



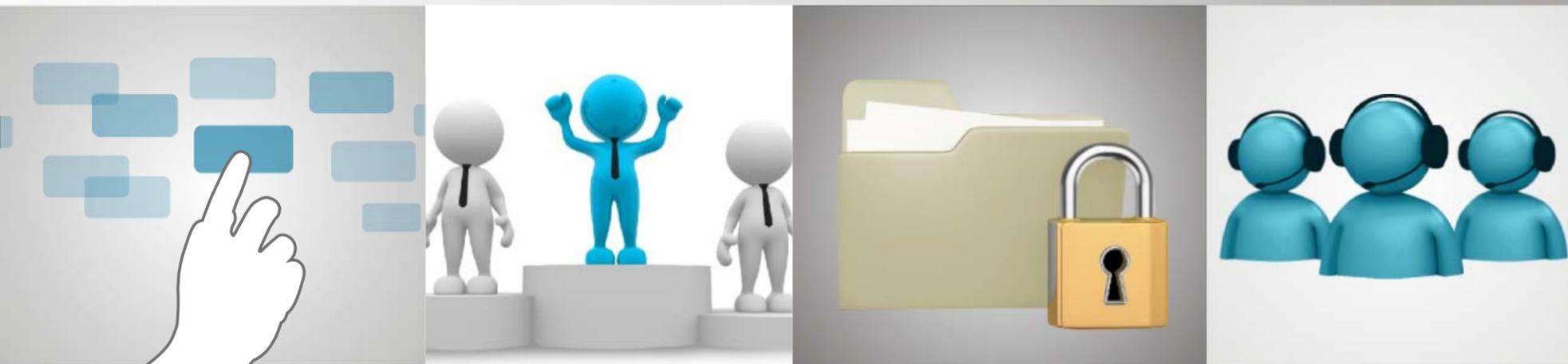
Valued Quality. Delivered.

COMPLIANCE

NEWSLETTER



Issue 9
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Intertek

Valued Quality. Delivered.



The Compliance Newsletter of Intertek provides a medium of Intertek Group to maintain sincere and open communication with our clients and partners in the industry. It aims at sharing information, exchanging and learning experience in order to achieve extensive consensus and cooperation on compliance management. With the persistent effort and ceaseless innovation, Intertek has always dedicated to promoting the performance and result of compliance management.

Currently, Intertek China has set about to establish the integrity website providing a variety of services for the clients, including integrity information, safe and convenient channels for corruption report, and diverse interaction tools. It also positively explores multi-cooperation to realize mutual benefit and win-win situation.

To tackle the increasingly covert and complicated corruption activities, Intertek China is mobilizing all forces from all parties concerned, exchanging successful experience to achieve a breakthrough. The integrity website is a platform for Intertek China to develop in-depth direct cooperation with clients in the efforts to pursue the incorrupt environment.

Intertek Group welcomes collaborations and supervisions from clients and the industry, as well as assistance to further improve our compliance management.

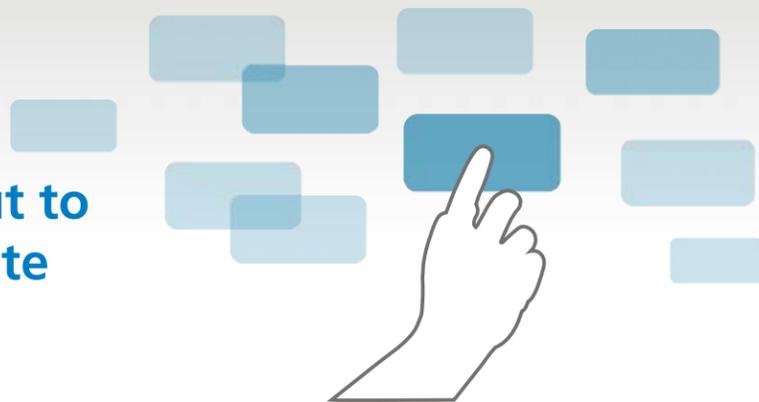
Sina Wang

Senior Manager

Legal, Compliance and Risk Management

Intertek China

Intertek China Sets About to Establish Integrity Website



In order to furnish our clients, suppliers and cooperative factories with up-to-date integrity information, safe and reliable channels for corruption report, and flexible interaction tools, Intertek China decides to set up integrity website for the purpose of a convenient platform established for more in-depth and direct cooperation.

This website will assist Intertek China in constantly improving the anti-corruption management system, comprehensively mobilizing forces from all parties concerned, exchanging experience and cooperation to make breakthrough in anti-corruption efforts, and enhancing the efficiency to report and investigate corruption activities. By proactively listening to different voices, Intertek China will continuously improving anti-corruption management on a long-term basis.

By browsing the integrity website of Intertek China, the visitors can access all the relevant integrity policies and systems of Intertek, acquire timely news highlights, announcements, feature articles, anti-corruption training and Intertek Compliance Newsletter, and access to resolutions on anti-corruption management and policy implementation. This website also shares information about cases under investigation. In addition, visitors can also make a report or complaint about corruptive code of conduct and leave a message. Intertek China Legal, Compliance and Risk Management will collect, follow up the complaint and the messages.

