

**SUNCHINE QUALITY CONTROL TECHNOLOGY
SERVICE CO., LTD (SQCT)**

Compliance Programme



TABLE OF CONTENTS

Introduction

1. Application of Compliance Principles

- 1.1 Integrity
- 1.2 Conflicts of Interest
- 1.3 Confidentiality and Data Protection
- 1.4 Anti-Bribery
- 1.5 Fair Business Conduct
- 1.6 Health and Safety
- 1.7 Fair Labour

2. Compliance Programme

- 2.1 Implementation
- 2.2 Member's Compliance Programme
- 2.3 Compliance officer
- 2.4 Compliance committee
- 2.5 Human Resource
 - 2.5.1 Recruitment
 - 2.5.2 Employee commitment
 - 2.5.3 Training
 - 2.5.4 Employee "Help Lines"
- 2.6 Security Measures
- 2.7 Communication
 - 2.7.1 Internal Communication
 - 2.7.2 External Communication

2.7.3 Report of Violations

2.8 Investigations and Sanctions

2.9 Business relationships

2.10 Complaints and Disciplinary Procedure

2.11 Accounting and Book Keeping

2.12 Health and Safety

2.13 Compliance Summary Report

3. Verification of compliance program implementation effectiveness

3.1 Internal Verification

3.1.1 Management declaration

3.1.2 Internal Audits

3.2 External Verification

3.2.1 Frequency

3.2.2 Appointment of audit firm

3.2.3 Notification to IFIA/ TIC Council of SQCT's appointed audit firm(s)

3.2.4 Scope of Verification

3.2.5 Submit documents for verification to IFIA/ TIC Council

3.2.6 Request audit firm to carry out verification based on agreed upon procedures

3.2.7 Independent external audit firm's Report

Introduction

As an independent third-party inspection agency, Sunchine Quality Control Technology Service Co., Ltd.(SQCT) have been adhering to the service philosophy of integrity, impartiality, confidentiality, honesty, trust, respect and responsibility for many years, and have established a good business reputation in the world through long-term active efforts and struggle.

On June 01st, 2020, SQCT has confirmed its commitment to implement the TIC Council Compliance Code by adopting, publishing, and implementing this "SQCT Compliance Programme", which is approved by the Board of Directors.

The "SQCT Compliance Programme " clarifies the company's service policy, describes the company's core philosophy and compliance execution system, which involves all compliance requirements and standards for the company's service work, and is the compliance, programmatic document and important basis for guiding the work of all the employees of SQCT, as well as its subcontractor and representative. SQCT and its subcontractor & representative must earnestly study and follow the implementation to ensure the realization of the compliance policy and objectives of the Company, improve the compliance quality and service of the company to a new level, and continuously meet the requirements of relevant laws and regulations, TIC Association compliance standards and customers.

With this Compliance Programme, SQCT provides guidance on appropriate conduct by employees, its subcontractor and representative in order to uphold the company's image of propriety, high standing and good reputation which, besides the adherence to the TIC Council Code and Principles, have always been integral to the heritage of the Company.

IFIA/ TIC Council -The International Federation of Inspection Agencies is a trade federation that represents over total of approximately 90-member companies and organizations active in more than 160

countries, spanning every continent. IFIA's / TIC's Compliance Programme reflects the transparent international and social responsibility of international organizations on a global scale for areas of anti-corruption / bribery and other related issues.

1.0. Application of Compliance Principles

1.1. Integrity

“The Member shall operate in a professional, independent and impartial manner in all its activities. The Member shall carry out its work honestly and shall not tolerate any deviation from its approved methods and procedures. Where approved test methods make provision for tolerances in results, the Member shall ensure that such tolerances are not abused to alter the actual test findings. The Member 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.”

- 1.1.1. SQCT is committed to conduct its business in a professional, independent and impartial manner in all its activities and strictly follow the requirements of “T/CIQA 2-2019 Code of practice for inspection and survey personnel” & “T/CIQA 1-2019 of practice for self-discipline in inspection and survey industry”.

- 1.1.2. SQCT is committed to working honestly & to ensure impartiality and independent in providing Third Party Inspection, Audit, Product Certification and Assessment services.
 - 1.1.2.1. Carrying out assigned work in a professional, objective and impartial manner and strictly abide by the method of the approval, norms and policies. Inappropriate behavior is not allowed, and SQCT has zero tolerance for violation of Integrity, Impartiality, Confidentiality and Codes.
 - 1.1.2.2. Work shall be carried out honestly, with no influence tolerated in respect to any deviation from either approved methods and procedures or the accurate reporting of results. Data, assessment results, test results and other material facts shall be reported as factually observed and will not be altered.
 - 1.1.2.3. Being neutral and financially/commercially independent and not to surrender under pressure and inducements to misrepresent findings or alter the results.
- 1.1.3. SQCT-CP-01-001 Code of Conduct provides guidance to all the associates for dealing with the clients in case where they expect that SQCT to abuse tolerances to obtain acceptable results.
- 1.1.4. Integrity is being monitored at SQCT as per procedure SQCT-CP-01-002 Protection of Impartiality, Confidentiality and Independence Procedure) & SQCT-CP-01-003 Top Management Declaration of Principle regarding Impartiality, Independence and Integrity.
- 1.1.5. SQCT is complying with the integrity rules published by IFIA/ TIC Council and committed to follow sector specific integrity rules whenever it enters new sectors.
- 1.1.6. Reference documents:
 - 1.1.6.1. T/CIQA 2-2019 Code of practice for inspection and survey personnel
 - 1.1.6.2. T/CIQA 1-2019 of practice for self-discipline in inspection and survey industry
 - 1.1.6.3. SQCT-CP-01-001 Code of Conduct
 - 1.1.6.4. SQCT-CP-01-002 Protection of Impartiality, Confidentiality and Independence Procedure

