & Internal Audit. At the employee's request, any such question shall be dealt with confidentially and the anonymity of the employee shall be protected to the extent reasonably practicable.

6 Security Measures

Adequate security measures are taken on premises containing confidential business information to ensure that (i) access is restricted to authorised personnel only and (ii) documents/data are stored in designated secure areas and disposed of in a secure manner.

7 External Communications

Effective external communications are ensured by:

7.1 Publicly disclosing the Code and related information.

7.2 Providing facilities and tools, to receive and process enquiries, complaints or feedback from relevant interested parties. The hotline function on the group website may be used for such communications.

8 Reporting of Violations

8.1 Employees are required to report details of violations or suspected violations to either (a) the Vice President Risk Management and Internal Audit or the Business Stream Compliance Officers or (b) the employee's superior or member of senior management or internal auditor who shall, in turn, inform the Vice President Risk Management and Internal Audit. The reporting employee shall be fully protected against any form of reprisal unless s/he acted maliciously or in bad faith. If requested, the employee's anonymity shall be protected to the extent reasonably practicable. The existence of hotline email addresses are communicated to all staff so that employees can report anonymously. Posters showing hotline details should be displayed in all locations.

8.2 Employees are required to report any solicitation for, or offer of, an improper payment or advantage coming to their knowledge in the same manner as provided for under section 8.1.

9 Intertek's Investigations and Sanctions

9.1 A Business Stream Compliance Officer or his/her nominated delegate(s) shall initiate, where appropriate, an investigation into any violation of the Programme reported to him/her or coming to his/her knowledge for his/her business stream.

9.2 A procedure for the handling of investigations and sanctions shall include requirements for:

(a) The maintenance of records of all reported violations and subsequent actions taken.

(b) The alleged perpetrator of such violation to have the right to be heard.

(c) The management to decide on the appropriate corrective and disciplinary measures to be implemented if a violation has been established. These measures may include a reprimand, demotion, suspension or dismissal.

(d) The Vice President Risk Management and Internal Audit to receive progress reports from the Business Stream Compliance Officers.

10 Effectiveness of the Programme Implementation

10.1 Employee Declarations

Employees are required annually to confirm in their annual appraisal their understanding of, and adherence to, Intertek's Code of Ethics.

10.2 Management declarations

As described in 5.2 (b), Senior Managers are required to prepare and sign, on an annual basis, a Compliance Declaration which, as a minimum, shall be based on the template contained in Annex A. These Compliance Declarations shall be received, in respect of all applicable sites and/or activities, by the Business Stream Compliance Officers who shall consolidate and submit to the Audit and Risk Committee via the Vice President Risk Management and Internal Audit.

10.3 Internal audits

Internal auditors (which may include the group internal audit function and/or internal quality auditors), as part of their internal audit plan, are nominated to verify that the Code has been implemented within the Organisation and that the Management Declarations, as per section 10.2., (a) have been completed and (b) reflect compliance with the Code and (c) in respect of those locations selected for site audits, correctly reflect the actual situation. Such site audits shall review the processes in place and include testing, on a sampling basis, to ensure the effective application and implementation of the Programme.

The compliance findings resulting from such audits shall be reported to the Vice President Risk Management and Internal Audit who shall submit a summary report to the Compliance Committee. The Vice President Risk Management and Internal Audit and/or the Audit & Risk Committee shall take follow - up actions where appropriate.

10.4 External examinations

10.4.1 Frequency

The effectiveness of the implementation of the Programme shall be examined at least annually by an appointed independent external audit firm. The required scope of the examination is detailed in section 10.4.5**.**

10.4.2 Independent external audit firm

An appointed independent external audit firm is appointed to carry out this examination which:

(a) shall be (i) either the firm engaged for the audit of Intertek's (consolidated) financial statements or another external audit firm entrusted with auditing Intertek's Programme and, in either case, (ii) a member of a recognised national professional accountancy organisation or approved by the IFIA Council as being appropriately qualified for the verification of Intertek's Programme and

(b) for Intertek's international operations: shall be an international audit firm having offices in most countries or regions where Intertek operates and employing a uniform international audit approach and methods.