Now Intertek China initiates to open the following columns on the integrity website:

1. Intere integrity Policies and Systems: the visitor can read detailed integrity policies of Intertek China, such as employees' code of conduct, zero tolerance policy, employees' guidelines complying with **The UK Bribery Act** and trustworthy operations during goods examination and review.
2. Integrity News Highlights: the visitors can acquire information on activities and communication of Intertek China towards internal and external anti-corruption management.

3. Case Share: Intertek China exposes verified corruption activities and corrupted/bribed person or issues in this column. We appeal that more parties concerned could join us so that by our joint efforts such corruptions can be eradicated.
4. Questions & Answers: based on the communicative experience with clients, suppliers and factories, Intertek China has devised several questions and provided corresponding answers from our perspective for your reference. We will remain in contact with all parties concerned and update this column to its date.
5. Feature articles: the Legal, Compliance and Risk Management will provide feature articles and insight reviews on anti-corruption in this column.
6. Bulletin: Intertek China will post specific measures on anti-corruption management, e.g. anti-corruption incentive system through this column.
7. Training: Intertek China will periodically launch training plan and information towards internal and external anti-corruption actions.
8. Complaints: the visitors can search for tip-off hotline, contactor and address of Intertek China, complaint procedures, information about reports and investigators as well as incentive system.

Currently, advanced technologies are adopted to extort, offer and take bribery to/from the extensive participants with complex identities. Therefore, Intertek China establishes the integrity website to positively explore diverse measures for mutual benefit and cooperation, further consolidate the mutual trust and broad cooperation among all parties in the supply chain, and display the persistent resolution and firm attitude to prevent and combat immoral code of conduct. We will continue to optimize the website and achieve better performance on anti-corruption management.

Message from the OECD, UNODC and World Bank - Anti-Corruption Ethics and Compliance Handbook for Business

Three international organizations, namely the Organisation for Economic Co-operation and Development (OECD), The United Nations Office on Drugs and Crime (UNODC) and the World Bank released the Anti-Corruption Ethics and Compliance Handbook for Business on 28 Nov 2013. Hereinafter is the self-explanatory message about this handbook from the OECD, the UNODC and the World Bank.

The idea for this handbook began with G20 governments looking for ways to practically implement the 2010 G20 Anti-Corruption Action Plan. This Plan recognises the integral role the private sector plays in the fight against corruption and calls for greater public-private partnership in this effort. Since the adoption of the Plan, G20 governments and their private-sector counterparts have met on a number of occasions to look at ways to build this partnership.

One of the suggestions that has come out of the discussions has been companies' observation that the myriad of existing anti-corruption principles for business can be confusing, especially for small and medium-sized enterprises with limited resources, which are looking for concrete ways to prevent corruption in their business dealings in an increasingly complex and globalised operating environment.

To address this challenge, this handbook has been developed by companies, for companies, with assistance from the Organisation for Economic Co-operation and Development (OECD), the United Nations Office on Drugs and Crime (UNODC), and the World Bank. Our three organisations only facilitated the work of private-sector organisations, which have volunteered their expertise and time with us. These organisations include: representatives from the accounting and auditing profession, the Basel Institute on Governance, the Business and Industry Advisory Committee to the OECD (BIAC), the International Bar Association (IBA), the International Chamber of Commerce (ICC), and the World Economic Forum Partnering against Corruption Initiative (PACI), Transparency International (TI), and the UN Global Compact. The handbook is not intended to create new standards or represent any form of legally binding requirement for businesses. It has been developed to serve as a useful, practical tool for companies seeking compliance advice in one easy-to-reference publication.

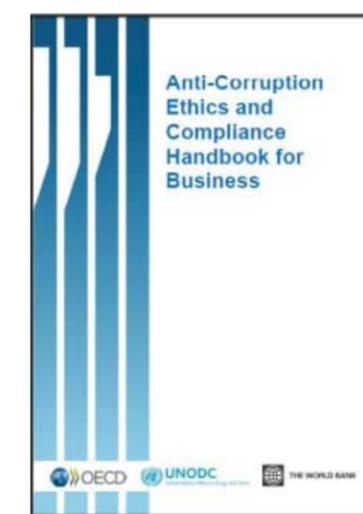
The handbook is divided into three sections. The first section provides an overview of the international anti-corruption

framework, within which companies conducting international business must operate. The second section provides a brief introduction to how companies can assess their risk in order to begin developing an effective anti-corruption ethics and compliance programme. The third and most significant section brings together the major business guidance instruments. A comparison of these instruments reveals that they all largely include the same basic anti-corruption ethics and compliance elements. These elements are further illustrated using real-life, anonymised case studies provided by companies. Finally, the handbook includes as an annex a quick-reference table providing a cross-comparison of all the major business guidance instruments referenced in this handbook.