1.1.6.5. SQCT-CP-01-003 Top Management Declaration of Principle Regarding Impartiality, Independence and Integrity

1.2. Conflict of Interest

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

The Member shall avoid conflicts of interest between the Member's companies and/or divisions engaged in different activities but which may be providing services to either the same client or each other.

The Member shall ensure that its employees avoid conflicts of interest with the activities of the Member."

1.2.1. SQCT commits itself to avoiding risk of conflict of interests between:

1.2.1.1 The company and related entities in which the company has a financial or commercial interests and to which it is required to provide service, and

1.2.1.2 The company's divisions engaged in different activities but which may be providing services to either the same client or each other.

1.2.2. In order to avoid conflict of interest, or the appearance of conflict of interest, in the SQCT business transactions and services, it is not allowed to:

1.2.2.1. Directly or through relatives, friends or intermediaries, acquire an interest in a supplier, a client or a competitor of the Member, 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;

1.2.2.2. 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;

1.2.2.3. Hold any position with a competitor or client, such as director, advisor, consultant, etc.

1.2.2.4. Conduct any company business with any member of their family or with an individual or organization with which they or their family is associated;

1.2.2.5. Employ a member of their family without approval of the Member's management.

1.2.3. SQCT associate(s) should declare to compliance officer and withdraw from the service if they are affected by a potential conflict of interest situations which arises from any personal relationships, external interests or activities that could interfere with their judgment, objectivity, independence or loyalty of the reporting.

1.2.4. Conflicts of interest can arise in many ways. If not clear, associates should seek guidance from Compliance officer.

1.2.5. Conflict of Interest Prevention

1.2.5.1. To prevent the occurrence of conflict of interest and to ensure that any person involved in SQCT's activities avoid situations where a potential conflict of interest could exist or be seen to exist, it is needed that:

- All persons conducting work for and on behalf of SQCT shall not accept, from any source, inducements for the purposes of assisting, favoring, hindering or delaying any transactions between SQCT and its clients. The offer of any such inducements shall be reported to the SQCT management. Any conflict of interest identified shall similarly be reported to the SQCT management. The management shall ensure that appropriate action is taken e.g. a change of personnel for that particular task.
- All service should be free from commercial, financial or other pressures which compromise its impartiality.
- All SQCT clients will have the equality of treatment. SQCT does not state or imply that service would be simpler, easier, faster or less expensive if a specified consultancy organization were used.
- All persons in activities to must declare any interest in or connection with an applicant organization before taking part on the work.

- Any person in doubt about whether a potential conflict of interest exists shall immediately communicate it to the attention of the Compliance Committee. The Compliance Committee shall decide if a conflict of interest exists according the procedure SQCT-CP-02-002.
- SQCT strives to identify potential threat to its impartiality. Those risks must be evaluated and addressed and then entered in the working. Once the SQCT team has assessed the potential threats to its impartiality, the Compliance Committee will review and approve the evaluation.
Note: Threats to impartiality can be: self-interest threats, self-review threats, familiarity (or trust) threats and / or Intimidations threats
- SQCT shall prevent creating conflict of interest by initiating marketing and sales actions, supports, materials, advertising or communications, to provide consultancy or internal audit services. In addition, SQCT ensures that all its inspection services are not advertised or presented in conjunction with consulting or internal audits services.

1.2.6. SQCT's SQCT-CP-02-002 Risk Assessment and Risk Control Procedure, covers at the following levels to protect impartiality, to avoid conflict of interest or the appearance of conflict of interest.

1.2.6.1. Risk management

1.2.6.2. Workflow

- Risk identification
- Risk assessment
- Update the risk
- Risk retrospect

1.2.7. Reference documents:

1.2.7.1. SQCT-CP-02-001 Body Organization

1.2.7.2. SQCT-CP-02-002 Risk Assessment and Risk Control Procedure

1.2.7.3. SQCT-CP-FM-001 Analysis of Conflicts of Interests

1.2.7.4. SQCT-CP-FM-002 Risks Assessment

1.3 Confidentiality and Data Protection

“The Member shall respect the confidentiality and privacy of client’s information and ensure processes are in place to adequately protect such information.”