10.4.3 Use of complementary external audit firms

(a) If, as per section 10.4.2(b), there are countries of operation where the international audit firm does not have offices and it is necessary to use different external audit firms(which shall comply with section 10.4.2(a)), or correspondent audit firms which do not apply a uniform approach and methods, Intertek and its international external audit firm shall report to the Director General of IFIA on the arrangements made to ensure that a consistent examination of the Programme implementation is achieved in respect of all locations. In such cases, the international external audit firm shall act as the co-ordinator of the other external audit firms and prepare one consolidated Assurance Report.

(b) The appointed external audit firm may, by agreement with Intertek, utilise the services and reports of independent management system certification or accreditation bodies [4] which have performed audits of the management systems based on international standards. However, such certification and accreditation bodies or their reports shall not be used for the verification of financial and related aspects, included in the specific Anti Bribery requirements and section 11, without the prior approval of the IFIA Council.

[4] Certification Bodies shall be accredited by a member of the International Accreditation Forum Multilateral Arrangement. Accreditation Bodies shall be signatories to the IAF or ILAC (International Laboratory Accreditation Cooperation) Multilateral Arrangement.

10.4.4 Notification to IFIA of Intertek's appointed external audit firm(s)

Prior to the appointment of the external audit firm(s), or any subsequent proposed changes thereof, details shall be submitted to the Director General of IFIA for confirmation of compliance with IFIA requirements.

10.4.5 Scope of examination

For the purposes of demonstrating Intertek's conformance with the IFIA Compliance Code, the external audit firm is required to review and report on Intertek's procedures and records to the extent required as set out in IFIA's Compliance Code.

The external audit firm is required to send a copy of their report to the Director General of IFIA within 6 months of Intertek's financial year.

11 Application of the Code in Business Relationships

To ensure the Code is applied, to the extent appropriate, in the business relations with external parties such as intermediaries, joint venture partners, agents and subcontractors, contractors and suppliers, and customers the following shall be implemented:

11.1 Intermediaries[5]

To (a) ensure each Intermediary's compliance with Intertek's Compliance Principles and (b) avoid improper payments being channeled through Intermediaries, Intertek shall provide all Intermediaries with a copy of Intertek's Compliance Principles and:

11.1.1 Prior to appointing an Intermediary, or renewing or substantially revising the terms of the appointment of an Intermediary, conduct due diligence which shall include:

(i) A risk analysis

(ii) An interview with the Intermediary

(iii) Confirmation that, in the event of the intermediary's appointment, or reappointment, the intermediary accepts that their contract with Intertek shall require their full compliance with the Principles and allow that this may be periodically verified by Intertek.

(iv) An investigation of the Intermediary's background which, for Intermediaries required to deal with government officials, shall be performed by an independent investigator.

(v) A verification that the remuneration paid to each Intermediary is appropriate and justifiable for legitimate services rendered, and does not facilitate improper payments by an Intermediary, through:

(A) A remuneration analysis. This may include, where appropriate, consideration of:

(a) the remuneration of other Intermediaries already used by Intertek for performing a similar function

(b) quotations from other prospective Intermediaries

(c) local market information on rates paid to Intermediaries

(d) justification for the rate proposed for the prospective Intermediary, and

[5] **"Intermediary"** is any entity or individual external to Intertek, that/who is required, as part or all of its/his/her responsibilities, to promote the services of Intertek to Government officials or departments. This includes "middlemen", consultants and advisors for obtaining business or used in business negotiations.

(B) A review of the remuneration analysis and, for Intermediaries required to deal with government officials, an approval by the Compliance Committee prior to any payments being made to the prospective Intermediaries.

11.1.2 Monitor the Intermediary's continual compliance with the Intertek's Compliance Principles and, in the event of breach, take remedial action which could, for serious breaches, result in termination of the contract. All agreements with Intermediaries shall allow Intertek to terminate the association upon the Intermediary breaching Intertek's Compliance Principles.