The OECD, the UNODC, and the World Bank hope this handbook will be an useful resource not only for companies headquartered in G20 countries, but for all companies that recognise the need for developing and implementing robust anti-corruption ethics and compliance programmes.

You may follow the link of the handbook for review <http://www.unodc.org/documents/corruption/Publications/2013/Anti-CorruptionEthicsComplianceHandbook.pdf>

(From ' Compliance in China ')



Brief Introduction to 'Intertek China Customer Day'



Intertek has always advocated the establishment of a comprehensive anti-corruption policy and corporate code of conduct among clients, suppliers, manufacturers and other stakeholders, as well as the publicity of such policy and code to improve the awareness of clean business operation. We also intensify our training and related work guidance for internal employees so that they can deal with corruption and bribery in a proper manner according to specific discipline sanction system.

Intertek China has taken full consideration of the corruption risks associated with the Customer Day, and on this basis, we prudently launch and implement the related policies and concrete guidelines for this activity.

On September 10, 2013, Intertek China officially announced the related policies and concrete approval procedures of Customer Day. The Customer Day refers to an activity hosted, sponsored by Intertek China or entrusted other undertakers and representatives guided by three principles and two requirements. The principles are to promote the general business relations, relieve the customers of the pressure to return favor and ensure the rational contents of activity. On account of the principles, the Customer Day has two requirements: 1. make business the core content of this activity; and 2. all hospitality should maintain within a reasonable range.

Activities on Customer Day include but not limited to: PowerPoint presentation, marketing or sales promotion, catering, visiting to Intertek China, watching sports events, training and other entertainments.

Intertek China advocates and approves of the activities for such purposes:

1. Intend to establish a fine cooperation with clients.
2. The clients will not feel obliged to return the favor

by means of business opportunities and other interests and influenced by Intertek China in decision making.

3. Ensure that the activities of the Customer Day should be rational and consistent with the related business ration of Intertek China.

Any activity involving with accommodation (e.g. provides hotels or weekend vacations for clients) should meet the requirements below:

1. The client demands high-capacity business cooperation.
2. The accommodation and catering provided is appropriate.

Pursuant to the Intertek Compliance Regulations, code of ethics and internal guidance pertaining to the UK Bribery Act, Intertek China has set up detailed guidelines regarding Customer Day, and required all the employees of Intertek Group strictly abide by the related policies during their daily work and the organization of the Customer Day.

If any activity exceeding the 50,000 RMB budget or involving with accommodation, the activity planner should fill out the Customer Day Audit Sheet, and submit it to relevant personnel for approval. The approving personnel consist of:

1. Corresponding business supervisor
2. Director of Marketing and Public Relation Department
3. Director of Legal , Compliance and Risk Management
4. One member of Intertek China Executive Committee

The above-mentioned approvers can approve or disapprove of the activity plan via E-mail.

If the activity plan gains unanimous approval, the activity planner should submit the complete Customer Day Audit Sheet and all the approved documents (e.g. E-mail) to the Financial Department of Intertek China for review and filling.

Appraisals



As a leading service provider in testing, inspection and auditing, Intertek has always taken integrity as the business foundation. We are committed to provide high-quality professional technology services for clients based on the principles of being professional, independent, objective and impartial. Intertek employs thousands of professionals who are qualified by strict training, but we put the same emphasis on their professional ethics as on their professional skills. The employees of Intertek need to comply with the Intertek principles as well as codes of conduct based on morality and integrity during the operations. After years of efforts, both the professional skills and codes of conduct of Intertek employees have gained approval and recognition by clients and factories.

On December 30, 2013, the Legal, Compliance and Risk Management of Intertek China has received an appraisal letter on excellent performance of Trista Kan, the auditor of Nanjing Branch of Intertek Audit Division, from Nanjing Sino Lion Chemical Co., Ltd. In this letter, the Sino Lion speaks highly of Auditor Kan's responsible attitude, as she helps a lot in the operation optimization by pointing out the management deficiencies and giving out directive suggestions. Therefore, with regard to such professional and serious working attitude, Nanjing Sino Lion Co., Ltd. hereby writes this letter to honor Auditor Trista Kan.

On April 1, 2014, the Legal, Compliance and Risk Management of Intertek China has received another appraisal letter from a Bag & Suitcase Manufacturer of Liu'an on excellent performance of Monica Shi, the auditor of Nanjing Branch of Intertek Audit Division, with another intern auditor. In this letter, the company makes compliment on these two auditors' work between March 26 and 28, 2014 and regards them as the best auditors that have ever audited for the company. During three days of social responsibility audit, the two auditors work with serious attitude, act in incorruptible manner and comment fairly on factory's conditions from a practical perspective.

On March 17, 2014, the project engineer Ward Wei of Intertek Consumer Electrical Division received a gift card worth 1,000 RMB from the client. The engineer immediately reported it to his

supervisor Dreamer Yang. On the same day, Dreamer Yang contacted the client to restate the Intertek compliance policies via email and return the gift card. Ward Wei and Dreamer Yang deserve full approval and appraisal because they strictly adhere to the compliance regulations of Intertek and demonstrate fine professional qualities with high honesty and expertise.