- 1.3.1. SQCT commits itself to ensuring that its employees, subcontractor and representative respect and protect the confidentiality and privacy of client’s information and ensure processes are in place to adequately protect such information.
- 1.3.2. SQCT-CP-03-001-Privacy Policy well defines how SQCT will use the information that belongs to client’s and client’s rights on such information.
- 1.3.3. SQCT shall treat all information received in the course of the provision of its services as commercial-to-confidence to the extent that such information is not already published or made generally available to third parties or otherwise in the public domain. It is the responsibility of SQCT to protect our clients and their factory’s information including details of the factory and shipment.
- 1.3.4. In order to avoid disclosure of any confidential business information, in the Sunshine Inspection business transactions and services, it will be needed:
 - 1.3.4.1. Sign Agreement with the representative/subcontractor before officially cooperating; Pls refer to to document SQCT-CP-03-004 Sub-contractor agreement & SQCT-CP-03-005 Representative Agreement.
 - 1.3.4.2. Sign a Non-Disclosure Agreement with all new employees before officially on board; Pls refer to document SQCT-CP-03-002-Non-disclosure agreement with Employees for details.
 - 1.3.4.3. The SQCT database remains accurate and complete and are protected from unauthorized access and use;

1.3.4.4. Sign a Non-Disclosure Agreement with customer to clarify the scope of confidential information, the period of confidentiality, the obligations of the information recipient and so on. Please refer to the document SQCT-CP-03-003-Non-disclosure agreement with Customers;

1.3.5. SQCT ensures that all intermediaries, partners, contractors and suppliers are made aware of the confidential nature of business information that they may handle through their dealings with SQCT, and that they should not disclose confidential information to other parties.

1.3.6. Reference documents:

1.3.6.1. SQCT-CP-03-001-Privacy Policy

1.3.6.2. SQCT-CP-03-002-Non-disclosure agreement with Employees

1.3.6.3. SQCT-CP-03-003-Non-disclosure agreement with Customers

1.3.6.4. SQCT-CP-03-004 Sub-contractor agreement

1.3.6.5. SQCT-CP-03-005 Representative Agreement

1.3.6.6. SQCT-CP-01-001 Code of Conduct

1.4. Anti-bribery

“The Member shall prohibit the offer or acceptance of a bribe in any form, including kickbacks on any portion of a contract payment. The Member shall prohibit the use of any routes or channels for provision of improper benefits to, or receipt of improper benefits from customers, agents, contractors, suppliers, employees of any such party, or government officials.”

1.4.1. SQCT prohibits and has zero-tolerance policy for bribery in any form. SQCT commits itself that never, directly or through intermediaries, offer or promise any personal or any financial or other advantage to obtain or retain a business or other advantage from the stakeholders of SQCT. An associate must not accept any such advantage in return or receive preferential treatment from the stakeholders of SQCT.

1.4.2. In order to protect its reputation and quality of service, SQCT is requested to adopt the following conduct:

1.4.2.1. Establish all professional relationships with customers on the principles of professionalism, correctness, transparency and impartiality;

1.4.2.2. Clearly inform the service receiver in the form of documents that no gifts, money or other benefits shall be given to any employee or representative of SQCT before service. (Benefits include but are not limited to: money, expenses, bribes, gifts, hospitality, merchandise, admission tickets, promotional materials for guests, samples, etc.) Any bribery is forbidden in SQCT, if any employee or representative of SQCT asked for any kinds of gifts, money, etc, can contact via specific hotlines for reporting. Pls refer to document SQCT-CP-01-001 Code of Conduct & SQCT-CP-04-001 Code of Conduct for Supplier&Factory.

1.4.3. Compliance with laws

1.4.3.1. SQCT commits itself to fully complying with national regulations and laws, including such on anti-corruption and bribery. Relevant national and international anti-bribery law applies whenever arranging or performing services outside China.

1.4.4. Analysis of Risk

1.4.4.1. Risk analysis relating to bribery is conducted once in a year and systematically conducted:

- Prior to the commencement of a new service or the start-up of operations in a new country and
- Whenever a significant breach of the Compliance Programme which warrants a review of the existing control measures occurs.

1.4.5. Business principles for Countering Bribery

1.4.5.1. Political contribution

- As per policy, SQCT shall not make any contribution in cash or in kind, to support a political /

religious cause in general. This includes gifts of property or services, advertising or promotional activities endorsing a political party, and the purchase of tickets to fundraising events.

1.4.5.2. Charitable contributions and sponsorships

- SQCT and its subcontractor and representative will ensure that charitable contributions and sponsorships are not being used as a subterfuge for bribery. SQCT shall account all its charitable contributions or sponsorships in a separate ledger and consolidate all such payments made by any of the operations that form part of its organization.

1.4.5.3. Facilitation Payments

- Facilitation payments are defined as small payments 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.
- SQCT and its employees, subcontractor and representative shall not involve in any facilitation payments.

1.4.6. Gifts, Hospitality and expenses

1.4.6.1. SQCT and its subcontractor and representative are prohibited to offer or accept/receipt any gifts, hospitality or expense whenever such arrangements could affect the outcome of business transactions and are not reasonable and bona fide expenditures which may impair or be presumed to impair its professional judgment.