11.1.3 Where appropriate, provide training and support to the Intermediary.

11.1.4 Maintain records of fulfillment of the above mentioned requirements, including a copy of the contract with the Intermediary, consistent with the Intertek's Compliance Principles .

11.1.5 Account for the intermediaries' remuneration in a separate general ledger account in the accounting records. All such payments shall be consolidated.

11.1.6 Prepare annually a consolidated management statement of Intermediaries' remuneration.

11.1.7 Not deal with Intermediaries which it knows to be involved in bribery.

11.2 Joint venture partners

11.2.1 Due diligence of prospective joint venture partner(s) shall be conducted to the extent determined by risk analysis and may include some or all of the components outlined in section 11.1.1.

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11.2.2. Intertek shall not deal with any joint venture partner(s) which it knows to be involved in bribery as defined in Section 4 of the Compliance Principles.

11.2.3 The joint venture partner's compliance with the Intertek's Compliance Principles shall be monitored through monitoring of its conduct and, as appropriate, periodic verification. All joint venture agreements shall allow Intertek to terminate the joint venture upon the joint venture partner breaching Intertek's Compliance Principles.

11.3 Agents, correspondents and subcontractors[6]

11.3.1 Due diligence of prospective agents, correspondents and subcontractors shall be conducted to the extent determined by risk analysis and may include some or all of the components outlined in section 11.1.1.

11.3.2 Where appropriate, training for agents, correspondents and subcontractors shall be provided.

11.3.3 Intertek shall not deal with agents, correspondents and subcontractors which it knows to be involved in bribery as defined in Section 4 of the Compliance Principles.

11.3.4 The agent's, correspondent's or subcontractor's compliance with the Intertek's Compliance Principles shall be monitored through monitoring of their conduct and, as appropriate, periodic verification. All agreements with agents, correspondents and subcontractors shall allow Intertek to terminate the agreement upon the agents, correspondents or subcontractors breaching Intertek's Compliance Principles.

[6] **"Agent"** shall mean an external entity that is granted Agency status and is required as part or all of its responsibilities to provide operational services on behalf of Intertek**. "Correspondent"** shall mean an external entity with no Agency status that is required, by written arrangement as part or all of its responsibilities to provide operational services, on behalf of Intertek. **"Subcontractors"** shall mean entities or persons performing outsourced activities on behalf of Intertek.

11.4 Contractors and suppliers

11.4.1 Procurement practices shall be conducted in a fair and transparent manner.[7]

11.4.2 Due diligence shall be considered in evaluating major prospective contractors and suppliers. The appropriateness and extent of due diligence shall be determined by risk analysis and may include some or all of the components outlined in section 11.1.1.

11.4.3 Intertek's Compliance Principles shall be made known to major contractors and suppliers used in the course of government jobs.

11.4.4 Intertek shall avoid dealing with contractors and suppliers which it knows to be involved in bribery as defined in Section 4 of the Compliance Principles.

Where practical, all agreements with contractors and suppliers shall allow Intertek to terminate the agreement upon the contractor or subcontractor breaching Intertek's Compliance Principles.

11.5 Customers

11.5.1 Dealings with customers shall be conducted in a fair and honest manner.

11.5.2 Due diligence shall be considered in evaluating major prospective customers. The appropriateness and extent of due diligence shall be determined by risk analysis and may include some or all of the components outlined in section 11.1.1.

11.5.3 Intertek's Compliance Principles shall be available to all customers.

11.5.4 Intertek shall avoid dealing with customers which it knows to be involved in bribery as defined in Section 4 of the Compliance Principles.

Where practical, agreements with customers shall allow Intertek to terminate the agreement upon the customer breaching Intertek's Compliance Principles.

12 Complaints and Disciplinary Procedures

12.1 Complaints concerning alleged noncompliance with this Code by Intertek or other IFIA Members shall be lodged with IFIA in accordance with the IFIA Complaints and Disciplinary Procedures. Any complaints lodged by Intertek concerning other IFIA members should be lodged via the Vice President Risk Management & Internal Audit.