Concluded from the above-mentioned examples, the employees of Intertek have displayed fine professional qualities and concepts of integrity gained praises and honors, delivered positive energy and left good records regarding conducts. Intertek is immensely inspired by these praises and honors to persist in better serving all the clients with professional and high standard, and continuously improving professional skills and anti-corruption accomplishments. Intertek here calls on all the parties in the supply chain to work together towards the mutual benefit and prosperity.

From: yuyang@sinoion.com
Sent: 16:30 20 Dec 2012
To: Compliance INTERTEK
Cc: Sun Yang
Subject: Praise Letter – From Nanjing Sino Lion Chemical Limited

The letter is for appreciating the Intertek auditor Trista Kan. The Auditor Trista's responsible attitude, as she helps a lot in the operation optimization by pointing out the management deficiencies and giving out directive suggestions during the audit. Therefore, with regard to such professional and serious working attitude, we spoke highly appreciation for the auditor Trista Kan.

Nanjing Sino Lion Chemical Limited
 Yuyuan

Praise Letter

Our company was audited by Intertek in the Corporation Social Responsibility which was assigned by our client from 26 to 28 Mar 2014. The Intertek auditor Monica Shi and the other trainer were assigned to be the auditor for this audit. During three days of social responsibility audit, the two auditors worked with serious attitude, acted in incorruptible manner and commented fairly on factory's conditions from a practical perspective. They are regarded as the best auditors who our company ever met during all the audits conducted in our company. So I represented our company to show our hearty appreciation to the two auditors.

Liu'an XX Bag & Suitcase Co., Ltd.
 31 March 2014

Intertek Integrity Messaging Triangle



Being a third party service provider for Inspection and Auditing, Compliance, Trust & Integrity are critical components of Intertek's brand equity. As such, we do not tolerate behavior that breaches our existing Integrity Compliance Policy.

Within Intertek, we operate an Integrity Program that educates and monitors both our employees and the facilities in which we execute our services. Every department in our Inspection and Auditing Division takes responsibility to guarantee the implementation of the program via Telephone Audits, Facility Visits and On-site Integrity Audits. Our independent Legal, Compliance and Risk Management team are divorced from these

daily operations just mentioned. With independent reporting channels in place, we can ensure impartiality and confidentiality in handling integrity reports, complaints or enquiries.

At Intertek we regard a facilitator, a receiver and a giver of a bribe or benefit equally responsible through association of such transaction. As such, bribery and integrity issues must be managed by all parties throughout the supply chain. Therefore we strongly recommend and hope our clients and their respective vendors and suppliers get to know, familiarize them with, and cooperate with our policy and procedures in order to work together for a trustworthy environment.

Intertek Integrity Messaging Triangle

INTEGRITY POLICY

1. Integrity is critical to Intertek
2. Zero Tolerance Policy
3. Best in Class program
4. Active, Multiplex Management

TAKE AWAY MESSAGE

PRE-CONDITION RULES

1. Employee screened & Trained
2. Givers and takers both responsible
3. Facilities sign a declaration
4. Must work directly with our client on issues
5. Fact based investigations
6. Breaches of Integrity will result in
 - Termination
 - Report to authorities

TOOLS FOR IMPLEMENTATION

1. Intertek Integrity Golden Rules - Actively communicated to all parties
2. Independent legal & compliance team divorced from operations
3. Intertek Integrity Website
4. Intertek has Key Tool, SOP's & Dedicated team to manage Integrity
 - Facility Integrity Acknowledgment / Declaration Forms, Telephone Audits & Facility Visit
 - Unannounced Integrity Audits & Mystery Audits
 - Integrity Compliance Handling Process & Statistical Analysis
 - Employee Integrity Declaration Form

Intertek Statistics and Employee List

Intertek Integrity Statistics (Year 2009 to March 2014)

| | Year 2009 | Year 2010 | Year 2011 | Year 2012 | Year 2013 | Jan-Mar 2014 |
|---|-----------|-----------|-----------|-----------|-----------|--------------|
| Telephone Audit Conducted | 10864 | 16239 | 13298 | 8517 | 11324 | 2729 |
| On-site Integrity Facility Visit Conducted | 742 | 1634 | 1072 | 1213 | 2026 | 497 |
| On-site Unaccounted Integrity Facility Visit Conducted | 418 | 527 | 264 | 393 | 1114 | 461 |
| Mystery Audits Conducted | 98 | 259 | 182 | 173 | 212 | 36 |
| Attempted Bribery Case Reported by Inspectors/Auditors | 480 | 606 | 552 | 926 | 592 | 83 |
| Integrity Complaints Received | 102 | 137 | 107 | 140 | 236 | 33 |
| Integrity Complaints Related to Consultant Companies Received | 10 | 37 | 27 | 32 | 80 | 12 |
| Investigation Done related to Consultant Companies | 10 | 37 | 27 | 32 | 80 | 12 |
| Consultant Companies Being Investigated | 8 | 17 | 19 | 26 | 33 | 9 |
| Lawyer Letters Issued to Consultant Companies | 7 | 15 | 5 | 10 | 20 | 2 |
| Consultant Company Case Reported to Local Authorities | 6 | 11 | 2 | 1 | 6 | 0 |
| Employees Terminated Due to Integrity Issues | 15 | 11 | 11 | 5 | 10 | 0 |
| Employees Self-constituted Resigned Due to Integrity Issues | 4 | 9 | 1 | 6 | 2 | 0 |