1.4.6.2. SQCT will maintain the separate ledger account whenever any gifts or hospitality is offered, or expense made in this regard.

1.4.7. Reference documents:

1.4.7.1. SQCT-CP-01-001 Code of Conduct

1.4.7.2. SQCT-CP-04-001 Code of Conduct for Supplier&Factory

1.4.7.3. SQCT-CP-02-002 Risk Assessment and Risk Control Procedure

1.4.7.4. SQCT-CP-FM-002 Risks Assessment

1.4.7.5. T/CIQA 2-2019 Code of practice for inspection and survey personnel

1.4.7.6. T/CIQA 1-2019 of practice for self-discipline in inspection and survey industry

1.5. Fair Business conduct

“The Member shall conduct itself with the highest standards of business ethics and integrity, and shall not do anything which would bring its reputation, or the reputation of TIC Council or the TIC industry, into disrepute.”

1.5.1. SQCT is committed to build its professional reputation on the merit of services and to compete fairly with competitors / within Team.

1.5.2. SQCT conducts itself with the highest standard of business ethics and integrity. Respects the interest and committed to be responsive to all its stakeholders.

1.5.3. SQCT is committed to act in a fair and transparent manner in business relations and dealings, conducting itself with loyalty, a sense of responsibility and good faith.

1.5.4. SQCT recognises that free and fair competition is a fundamental element for the development of business activities. SQCT therefore complies with antitrust regulations and with tender procedures that are applicable from time to time. The management, all employees and associated of SQCT are committed to make only factual claims and not provide any misleading or incorrect information about our competitor, their operations and their services.

1.5.5. SQCT is committed to adhere to Fair competition & anti-trust provisions and their compliance in accordance with the “Compliance Manual for Enterprises under the competition act 2002”. It is

forbidden to offer or give presents, special favours or other benefits to representatives or employees of clients with the purpose of deriving undue advantages, either for private reasons or for the company.

1.5.6. SQCT is committed not to indulge in any malpractice relating to obtaining unauthorized information about its competitors when participating in tenders.

1.5.7. In relating with competitors, SQCT is inspired by the principle of fair competition.

1.5.8. Reference documents:

1.5.8.1. SQCT-CP-005-001 Fair Business Commitment

1.6. Health and Safety

“The Member shall implement adequate training and procedures to protect the health and safety of employees, customers, and third parties and shall monitor incidents with the view of minimizing risks in the course of business operations”

1.6.1. SQCT is committed to provide adequate training and procedures to protect the health and safety of employees, customers, and third parties and shall monitor incidents with the view of minimizing risks in the course of business operations.

1.6.2. SQCT is committed to meet the following objectives:

1.6.2.1. to comply with applicable laws and regulations relating to occupational health & safety;

1.6.2.2. to design workplaces, through suitable organizational and operative models, to safeguard workers' health & safety, as well as those of third parties and local communities within which Group companies operate;

1.6.2.3. to implement appropriate preventive measures to safeguard workers' health & safety, including

medical surveillance and assessment of incidents, injuries and occupational diseases;

- 1.6.3. SQCT is firmly committed to a policy enabling all work activities to be carried out safely, and with all possible measures taken to remove (or at least reduce) risks to the health, safety and welfare of associates and anyone else who may be affected by our operations.
- 1.6.4. Associates have been advised to immediately terminate their work when there is threat to their own safety.
- 1.6.5. In case the intimidation at the work premises amounts to inflicting injury or threat to their personal safety, SQCT's employee and representative has been advised to tactfully extricate themselves from the immediate situation, make themselves safe and subsequently report the full details of the incident to the management
- 1.6.6. The company provides facilities to enable reporting of such conditions through SQCT-CP-FM-003 Accident emergency plan measure table and normal channel.
- 1.6.7. The subcontractor and representative of SQCT ensure that all safety instructions given in SQCT-CP-FM-003 Accident emergency plan measure table being followed on site to work in safe environment.
- 1.6.8. The induction training imparted to all fresh recruits includes specific modules on health and occupational hazards including safety risks during on site work.
- 1.6.9. Health and Safety related incidents reported are recorded and investigated further. In case required, corrective measures are taken.
- 1.6.10. Procedure SQCT-CP-06 Occupational Health and Safety Procedure has been established for

reporting health & safety incidents and conducting investigations.

1.6.11. Reference documents:

1.6.11.1. SQCT-CP-06-001 Occupational Health And Safety Procedure

1.6.11.2. SQCT-CP-FM-003 Accident emergency plan measure table

1.6.11.3. SQCT-CP-FM-004 Safety inspection record

1.7. Fair labour

“The Member is aware of its social responsibility for its employees and the people, communities and environments in which it works and shall respect human rights.”

1.7.1. SQCT is committed to following the applicable labour and employment laws including working time wherever it operates. These include laws pertaining to freedom of association, privacy, child labour and discrimination.

1.7.2. The subcontractor and representative of SQCT are required to respect the rights and cultural differences of individuals.