[7] "**Fair and transparent manner**" shall mean that Intertek's purchasing and procurement processes ensure level and equal terms of competition and should set out and publicise how bids and quotations are invited and assessed. This will include the criteria and specifications against which decisions are made and confirm that competitive bids are obtained for all larger contracts and full information is provided on the decision process.

13 Specific Applications of Intertek's Compliance Principles

13.1 Integrity

13.1.1 Employees shall politely decline any request by clients to breach any Compliance Principle and shall immediately report the details to their line manager. The line manager should report the incident to the relevant Compliance Officer, who should in turn report it to the Vice President Risk Management & Internal Audit. Where approved test methods make provision for tolerances in results, such tolerances shall not be abused by employees to alter the actual test findings.

13.1.2 In respect of those business sectors in which Intertek is active, Intertek shall comply with any sector specific Integrity Rules published by the applicable IFIA Committee.

13.2 Conflicts of interest

13.2.1 In order to avoid conflicts of interest, or the appearance of conflicts of interest, in business transactions and services, Intertek maintains the following policy.

13.2.2 Conflicts of interests between

i) Intertek and entities in which Intertek has a financial or commercial interest and to which it is required to provide services, and ii) Intertek's companies and/ or divisions engaged in different activities but which may be providing services to either the same client or each other shall be avoided.

13.2.3 Intertek's policies provide, at a minimum, that Intertek's Employees shall not:

a) directly or through relatives, friends or intermediaries, acquire an interest in a supplier, a client or a competitor of Intertek, except for the acquisition of shares of a client, supplier or competitor on a public stock exchange, and then only to an extent which does not grant significant influence over the affairs of the client, supplier or competitor and which does not make the employee unduly dependent on its financial fortunes;

b) hold any position (such as an employee, officer, director, trustee or advisor) with a competitor or client;

c) commit Intertek to conduct any company business with any member of their direct family or relationship partner without higher approval. Where any Intertek employee wishes to commit Intertek to conduct such business, then a request must be made for approval by the divisional EVP or Group functional head. Any such request must clearly state the reasons for the proposal to award work to a related party. Existing arrangements will be allowed to continue, and are covered by the requirement to declare related party transactions for EVP approval at year end (see below).

d) authorise or take any part in the recruitment process of members of their direct family or relationship partner. This applies to new hires only. In the case of existing family members already working for Intertek, and in the case of any staff joining Intertek through acquisition, then this clause does not apply.

e) trade in Intertek shares in violation of any laws, regulations or Intertek policies governing the purchase or sale of such shares.

13.2.4 All directors are required to disclose any related party transactions on an FRS8 form at year end.

13.3 Confidentiality

13.3.1 Each employee is required to sign a Non-disclosure Agreement which prohibits the disclosure of any confidential business information, obtained during the course of his/her employment, to other parties. This may form part of the employee's employment contract.

13.3.2 All intermediaries, joint venture partners, agents, correspondents, subcontractors, contractors and suppliers are made aware of the confidential nature of business information that they may handle through their dealings with Intertek, and that they should not disclose confidential information to other parties.

13.4 Anti bribery

13.4.1 Compliance with laws

a) It is Intertek's policy to **never** accept, offer or pay a bribe, either directly or through any third party. It is also Intertek's policy to comply with all anti-bribery legislation.

b) If any Intertek employee becomes aware of any actual or offered bribes, then they must report this to their line manager. The line manager must report this to the relevant Compliance Officer, who should in turn report it to the Vice President Risk Management & Internal Audit.

c) Intertek Compliance Code shall meet the requirements of the IFIA Compliance Code and all laws relevant to countering bribery in all the jurisdictions in which Intertek operates.

d) In the event that the local laws specify additional or different requirements, which are not covered by the Programme, Intertek shall modify its Programme for the country or countries concerned. Records shall be kept of countries where their Programme has been modified.

