



V-Trust Inspection Service Co., Ltd.  
Compliance Program

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V-Trust Inspection Service Co., Ltd.

# Compliance Program



*Helping Buyers Sleep Better!*

[www.v-trust.com](http://www.v-trust.com)

This company's Compliance Program is the 3<sup>rd</sup> edition of V-Trust Inspection Service Co., Ltd. (The 1st edition was published in August 2013.) It follows IFIA Compliance Code published in December 2018 under TIC Council and APSCA Code & Standards of Professional Conduct.

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### **Forward**

V-Trust Inspection Service Co., Ltd (V-Trust) has successfully established a global business with a strong reputation. A good reputation is our most valuable asset, and fully reflects our core values and business standards.

The values related in this program are shared by each of our staff, and each customer recognizes our adherence to the points therein. These standards are the cornerstone of our company; they strengthen our unity to ensure our continued growth and recognition.

Our core values about "integrity, independence, respect for each individual, social & environmental responsibility" in accordance with the International Federation of Inspection Agencies (IFIA) became the focus which ultimately led to the drafting of our first "Compliance Program" in 2013, and its official publication in September.

In order to accurately represent our professional standards, the Compliance Program details how the basis for our development and growth are our moral values, principles and guidelines. These standards have helped to build a mutual trust between our customers, employees and business relationships.

Therefore, all employees of the company must comply with the Compliance Program while fully and actively maintaining the values, principles and standards therein. Each of us has a responsibility to comply with the Compliance Program as well as implementing them in our everyday business procedures. The adherence to this Compliance Program is critical to our future success.

All staff must ensure that their daily decisions are consistent with the provisions stated in the Compliance Program. Our business partners must also comply with our Compliance Program in all respects.

It is essential that by adhering to our Compliance Program, each one of our staff can actively maintain and enhance the company's reputation and social responsibility.

Any employee's violation of the Compliance Program is a serious event that will lead to devastating consequences (both for the individual and company); it may also adversely affect V-Trust's reputation. Every employee must:

- Take the time to read, learn and implement the Compliance Program in their daily work.
- If there is any doubt as to the method to implement the Compliance Program, they should immediately contact their direct manager or the Compliance Officer for assistance.

Zhang Li Da (Ted Zhang)  
General Manager

Huang Ling Ling (Grace Wong)  
Compliance Officer

## **Our Core Values**

The core values are V-Trust's most "essential" element; every employee contribute to their implementation.

These values are as follows:

### **1. Honesty and Trustworthiness**

- In fairness, honesty and integrity act according to these guidelines.
- Practice what we preach by always putting these values as our top priority.
- Provide services to our clients according to contracts with clearly established detailed descriptions and initiatives.
- Follow the company's policies and procedures.
- Respect the confidentiality of businesses and client's personal information.
- Respect local and international compliance and professional norms.
- Provide health and safety information when necessary, including instruction and training.
- Work to achieve health and safety requirements.

### **2. Objectivity and Independence**

- Provide professional and impartial recommendations.
- Develop accurate records and reports.

### **3. Respect for the Individual**

- Be duly considerate to others.
- Always consider how our actions affect others.
- Recognize the importance of individual contributions, and based on performance give accurate and consistent praise.
- Respect differences, caring for the individuals, not discriminating between nationalities, race, age, gender, religion or political beliefs.

### **4. Social Responsibility**

The company and all staff should take into account their behavior on the social, human and environmental level.

### **Our main principles**

#### **1. We will strictly enforce our Compliance Program**

"Everyone should get involved". We must implement the development and progress on our core principles, towards all employees, customers, shareholders, suppliers, competitors or business partners with no exceptions.

Our Compliance Program will ensure the normal operation of our daily business. Each of our managers and staff, regardless of which department they work in, must understand and comply with our Compliance Program.

#### **2. Our actions must always be transparent, honest and fair.**

"No one can deviate from the principles" Many actions are immune from laws, regulations or other mandatory requirements as stipulated. In this case our actions will be transparent so that honesty and fairness prevail, regardless of whether there are laws or regulations clearly stated. Each staff member has a responsibility in the case of violation of these standards to investigate.

No employee can break the rules and guidelines written in our Compliance Program in the course of any activity related to the company. No employee can put the company's interests, income or meeting a performance target ahead of the law, or use these as an excuse for breaking government laws or regulations.

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.

#### **3. We are committed to full compliance with the operation of our business laws and regulations of the country we operate in.**

"Never perform any action that can tarnish the reputation of V-Trust, do not make decisions that could take the company into illegal activities, or which could bring into question the company's ethical behavior.

Our company's reputation for integrity is built on respect and abiding by guidelines put in place by the laws, regulations or administrative provisions related to our daily business activities. Each person should be familiar with the laws, regulations and requirements in their own field of work to ensure full compliance with these provisions, and in case of the need to seek legal help, it is every staff member's own responsibility.