1.7.3. SQCT believes it has the responsibility to engage in employment practices that meet the highest legal and ethical standards, ensuring that no associate will suffer undue harm because he or she raises an issue, reports a Code violation or cooperates with an investigation.

1.7.4. SQCT ensures equal employment opportunity (Such as hiring, compensation, access to training, promotion, termination or retirement) without discrimination or harassment based on race, colour, religion, caste, sex, sexual orientation, gender identity or expression, age, disability, marital status,

citizenship, national origin, genetic information, union membership, political affiliation or any other characteristic protected by law.

1.7.5. SQCT has zero tolerance on discrimination, harassment, forced / bonded / prisoned labour and human trafficking/modern slavery.

1.7.6. SQCT is committed to:

1.7.6.1. Compliance with at least with minimum wage legislation and other applicable wage and working time laws.

1.7.6.2. Prohibition of child labour-strictly prohibit the use of child labour;

1.7.6.3. Prohibition of forced and compulsory labour-prohibit all forms of forced labour, whether in the form of prison labour, indentured labour, bonded labour ,slave labour or any kind of non-voluntar labour;

1.7.6.4. Respect of equal opportunities in the workplace;

1.7.6.5. Zero tolerance of abuse, bullying or harassment in the workplace.

2.0.Implementation of Compliance Programme

2.1. Implementation

2.1.1. SQCT has implemented this Compliance Program based on this Code, throughout its organization by integration of the Code's requirements into its quality management system.

2.2. Compliance Principles and Rules

2.2.1. SQCT is committed for implementing its compliance programme by publishing and adopting,

addressing all the key elements of IFIA/ TIC Council Compliance Principles and Requirements for implementation throughout its organization.

- 2.2.2. SQCT shall submit a copy of its Compliance Programme, within one month of publication, and any subsequent updates, to the Director General of IFIA/TIC for verification of compliance with the IFIA / TIC Council Code.

2.3. Compliance officer

- 2.3.1. SQCT Board of Directors has appointed a Compliance officer (Daisy Zhu), who, irrespective of his other responsibilities, also has full responsibility and authority for the co-ordination and implementation of SQCT Compliance Program throughout the company.
- 2.3.2. The Compliance Officer may nominate delegates to perform some or all his/her functions within specified parts of the organization. Additionally, Senior managers throughout the organization shall have responsibility for implementation of the Program in their areas of responsibility.

2.4. Compliance committee

- 2.4.1. SQCT has established a Compliance committee to carry out periodic reviews of the progress of the Compliance Programme and provide policy guidance.
- 2.4.1.1. The Compliance Committee meetings should be at least once a year.
- 2.4.2. The Compliance Committee includes the Compliance Officer, the Chief Executive Officer and representation from HR.
- 2.4.3. List of members of the Compliance Committee (including job title).
Compliance Officer: Daisy Zhu;

Chief Executive Officer: Francois Shi;

Representation from HR: Susan Hu

2.4.4. The terms of reference of the compliance committee are as under:

2.4.4.1. Review of the IFIA / TIC council compliance principles, program requirements and responsible for overseeing the Compliance Programme.

2.4.4.2. Review and approve background of intermediary's investigation report, if any

2.4.4.3. Verifying, reviewing, approving remuneration analysis of intermediaries for its appropriateness and justifiable for legitimate services rendered and does not facilitate improper payments by the intermediary.

2.4.5. Reference documents:

2.4.5.1. SQCT-CP-08 Compliance Committee Process

2.4.5.2. SQCT-CP-FM-009 Compliance Committee Implementation Plan

2.4.5.3. SQCT-CP-010 SQCT Helplines

2.5. Human Resource

The following are covered in this section

2.5.1. Recruitment

2.5.2. Employee commitment

2.5.3. Training

2.5.4. Employee "Helplines"

2.5.1. Recruitment

2.5.1.1. Prior to job offer, prospective employees shall be informed of SQCT Compliance Programme.

2.5.1.2. IFIA / TIC council compliance programme (weblink) is provided along with offer letter to potential employees.

2.5.2. Employee commitment

SQCT ensures that:

2.5.2.1. Each employee is provided with a copy of the Compliance program requested to sign a declaration that it has been received, read and understood. A record shall be kept in the employee's file.

2.5.2.2. Each Senior Manager is required to sign an annual declaration (see Annex A) that the Programme has been implemented in his/her area of responsibility.

2.5.2.3. Each Employee shall be required, at the moment of their hiring, to sign a Non-disclosure Agreement which forbids the disclosure of confidential business information and foresees penalties in case of violation.

2.5.2.4. The Compliance Program is included with provision that employees will not suffer demotion, penalty or any other adverse consequences arising from strict implementation of the Program even if it may result in a loss of business.

2.5.2.5. SQCT commits itself to ensuring the impartiality and independence of all its employees and of the service offered by verifying that:

- The personnel is not subject to commercial, financial or other kind of pressures that may affect their judgment;
- Persons or organizations external to the company are not in a position to influence the activities of SQCT personnel.

2.5.3. Training

2.5.3.1. All employees, including Managers of the SQCT should be required to undergo a Compliance Training Course. A Record of course completion should be kept in each employee's file.