13.4.2 Analysis of risks

The Vice President Risk Management and Internal Audit, the Business Stream Compliance Officers and/or the senior executive, or his/her delegate, in each country of operation shall organise periodic reviews to assess bribery risks and determine appropriate control measures. Such reviews shall be systematically conducted:

(i) Prior to the commencement of a new service or the start up of operations in a new country and

(ii) Whenever a significant breach of the Code occurs which warrants a review of the existing control measures.

13.4.3 Political contributions[8]

Neither Intertek, nor its employees, agents or intermediaries (in the course of their employment with Intertek) shall make direct or indirect contributions to political parties, organisations or individuals engaged in politics.

13.4.4 Charitable contributions and sponsorships[9]

To ensure that charitable contributions and sponsorships are not being used as a subterfuge for bribery, the following authorization limits shall apply:

Divisional EVPs – individual donations up to £5k. Maximum cumulative value up to £25k p.a.

Group CEO – individual donations up to £10k. Maximum cumulative value up to £50k p.a.

Group Board – individual donations over £10k.

[8] **"Political contributions"** include any contribution, made in cash or kind, to support a political cause. Contributions in kind can include gifts of property or services, advertising or promotional activities endorsing a political party, the purchase of tickets to fundraising events and contributions to research organisations with close associations with a political party.

[9] **"Charitable contributions"** in the context of anti bribery shall mean payments made for the benefit of society for charitable, education, social welfare and similar causes. The payments are made without demand or expectation of business return.

"Sponsorship" in the context of anti bribery shall mean a transaction where the enterprise makes a payment, in cash or in kind, to associate its name with an activity or other organisation and receives in consideration for the sponsorship fee, benefits such as advertising credits in media, events and publications, use of facilities and opportunities to promote its name, products and services. It is a business transaction and part of promotion and advertising.

Divisional EVPs need to refer all requests for charitable contributions or sponsorships to the Business Stream Compliance Officers for risk assessment. This assessment will determine whether any due diligence is necessary and if so, the extent of due diligence required. All charitable contributions or sponsorships over £10k shall be subject to due diligence. The scope of due diligence should ensure:

(a) The organisation receiving the contribution or sponsorship is reputable, following a purpose unequivocally in the public interest, and having the financial and personnel resources required to reach its purpose. Care should be taken to ensure that the organisation is not a "front" for some other purpose. Donations to individuals shall be avoided unless approved and monitored by the Compliance Committee.

(b) There are no conflicts of interest.[10]

Sponsoring agreements shall be in writing and state the consideration being offered by Intertek: if funds are offered, the use of these funds shall be specified in detail and an opportunity to check on their use must exist.

Records shall be maintained locally of all charitable contributions and sponsorships and progress monitored to ensure that they have been used for the intended purpose.

All charitable contributions and sponsorships made by Intertek shall be accounted for in a separate general ledger account in the accounting records. All such payments shall be consolidated. A consolidated management statement of all charitable contributions and sponsorships made by Intertek or on its behalf shall be prepared annually.

13.4.5 Facilitation payments[11]

Intertek, its employees, subcontractors, agents, correspondents and intermediaries shall not make facilitation payments.

13.4.6 Gifts, hospitality and expenses

Intertek prohibits the offer or receipt of gifts, hospitality or expenses whenever such arrangements could affect the outcome of business transactions and are not reasonable and bona fide expenditures.

To ensure that the offer or receipt of gifts, hospitality or expenses does not:

(a) Influence, or be perceived to influence, a contractual or material transaction or
(b) serve, or be perceived to serve, as an inducement to act in breach of duty, the following policy applies:

(i) Gifts hospitality and expenses shall be:

- *Made for the right reason and without obligation*: the gift or entertainment should be given clearly as an act of appreciation or genuine business intent, and the gift, entertainment or expense does not place the recipient under any obligation
- *Without expectations:* expectations are not created in the giver or an associate of the giver or have a higher importance attached to it by the giver than the recipient would place on such a transaction
- *Made openly:* if made secretly then the purpose will be suspect
- *In accordance with stakeholder perception:* the transaction would not be viewed unfavourably by key stakeholders if it were made known to them
- *Reported:* Any extraordinary gift or expense shall be recorded and reported to the management
- *Of reasonable value*: the size of the gift is small or the value of the entertainment accords with general business practice
- *Legal*: it conforms to the laws of the country where it is made and with all other applicable laws.
- *In conformance with Intertek's rules*: the gift or entertainment meets the rules of the Intertek Compliance Code
- *Infrequent:* the giving or receiving of the items is not a frequent happening between the giver and the recipient and conforms with the guidelines in (ii)