Intertek China has terminated the employment of the below staff

| Name | Division | Title | Location |
|-----------------|------------|-----------|----------|
| Zhu Yandong | Inspection | Engineer | Fujian |
| Zhang Tianzhong | Inspection | Inspector | Fujian |
| Zhou Shanghai | Inspection | Inspector | Fujian |
| Xin Huanping | Inspection | Inspector | Nanjing |
| Yu Tonglin | Inspection | Inspector | Hangzhou |
| Liu Daojia | Inspection | Inspector | Ningbo |
| Xiong Benyuan | Inspection | Inspector | Taizhou |

Please note: Above information indicates only that personnel listed above are no longer employed or in an employment relationship with Intertek, no other deduction or judgment should be dictated based on such information.

Proposal of Cooperation in Anti-bribery

Dear suppliers and factories,

Anti-bribery has always been a top priority of Intertek China's anti-corruption work.

For a long time, Intertek China has been taking series of strong measures to prevent and fight against bribery, including but not limited to implementing Zero Tolerance Policy towards bribery acts, carrying out on-site investigation by the company's anti-corruption investigators, announcing anti-bribery information on periodicals, establishing a special legal and compliance department for bribery investigation, dismissing employees involved in bribery acts, and urging the establishment of industry alliance on anti-bribery, etc.. Intertek China never tolerates employees having bribery act or being suspected of bribery. Between the year of 2009 and 2013, Intertek China suffered a direct loss of over one million RMB for dismissing such employees.

However, only the effort of Intertek China is not sufficient to effectively protect the interests of suppliers and factories in current anti-bribery work. As the participants of bribery are getting more intelligent with advanced technology and complicated wide-ranging network, the prevention and crackdown of bribery in third-party inspection has become a systemic project of the whole industry. Under such circumstances, only if Intertek China, suppliers and factories cooperate closely, would the anti-bribery work be improved fundamentally.

In order to reinforce the anti-bribery work, and effectively prevent and curb occurrence of bribery behaviors, for the interests of suppliers and factories, Intertek China hereby proposes to: carry out in-depth cooperation with suppliers and factories, set up a negotiation mechanism to prevent retaliation on suppliers and factories, strengthen the cooperation on evidence collection in bribery cases, and work together to fight against bribery.

For the implementation of the above mentioned cooperation, Intertek China will adopt the following measures:

- The Zero Tolerance Policy will be implemented continually. Inspectors and auditors involved in bribery will be firmly dismissed;
- Forums of suppliers and factories will be held to exchange anti-bribery experience, discuss relevant measures, and formulate a cooperative plan to fight against bribery;
- An Intertek China integrity website will be constructed and launched for the purpose of providing suppliers and factories with more safe and reliable reporting channels, various anti-corruption information and interactive ways as a cooperation platform for anti-corruption;
- Any supplier or factory that reports or provides any clue in regard to any bribery case conducted by Intertek employee which lead to criminal liabilities of the suspects through investigation by judicial organs will be rewarded RMB5,000 in case per each prosecuted case;
- Suppliers or factories that actively cooperate with Intertek on anti-bribery will be referred to buyers regularly as one criterion for consideration when selecting supplier and factory;
- In event that any bribery act reported and proved by suppliers or factories influences the inspection/audit result, Intertek will arrange to review the inspection/audit without charge;
- Training on anti-bribery field will be provided upon the specific requests of suppliers and factories in a practical manner;
- Anti-corruption education of inspectors/auditors will be intensified to constantly improve their anti-corruption awareness;
- The supervision and evaluation of professional ethics will be improved in order to strengthen the management of inspectors/auditors.

In brief, with a more open attitude, Intertek China will proactively listen to anti-corruption advices and suggestions from suppliers and factories, explore various ways to establish in-depth cooperation gradually, carry forward the anti-bribery work for mutual beneficitation, and remain committed to provide impartial, trustworthy, honest, and authoritative third-party inspection/audit service.

Intertek China believes that, with cooperation and support of suppliers and factories, the anti-corruption environment of China third-party inspection industry will be improved dramatically, and thus provides a broader space and more opportunities for the future development for suppliers, factories and Intertek China.

Intertek China

December 12, 2013

Proposal of Cooperation in Anti-Information Leakage



Dear suppliers and factories,

It has always been a focus of Intertek China's integrity work to protect the inspection and auditing information of suppliers and factories (hereinafter referred to as "confidential information").