Any and all violations that may result in our company's illegal behavior must be avoided. Compliance with our Compliance Program requires that we not simply confine ourselves to the moral values stated in the Compliance Program, but also base our behavior on local laws and



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regulations. If any of the points in the Compliance Program or principles, guidelines and local laws and regulations are in conflict, final actions should be in accordance to local laws and regulations, and must comply with local laws and regulations.

## **Application Guidelines**

### **1. Integrity**

"We have to work in a professional, independent and impartial manner."

We must avoid a situation in which violation of our objectivity may occur. We are committed to openly and transparently investigating and dealing with such situations.

We should be professional, independent and impartial in the way we work; we will not tolerate any departure from established methods or procedures, or deviate from the actual results which were reported. We will not succumb to any pressure or influence in our work.

Data, test results and other important facts will be truthfully reported. Our report and certification must accurately indicate the actual results, professional advice or conclusions. When test results deviate from the specifications or standards, we cannot abuse the deviation to change the result of the report or change the test results or trends.

Through our quality control processes, we are able to ensure the implementation of these guidelines.

### **2. Provide confidence in the authenticity of the documents and information.**

Authenticity of financial and accounting documents

"All transactions must be timely and accurately recorded"

All financial and accounting information must be timely and accurately recorded in the books and accounts of the company without exception; we also can always accept the fraud prevention agency inspectors to check our records. All companies and divisions must accurately describe all situations, and must be able to provide appropriate evidence to prove documentation.

All documents must be in accordance with applicable law and the company's Compliance Program.

Financial and accounting information, internal control

"Internal control objectives are to ensure that financial and accounting information quality, reliability, and compliance with laws and regulations are adhered to."

The establishment of the internal control objectives is to ensure the provision of financial and

accounting information quality and reliability. Each business unit or department managers is responsible for the programs execution in accordance with the company's internal controls.

Managers must ensure that the reporting system and recorded data, especially mid-year and year-end data published at this stage is completely consistent with the financial results.

The authenticity of the information and report

"It is every staff member's responsibility to provide accurate information."

Each staff member is required to take personal responsibility for information they transmitted (including through the IT systems).

All staff must ensure that the use or communication of reports, records and information is reliable, true and complete. These documents include financial reports and forecasts, legal reports, research reports, tax returns and other such documents.

### **3. Conflicts of interest**

"Avoid anything that might lead to a conflict of interest."

We shall avoid conflicts of interest with any related entity in which we have a financial or commercial interest and to which we are required to provide services.

We shall not perform audit or inspection services at any facility where we, our owner or managers have provided consultancy within the proceeding two years.

We shall avoid conflicts of interest between the divisions engaged in different activities but which may be providing services to either the same client or each other.

Conflict of interest refers to inconsistencies in the company's interests and personal interests, including our immediate family or a private business with our personal relationships. Each staff member should avoid conflicts of interest, because these situations may affect your judgment, even if you do not realize it. Maintaining objectivity and reporting any potential conflicts of interest that may result in a change of behavior are essential.

We monitor all such conflicts that may lead to situations, including a total ban on certain events, pre-verification or approval practices.

"Always take objective point of view and consider your own situation in order to avoid conflicts of interest."

Our internal procedures to monitor potential conflicts of interest are as follows:

- You cannot provide work for family members.
- As the company's staff, directly or indirectly make requests that result in personal gain.

- You cannot accept part time employment outside the company.
- In addition to following company's internal procedures, benefits cannot be provided directly or through relatives, friends, competitors, suppliers or customers.
- The company's articles or resources cannot be used for personal use.

In the event of doubt, you should first stop the work at hand, and immediately raise your concerns to your manager or Compliance Officer.

#### **4. Confidentiality**

"In order to protect the rights of our clients, relevant information must be protected."

##### **Our Customer's Information**

When we provide services, all of the information received must be treated as confidential and keep strictly private, observing the authorized disclosure principles.

"Protecting our company's intellectual property"

##### **Intellectual Property**

Technical information, systems, inventions, developed or acquired proprietary technology and confidential information under a confidentiality agreement must be kept strictly confidential.

Use of such information must be strictly limited to the licensed occupational purposes, not including personal purposes, in addition only authorized personnel can have access.

"Everyone should take necessary measures to protect the confidential Information acquired."

All employees must personally protect their own confidential information, to ensure that it is protected in the controllable range. Agreement by the staff to make a specific contract provisions specifying particular terms of the agreement, or sign a confidentiality agreement, or by other appropriate legal means to protect it. Even after leaving the company, staff still bears the obligation to keep previously divulged information confidential.

Everyone should ensure that the protection of such confidential information is strictly implemented, and carry out the required safety measures to ensure that access to such information is strictly limited to authorized personnel. Confidential business information should be stored in a designated secure area, and should be disposed of in a secure manner.