2.5.4. Employee "Helplines"

2.5.4.1. SQCT is committed to implement the compliance programme & each policy should be understood by each employee. Hence SQCT has made a provision for "help line" where its employees obtain

guidance on any question or matter of concern relating to the implementation or interpretation of the programme.

2.5.4.2. At the employees request any such question should be dealt with confidentially and the anonymity of the employees should be protected to the extent reasonably practicable. This help lines may utilise by the SQCT employee or external third-party organization.

2.5.4.3. The help line shall be operated by Compliance officer

Jianye District, Nanjing, Jiangsu, China

Ph-0086-68093658

Email:info@sunchineinspection.com

2.5.5. Reference documents:

2.5.5.1. IFIA/TIC-Compliance-Training-Guide

2.5.5.2. SQCT-CP-FM-008 New Employee Induction Program

2.5.5.3. SQCT-CP-FM-007 Training Attendance Record A00

2.5.5.4. SQCT-CP-010 SQCT Helplines

2.5.5.5. SQCT Training Course -TIC Compliance Programme Training Course

2.5.5.6. SQCT Training Course -CNAS 17020 Compliance Training Course

2.6. Security Measures

2.6.1. SQCT is committed to ensuring adequate security are take on premises containing confidential business information ascertaining that access is restricted to authorized personnel only and that documents/data a restored in designated secure areas and disposed of in a secure manner.

2.7. Communication

2.7.1. External communication

2.7.1.1. SQCT has published its compliance program on website www.sunshineinspection.com. SQCT is open to receive any enquiries, feedback, suggestion, complaint and appeal from any interested parties through website.

2.7.2. Internal communication:

2.7.2.1. If staff has any questions or concerns about the implementation or interpretation of the Compliance Program, they can always contact their direct manager or "Compliance Officer" for advice.

2.7.3. Reporting of Violations

2.7.3.1. Employees of SQCT shall be encouraged to report details of violations or suspected violations either direct to the Compliance Officer, or to the employee's superior, a member of senior management or an internal auditor.

2.7.3.2. 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.

2.7.3.3. Employee shall be required to report any solicitation for, or offer of, an improper payment or advantage coming to their knowledge to compliance officer contact mentioned in section 2.3.1.

2.8. Investigation and sanctions

2.8.1. Compliance officer shall start, whenever appropriate, an investigation into any violation of the Programme as reported to him or her, or of which he or she may become aware.

2.8.2. To deal with investigations and sanctions related to violations of the Programme, SQCT has established the procedure for conducting investigations that includes requirement as under:

- 2.8.2.1. The maintenance of records of all reported violations and subsequent actions taken;
 - 2.8.2.2. The author of such alleged violation shall have the right to be heard;
 - 2.8.2.3. The management of SQCT shall 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;
 - 2.8.2.4. Compliance Officer to receive progress reports from his/her nominated delegates and/or the management in the locations concerned and prepare periodic summary reports for the Compliance Committee on investigations, violations established and the implementation of corrective actions and disciplinary measures.
- 2.9. Business Partners
- 2.9.1. Business relations are external parties with whom SQCT does business such parties who are also referred as business partners including the following:
 - 2.9.1.1. Intermediaries, (entities or individuals external to the Member who are required to promote the services of the Member as part of their responsibilities, including consultants and advisers)
 - 2.9.1.2. Joint venture partners
 - 2.9.1.3. Agents(entities or individuals external to the Member who are required to provide operational services, within the Profession as defined in TIC Council's Articles of Association,on the Member's behalf)
 - 2.9.1.4. Subcontractors(entities or individuals performing outsourced activities within the Profession under a contract with the Member)
 - 2.9.1.5. Franchisees(entities or individuals external to the Member who carry on business within the Profession using the Member's trading name and/or brand, the rights to which are purchased from the Member under a franchise contract)
 - 2.9.2. SQCT ensures that Compliance programme is applied to the extent appropriate in its business relations with parties external to the organization and that improper payments are not channel led through them; also, SQCT ensure that such parties abide by the compliance Programme to the extent

that is appropriate.

2.9.3. Before having contract with any business relationship (like intermediaries, joint ventures, agents, sub-contractor, franchisees, etc) SQCT carries following checks:

2.9.3.1. Conducting due diligence before entering into or renewing any contract with the party

2.9.3.2. Making known to its compliance principles to the party and seeking assurance that the party will comply with Principles in so far as these apply to activities performed on behalf of SQCT.

2.9.3.3. Obtaining the party's (except for subcontractor) contractual commitment to comply with the compliance Principles and verify this periodically.

2.9.3.4. Monitoring the party's continual compliance with the principles.

2.9.3.5. Not dealing with any parties known to be involved in bribery.

2.9.4. Due diligence includes:

2.9.4.1. A risk analysis

2.9.4.2. An interview with the party

2.9.4.3. An investigation of the party's background which, for intermediaries, should be reviewed and approved by the Compliance Committee of SQCT.