For a long time, Intertek China has been taking series of strong measures to prevent and fight against illegal leakage of confidential information, including but not limited to implementing Zero Tolerance Policy towards information leakage acts, carrying out timely independent investigation by the company's anti-corruption department on reported cases, dismissing employees being suspected of information leakage, announcing investigation results on periodicals, urging the establishment of industry alliance on anti-information leakage, cooperating with professional investigative organizations, etc.. Intertek China never tolerates employees involving in information leakage. Between the year of 2009 and 2013, Intertek China suffered a direct loss of over one million RMB for dismissing such employees.

However, only the effort of Intertek China is not sufficient to effectively protect the interests of suppliers and factories in current anti-information leakage work. As the participants of information leakage are getting more intelligent with advanced technology and complicated network, the prevention and crackdown of information leakage in third-party audit has become an unresolved systemic project of the whole industry. Under such circumstances, only if Intertek China, suppliers and factories cooperate closely, would the anti-information leakage work be improved fundamentally.

In order to reinforce the information secrecy, and effectively prevent and curb occurrence of information leakage, for the interests of suppliers and factories, Intertek China hereby proposes to: carry out in-depth cooperation with suppliers and factories, set up a negotiation mechanism for anti-information leakage, strengthen the cooperation on leakage investigation and evidence collection particularly, in order to ultimately crackdown the participants of information leakage and eliminate the interference of normal operation of factories and suppliers.

For the implementation of the above mentioned cooperation, Intertek China will adopt the following measures:

- The Zero Tolerance Policy will be implemented continually. Intertek employees involved in information leakage will be firmly dismissed and their legal responsibility will be pursued;
- Forums of suppliers and factories will be held to exchange anti-information leakage experience, discuss relevant measures, and formulate a cooperative plan to fight against information leakage.
- An Intertek China integrity website will be constructed and launched for the purpose of providing suppliers and factories with more safe and reliable reporting channels, various anti-corruption information and interactive ways as a cooperation platform for anti-information leakage and other anti-corruption;
- Any supplier or factory that reports or provides any clue in regard to any information leakage case conducted by Intertek employee or his external accomplice which lead to criminal liabilities of the suspects through investigation by judicial organs, will be rewarded RMB5,000 in case per each prosecuted case;
- Suppliers or factories that actively cooperate with Intertek on anti-information leakage will be referred to the buyers regularly as one criterion for consideration when selecting supplier and factory;
- Training on anti-information leakage and other anti-corruption fields will be provided upon the specific requests of suppliers and factories in a practical and economic efficient manner;
- Anti-corruption education of Intertek employees will be intensified to constantly improve their anti-corruption awareness;
- The supervision and evaluation of professional ethics will be improved in order to strengthen the management of Intertek employees.

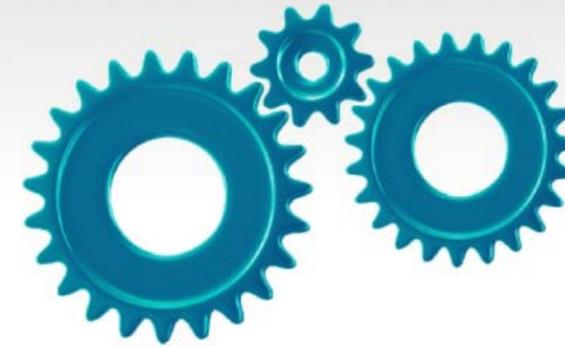
In brief, with a more open attitude, Intertek China will proactively listen to anti-corruption advices and suggestions from suppliers and factories in anti-information leakage field, explore various ways to establish in-depth cooperation gradually with suppliers and factories, carry forward the anti-information leakage work for mutual beneficitation, and remain committed to provide impartial, trustworthy, honest, and authoritative third-party audit service.

Intertek China believes that, with cooperation and support of suppliers and factories, the anti-corruption environment of China third-party audit industry will be improved dramatically, and thus provides a broader space and more opportunities for the future development for suppliers, factories and Intertek China.

Intertek China

December 12, 2013

Intertek Joins Hands with Clients to Host the Seminar on Supply Chain Business and Anti-Bribery



Offering and accepting bribery in commercial activity is a long lasting issue among commercial community. In TIC (the third-party testing, inspection and certification) industry, the usual form of commercial bribe is that the manufactories attempt to acquire valid inspection or audit report by offering bribe, and sometimes the inspectors and auditors accept or even deliberately demand bribe from suppliers and manufactories. Such illegal behaviors will result in a series of problems and cause an adverse situation for all parties, rather than the initiative to achieve cooperation based on fine quality, mutual benefit and win-win situation.

On December 19, 2013, in order to strengthen the anti-bribery actions in commercial activity, Intertek joined hands with Kingfisher to host the Seminar on Anti-Bribery in Supply Chain. The seminar retrospect on the achievements of the industry in the field of anti-bribery, discussed the future plan and measures to combat bribery, exchanged experiences and explored the possibility of establishing a cooperative mechanism to effectively resist and reduce the bribery actions so that the potential costs can be minimized.