[10] **Conflicts of interest** could occur if an employee of a customer or public body involved in the transaction has an association with the recipient organisation and his/her judgment regarding the award of contracts, or review of tenders, could be perceived as being affected by the contribution or sponsorship. Similarly, employees or business partners of Intertek may have links with the recipient organisations which could result in a conflict of interest.

[11] **"Facilitation payment"** is a small payment made to secure or expedite the performance of a routine or necessary action to which the payer of the facilitation payment has legal or other entitlement.

(ii) Intertek employees, agents, correspondents or intermediaries may not ordinarily give or receive gifts with a value exceeding US$25. Local or business stream Managers may implement a lower threshold value in accordance with the local economy if deemed appropriate. The frequency of offering or receiving a gift shall not exceed twice per year to or from any single party.

(iii) Where gifts to be offered or received exceed the rules in (ii), they are to be reported immediately to the employee's, agent's, correspondent's or intermediary's line and Country Manager. The Country Manager determines whether the gift may be offered, received, retained by the employee or surrendered and disposed[12] of in accordance with the principles in (i). Records of any such extraordinary gifts are to be kept and are subject to audit by the Business Stream Compliance Officer. Where the Country Manager requires advice on the acceptability of a gift, they shall confer with the Business Stream Compliance Officer.

(iv) In the case of hospitality and entertaining, the criteria in (i) apply. Employees, agents, correspondents or intermediaries are expected to act reasonably when paying for or accepting hospitality. As a guideline the expense value should not generally exceed what Intertek would consider reasonable for the employee to spend on their own subsistence. Local or business stream managers may set specific guidelines within their areas of responsibility based upon the principles of (i) and (iv).

(v) All extraordinary expenses/proceeds as specified in (iii) or outside the guidelines in (iv), shall be accounted for in a separate general ledger account in the accounting records. All such payments shall be consolidated.

(vi) A consolidated management statement, of all extraordinary[13] expenses / proceeds shall be prepared annually.

13.4.7 Accounting and book keeping

Accurate books and records which properly and fairly document all financial transactions shall be maintained. Off the books accounts are prohibited.

13.5 Fair marketing

13.5.1 Employees, agents and intermediaries are to ensure that they understand and adhere to the Principle governing Fair marketing.

13.5.2 Presentations and publications[14] shall accurately and unambiguously reflect Intertek's network and affiliations, resources / capabilities, experience and services provided.

[12] Possible means of disposal could include general distribution to all employees (e.g. through lottery) or donation to charity.

[13] "**Extraordinary**" shall mean outside the limits / guidelines set in the Code

[14] **Presentations and publications** may include, but not be limited to, meeting or conference/seminar presentations, Tenders or Offers of services, websites, promotional material, etc.

Annex A

Statement on Internal Controls (*This sign off letter should be typed on your letter headed paper*)

Date

To [*Address this letter to the person you report to*]

I do hereby declare that in implementation of Intertek's Compliance Programme as set out in the Intertek Compliance Code for the year ending……in each of the locations and/or activities falling under my area of responsibility :-

1. To the best of my knowledge I, and the members of staff reporting to me, have complied in all respects with the Compliance Programme;

2. I have verified that the Compliance Programme has been distributed to each Employee who had not previously received them;

3. I have fully and completely reported to the Compliance Officer any violation or suspected violation of the Programme, including any solicitation or offer of any improper payment or advantage, which has come to my knowledge;

4. I have fully and completely implemented all corrective and disciplinary actions required by the Compliance Code in respect of any violation of the Programme.

Name……. Date……

Signature……

CC: Business stream Compliance Officer