2.9.4.4. Verification through remuneration analysis, which should be reviewed and approved by SQCT compliance committee, that the remuneration paid to each intermediary is appropriate and justifiable for legitimate service rendered and does not facilitate improper payments by the intermediary.

2.9.5. In addition, for intermediaries and other parties as maybe appropriate, SQCT should provide training and support.

2.9.6. SQCT shall ensure to have all intermediary's remuneration in a separate general ledger account in accounting records and consolidate all such payments made by any of its operations and prepare

annually a consolidate management statement of all intermediary's remuneration.

2.9.7. Reference documents:

2.9.7.1. SQCT-CP-09 Subcontract

2.9.7.2. SQCT-CP-03-004 Sub-contractor agreement

2.9.7.3. SQCT-CP-03-005 Representative Agreement

2.9.7.4. SQCT-CP-FM-005 Subcontractor Assessment Report

2.9.7.5. SQCT-CP-FM-006 List of Approved Subcontractors

2.9.7.6. SQCT-QP-011 Appeals and Complaints

2.9.7.7. SQCT-CP-FM-010 Appeal and Complaint Registration Form

2.9.7.8. SQCT-CP-FM-011 Appeals and complaint handling plan form

2.9.7.9. SQCT-CP-FM-012 Appeal and complaint handling notice

2.10. Complaints and Disciplinary Procedure

2.10.1. Complaints concerning alleged non-compliance with IFIA/ TIC-Council compliance Code by other IFIA/ TIC-Council members shall be lodged with IFIA/ TIC Council in accordance with the TIC Council Complaints Handling Procedures. SQCT shall refrain from submitting such complaints to other parties unless it is necessary to do so to protect reputation of SQCT.

2.10.2. SQCT shall comply with provision of TIC-Council complaint handling procedure (<http://www.ifia-federation.org>) in respect of any complaint received by IFIA/TIC council against SQCT by another party who is not a Full approved IFIA/TIC member, and shall conduct complete investigation of the issues raised in the complaint as per SQCT complaint handling procedure and shall submit the findings to IFIA/ TIC Council.

2.10.3. When complaint is made against the SQCT by a Full IFIA/TIC council member, SQCT shall fully co-

operate with the investigations carried out by IFIA/TIC council and submit any information required in this regard. SQCT shall also comply with requirements of review committee held by IFIA/TIC global board or any appeal made in this regard.

2.10.4. Breaches of IFIA/ TIC council compliance Code may lead to sanctions imposed by the IFIA/ TIC Council subject to the rules, including rights of appeal, set out in the TIC Council Complaints Handling Procedures.

2.11. Accounting and book keeping

2.11.1. SQCT is committed and maintains accurate books and records, documenting all the financial transactions in a correct and honest manner.

2.11.2. Off-the-books accounts should be prohibited.

2.12. Health and safety

2.12.1. SQCT record and investigate all reported Health&Safety incidents.

2.12.2. In case required, appropriate corrective measures are taken.

2.12.3. Reference documents:

2.12.3.1. SQCT-CP-06-001 Occupational Health And Safety Procedure

2.12.3.2. SQCT-CP-FM-003 Accident emergency plan measure table

2.12.3.3. SQCT-CP-FM-004 Safety inspection record

2.13.Compliance Summary Report

2.13.1. Compliance officer shall prepare a summary Report on an annual basis. This summary Report shall cover statistics or confirmations to show compliance with the procedures of SQCT and policies for the following area:

2.13.1.1. Violations

- Number of violations/ suspected violations reported
- Number of violations substantiated
- Confirmation that remedial actions have been determined and action undertaken/ being undertaken for each substantiated violation / non-compliance.

2.13.1.2. New or renewed Intermediaries, joint venture partners and franchisees

- Number of new or renewed Intermediaries, joint venture partners and franchisees in the financial year
- Confirmation that each has gone through the SQCT's due diligence procedures as required.
- Confirmation that an appropriate contract/ terms of business have been put in place with each.

2.13.1.3. Expenses- Confirmation of the expenses are in line with the SQCT's compliance programme and related policies for:

- Political contributions
- Charitable contributions and sponsorships
- Expenditures relating to gifts, hospitality and expenses
- Intermediaries remuneration

2.13.1.4. Health & Safety

- Number of health & safety incidents reported
- Confirmation that remedial actions have been determined and action undertaken/ being undertaken for each incident.

2.13.2. Reference documents:

2.13.2.1. SQCT-CP-011 Compliance Summary Report

3.0 Verification of compliance programme implementation effectiveness

Verification of compliance programme implementation effectiveness includes below 2 sections:

3.1. Effectiveness monitoring – Internal

3.2. Effectiveness monitoring – External verifications

3.1. Effectiveness monitoring – Internal

3.1.1. Management declaration

3.1.1.1. SQCT shall require its senior managers throughout its organization to prepare and sign a compliance declaration, on an annual basis, based on the template contained in Annex A of this compliance programme guidelines.