On March 14, 21 and 24, 2014, Intertek joined hands with Family Dollar to host three Customer Seminars in Shenzhen, Shanghai and Hong Kong respectively. During the seminar, the Intertek China Legal, Compliance and Risk Management gave a detailed introduction to its main policy, procedure and system on integrity, shared its global anti-corruption data, explained its procedure of disposing of complaints with corresponding cases and stressed the promotion of new measures of Intertek China to tackle bribery.

Compliance and Risk Management have advertised and stressed the role of its comprehensive and concrete anti-corruption system and management measures played in combating industry corruption and commercial bribery for clients, factories and suppliers in the supply chain. Mr. Zhao Liang, the Director of the Intertek China Legal, Compliance and Risk Management and Ms. Wang Jinlan, the Senior Manager of Intertek China Legal, Compliance and Risk Management addressed on the previous contents and obtained general approval by representatives and guests present.

During this series of seminars, the Intertek China Legal,



Intertek China CEO makes a speech



Introduction of Intertek Integrity Policy



Introduction of Intertek Inspection Division Integrity Management



Representatives from the Supply Chain



Brainstorming



Brainstorming



Group Discussions



Communication with the Representatives from Supply Chain



Introduction of CE Safety Standard



Introduction of Intertek Integrity Policy - Shenzhen



Introduction of Intertek Integrity Policy - Shanghai



Introduction of Intertek Integrity Policy - Hongkong



Representatives from the Supply Chain - Shenzhen



Representatives from the Supply Chain - Shanghai



Representatives from the Supply Chain - Hongkong

During the Customer Seminar, the representatives present participated actively in the discussion of Intertek integrity policy and affair, proposed questions and delivered speeches, while the Intertek China Legal, Compliance and Risk Management also responded positively to answer the questions and communicate the experience.

Under the joint effort of Intertek and its clients, the Supply

Chain Business Conference and the Seminar on Anti-Bribery have shared the achievements of establishing an integrity and sincere system with all parties concerned in the supply chain, displayed the resolution to firmly crack down bad practices, e.g. bribery, intensified the anti-corruption coordination between Intertek China and its clients, suppliers and manufactories, and played a positive role in advancing the healthy development of TIC industry.

Case Sharing---Inspector Dai Suspected to be Involved In Commercial Bribery



Intertek always dedicates to improving the long-term mechanism on averting and combating bribery. To fulfill this goal, Intertek issues various integrity policies to officially ban Intertek employees from accepting bribery. Once Intertek verified the fact that Intertek employees violated the integrity policy and required/accepted bribery taking advantages of their positions, Intertek also levies punishments on its employees, such as terminate the labor contract or discharge from the position. If they are found guilty of violating the related law and regulation, the severe case will be transferred to the Judicial Office.

In December 2013, at the end of the annual dinner of Xiamen Office of Intertek China, Ms. Tu (allegedly) reported a checklist named **List of Dai's Bribery (2013)** to Intertek management, and reported the fact that Dai required and accepted bribery from the inspected companies. Afterwards, during the subsequent contact, Ms. Tu declared that the original source of the checklist was from a calendar of Dai's family, which clearly listed all the records of Dai's working hours and bribe taken. In addition, Ms. Tu claimed that she had one phone-call recording with Dai and record of Dai's Bank account. She once tried to record Dai's transaction record of some months from 2012 to 2013 via e-Bank, and found some large amount of money in & out records.

Based on the material offered by Ms. Tu, Intertek China Legal, Compliance and Risk Management launched a set of investigation about the bribery issue about Dai claimed by Ms. Tu. During the investigation, it was found that the bank account of Dai had been closed, but the bank hotline service voice prompt pointed out that the name of the account was Dai. Besides, in the phone-call recording, Dai tacitly approved of the fact of bribery from inspected companies during his work. And he claimed that the related inspected companies would not admit offering bribe taking purchase orders from client into consideration. Intertek also conducted investigations on companies mentioned in the calendar. Only the representative of one company reflected to Intertek investigator that it was a rule to pay off the inspectors during the inspection in the company. However, considering their own business situation, the company would not testify against any inspector nor assisted the investigation. In accordance with the investigation procedure, Intertek interviewed Dai as well as the other inspectors who had been to the companies involved in the case. As for the question of whether he accepted any amount of bribery, Dai showed reluctance at first and asked what conditions he could get from

Intertek, but then he chose to deny anything quickly.

Concluded from all investigations, it is reasonable to believe the authenticity of Ms. Tu's report on Dai's taking advantage of his position to extort or accept bribery from the companies inspected by him. Due to the large amount of money involved in this case and the possible violation of **Section 163, Non-governmental Staff Bribery, Criminal Law of the People's Republic of China**, Intertek decided to report the relevant situations to the Economic Crime Investigation Brigade, and the case was being followed up and under the investigation.

During the case that the ex-inspector Dai was suspected to be involved in commercial bribery, Intertek China Legal, Compliance and Risk Management had taken advantage of all available resources and cooperated with the judicial office to conduct investigation in a firm stance against soliciting bribes and other non-integrity issue. Herein, we restates that Intertek could not give up any clue to conduct investigation against any non-integrity issue though the limited approach conferred. However, it could be found that some inspected companies rejected to either assist the investigation or testify against any inspector though they acknowledged the soliciting and accepting bribery from the inspector verbally, which made the case came to a deadlock on the premise of the relatively sufficient written material. Intertek always believes that the bribery issue in inspection industry would not only do harm to the reputation of 3rd party, but also damage the healthy development of the whole industry. If Intertek fights against the bribery issue in isolated position with lacking of the cooperation from the client, supplier and factory, the great effort of Intertek led to nothing. It actually did not achieve the desired effect of combating corruption in the industry, which made it more prevalently and seriously.

Preventing and Combating Bribery is the wheezy and unailing topic for the third parties and the whole society. Intertek China puts priority to anti-bribery in our anti-corruption work. Guided by "Zero Tolerance" policy, Intertek takes severe countermeasures to investigate and punish those who violate the anti-corruption policy and take advantage of their positions to accept or extort bribe. Therefore, Intertek will protect its own brand reputation, safeguard the legitimate interests of clients, suppliers and factories and work hard to build an incorrupt atmosphere for TIC industry.

Case Sharing---Disclosure to the Illegal Practice of Forging Intertek Certificate

Intertek devotes to offer all-round quality services to the client from audit to quality assurance, and has dedicated to maintaining the added value for the product and the process in hope of bringing success to the clients in global market. However, the feedback from the clients shows that some companies are suspected of using forged Intertek certificate. If such fake Intertek certificates are to be widely applied in the market, the manufactures and corresponding traders and manufactures may suffer from substantial business loss, let alone the great risk and adverse impact caused to the brand reputation of all parties concerned.

On February 17, 2014, Intertek received an e-mail from a third-party certification company, hoping that our company can verify the authenticity of one WCA Certificate with No. F_IAR_196XX. We have been told that the company name listed on the certificate was Profit Bright Ind. (HK) Co., Ltd. and the validity period was from June 5, 2013 to June 4, 2014. However, after verification by the Audit Department, the company name of the WCA Certificate should be Dongguan XX Co., Ltd. instead of Profit Bright Ind. (HK) Co., Ltd. Therefore, on February 26, 2014, Intertek issued a formal letter to Profit Bright Ind. (HK) Co., Ltd. requiring a reasonable explanation of this forged certificate to our company. Afterwards, Ms. Yang, an employee of Profit Bright Ind. (HK) Co., Ltd. explained and admitted the fact of acquiring this WCA Certificate from Dongguan XX Co., Ltd. based on their cooperation relation with each other, she took it for granted to modify the company name on WCA Certificate to be Profit Bright Ind. (HK) Co., Ltd. and use it as its own. On March 12, 2014, Profit Bright Ind. (HK) Co., Ltd. issued an official letter of apology to Intertek, confessing have forged the WCA Certificate and also

promising to destroy it and guarantee the similar incident never happen again.

On January 16, 2014, an employee of Intertek found a GMPC Certificate with Intertek logo on the corporate website of Dongguan Li-Tek Biotechnology Co., Ltd. After verification, Intertek has neither conducted any audit nor issued any GMPC Certificate for this company. Therefore, Intertek contacted the responsible personnel of this company, Manager Tang. He confessed that he forged the GMPC Certificate which was also not issued by Intertek. He had already removed the GMPC certificate from their website as soon as he received the notification from Intertek. On March 14, 2014, Dongguan Li-Tek Biotechnology Co., Ltd. issued an official letter of apology to Intertek, stating that their employees mistakenly put a GMPC sample graph with Intertek logo on their website and also promising to strengthen their inspection and make the similar incident never happen again.

The certificate of Intertek issued in accordance with clients' business application is the intellectual property of Intertek and related parties. Any forging and modification to the certificate issued by Intertek by any irrelevant third party without Intertek authorization should be strictly forbidden. If such forged Intertek certificates are to be widely applied in the market, the clients may doubt the trustworthiness of any third party certification institution including Intertek, but also all parties involved may lack the due protection of their rights and interests. Intertek herein appeals to all clients, suppliers, manufactures and other organizations to work together. Once such act of forging certificate issued by any third party certification institution including Intertek has been found, we should report to the relevant organization proactively. Intertek commits to safeguarding the legitimate rights of Intertek and relevant parties with lawful means.

Apology Letter

Thanks very much for Intertek's reminding. Regarding the case that our staff put one GMPC certificate with Intertek logo on our website at the beginning of January 2014, our management and relevant staff put highly attention on this issue and has informed the relevant representative to delete the GMPC certificate with Intertek logo in our website immediately. We have learned from this issue and promise strict monitoring to our staff so as to avoid similar case in the future. We apologized for the inconvenience caused by the above issue.

Dongguan Li-Tek Biotechnology Co., Ltd.

14 Mar 2014