3.1.1.2. These are carried out by qualified auditor and the implementation of the compliance programme is verified within the organization and the Management declarations, in particular that:

3.1.2. Internal audits

3.1.2.1. SQCT shall carries out internal audits on a regular basis according to the defined programme.

3.1.2.2. These are carried out by qualified auditor and the implementation of the compliance programme is verified within the organization and the Management declarations, in particular that:

- Have been completed in conformance with Annex A
- Reflect compliance with the principles and rules
- In respect of those locations selected for site audits, correctly reflect the actual situation
- Such site audits shall review the processes in place to ensure the effective application and implementation of the program

3.1.3. "IFIA / TIC Council Guidance check list for members' internal compliance audits" shall be used for Internal Compliance Audits of SQCT.

3.1.3.1. The compliance findings result from such audits shall be reported to the compliance officer who shall submit a summary report to the compliance committee. The compliance officer and/or compliance committee shall take follow-up actions wherever appropriate.

3.1.4. Reference documents:

3.1.4.1. IFIA-Compliance Code Internal Checklist

3.1.4.2. Compliance summary report

3.2. Effectiveness monitoring – External verifications

The implementation of the compliance Programme shall be verified through submission of documents and by agreed upon procedures carried out by the SQCT's appointed recognised independent external audit firm.

3.2.1. Frequency

3.2.1.1. The effectiveness of the implementation of the programme shall be examined at least annually by the SQCT's appointed independent external audit firm.

3.2.2. Appointment of independent external audit firm

3.2.2.1. The independent external audit firm to carry out the verification by agreed upon procedures could be the firm engaged for the statutory audit of the SQCT's consolidated financial statements.

3.2.2.2. The appointed audit firm shall be a reputable organization that is a member of a recognized national professional accountancy organization.

3.2.3. Notification to TIC Council of Appointed External Audit Firm

3.2.3.1. SQCT shall send details of external auditing company for the confirmation of compliance with IFIA/ TIC Council requirements, to the IFIA/ TIC Council before appointment.

3.2.3.2. In case of any subsequent changes as proposed, shall follow the same procedure prior to appointment.

3.2.4. Scope of the verification

SQCT needs carryout the following:

3.2.4.1. Submit documents for verification to IFIA / TIC Council;

3.2.4.1.1. SQCT shall submit the following documents to IFIA/ TIC Council:

- SQCT Compliance Programme, as well as policies in relation to each principle, if applicable;
- The terms of reference for the Compliance Committee including the specification that the Compliance Committee is responsible for overseeing the Compliance Programme;
- List of members of the Compliance Committee (including job title).
- Compliance Programme training course material.
- Material helping the awareness of the Employee Help Line including designated email.
- Material encouraging employees to report details of violations or suspected violations and to whom they can report.
- Scree print of SQCT's website where:
 - The Compliance Principles are explained.
 - An interested party can make inquiries, complaints or feedback.
- Documented procedure for the handling of investigations and sanctions;
- Policies related to confidential business information (information security policy, confidentiality Policy).
- Procedures for due diligence for initiating or renewing relationships with intermediaries, joint ventures partners and franchisees.
- Procedure for contracting with intermediaries, joint venture partners and franchisees and related

template(s) of contract / terms & conditions with a new / renewed intermediary, joint venture partner or franchisee.

- Template of the annual management declaration based on the template in Annex A.
- Scope of Internal Audit plan that includes the review of the implementation of the Compliance Code.
- Annual summary reports prepared by the Compliance Officer covering statistics or confirmations to show compliance with SQCT's procedures and policies, as specified in Annex B.
- Annual report of the results of the agreed upon procedures.

3.2.4.1.2. SQCT shall self-assess whether the evidence being submitted meets all the evidence requirements before submitting the documents, (The evidence requirements are detailed in Annex B).

3.2.4.1.3. SQCT shall explain the reasons for any deviations to the evidence requirements, if any.

3.2.4.1.4. Unless otherwise stated, documents are required to be re-submitted only if they have been updated. All documents shall be reviewed and updated at least every three years or whenever there is an updated version of the Compliance Code and/or guidelines issued by IFIA / TIC Council.

3.2.4.2. Request audit firm to carry out agreed upon procedures;

3.2.4.2.1. Independent audit firm shall carry out agreed upon procedures for the following areas annually:

- Understanding of compliance code by each new employee
- Attendance of Compliance Programme training course(s) by employees
- Employee Help Line including designated email to raise queries and / or issues relating to the Compliance Programme
- Reviewing and taking actions on enquiries, complaints and feedback from interested parties
- Understanding of the confidentiality requirements by each new employee
- Schedules prepared for political contributions; charitable contributions and sponsorships;

expenditures relating to gifts, hospitality and expenses; and Intermediaries' remuneration

- Monitoring of annual compliance declaration submitted by Senior Managers The specific agreed upon procedures is detailed in Annex C.

3.2.4.3. External audit firm report:

3.2.4.3.1. SQCT shall ask the external audit company to issue a report showing the results of the agreed upon procedures using the template contained in Annex C.

3.2.4.3.2. SQCT shall send a copy of its external audit firm's Report to the IFIA/ TIC Council within 6 months from the end of SQCT's financial year.

=END=