#### **5. Anti-bribery**

"We shall not solicit, accept or facilitate any form of bribe or inducement."

We are firmly opposed to any form of bribery, direct or indirect, including currency, gifts, goods, services, or entertainment from any party directly or indirectly related to the inspector or audit



service. As it is not possible to always understand the motivations of the individual providing the benefit or value, there is no minimum threshold for any items received. Also we cannot use other means or channels to accept improper benefits from: customers, agents, employees, suppliers or government official's.

Relevant local and international anti-bribery law applies whenever arranging or performing services.

Through our internal procedures:

- We monitor the implementation of operations of political contributions, charitable contributions and sponsorships.
- We regulate the giving or receiving of gifts, meals, transportation or hospitality expenses.
- We ensure the maintenance, proper recording and accuracy of all financial transactions and records.
- We prohibit the billing or reporting of work not in alignment with contractual services.

### **6. Business partners**

We should strive to ensure no improper payments are carried out through intermediaries, joint venture partners, agents or subcontractor channels. We have a fair and transparent approach to procurement. Through dedicated internal procedures and the Compliance Program published, we have all of our business partners (intermediaries, joint venture partners, subcontractors, agents, major suppliers, franchisees and contractors) understand our Compliance Program and select the most qualified partner..

### **7. Fair business conduct**

We shall follow the highest standards of business ethics and integrity, and shall not do anything which would bring our reputation, or the reputation of TIC Council or the TIC industry, into disrepute.

"We have to comply with antitrust laws, and respect rules of marketing."

We guarantee fair business conduct and compliance with applicable laws. If the company and/or management are in violation of antitrust laws, they will be subject to severe civil and criminal prosecution. When in doubt, any employee can contact the company's legal department or Compliance Committee for advice.

"Our marketing department shall, in good faith, without fraud, misleading or using wording that may cause misleading, advertise our services. All Marketing information should be consistent with all relevant laws. "

We should use fair and reasonable methods to show our company's image, and to ensure that the information we provide is accurate and true. In the drafting of commercial documents, we need to promote full transparency, not emphasizing competitor's defects or negligence to



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enhance our strength and brand image. In discussions with our customers, we must not deliberately slander, libel or defame our competitors, we must not promise a service we cannot provide, or give them this impression without prior verifiable claims that V-Trust can provide specific services.

### **8. Health and Safety**

In order to protect the health and safety of employees, customers or any other parties that are involved in our daily operation, we should:

- Provide safe workplace free from serious recognized hazards and comply with local standards, rules and regulations;
- Provide safe tools and equipment that are properly maintained.
- Establish and update operating procedures and communicate the safety and health requirement.

Every employee has the responsibility of:

- Take reasonable care of himself/herself
- Take reasonable care of others
- To cooperate with the company to implement the measures for health and safety
- No to misuse or mistreat work equipment

### **9. Fair Labor**

We are aware of our social responsibility for the employees and the people, communities and environments in which we work and shall respect human rights.

We should ensure the compliance with employment laws and regulations as well as adherence to codes of conduct. Not only do legal compliance and ethical conduct help protect the company from risk and liability exposure, but they also foster positive, productive work cultures where everyone working for the organization is motivated to do their best.

Every employee should be guaranteed a minimum wage and overtime pay that allow them to maintain a level of health, effectiveness and well-being.

## The Implementation of the Compliance Program

### **Related documents:**

All staff members should comply with the requirements in following documents:

- The "Compliance Program"
- All applicable internal procedures
- Any other internal or technical requirements associated with the provisions of the Compliance Program.

### **Scope:**

The Compliance Program applies to all employees of the company, all staff and business partners.

### **Compliance officer**

The board, or equivalent body, should appoint the company's Compliance Officer, who, irrespective of his or her other responsibilities, should have responsibility and authority under the board for the co-ordination of the implementation of the Compliance Program throughout the whole organization.

### **Compliance committee**

The company's Compliance Committee is in charge of organizing and implementing the Compliance Program. It consists of board members and the company's Compliance Officer and holds meeting at least once per year to review the implementation.

The Compliance Officer may nominate delegates to perform some or all of his/her functions within specified parts of the organization. Additionally, senior managers throughout the organization should have responsibility for implementation of the Program in their areas of responsibility.

Each department manager is responsible for the departments under their jurisdiction and management of the implementation of the Compliance Program, and is subject to the supervision of the vice president. In order to implement the Program, each manager is responsible for the Compliance Program to provide a copy to the staff, and see that they are trained in a simple, practical and concrete form, inform them of their responsibilities and make sure they understand the behavior of any breach of the Program will result in serious discipline.

### **Employee Commitment**

Compliance with the Compliance Program as well as the principles and guidelines therein

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should be included in each employee's performance appraisal. Every inspector and auditor shall be aware that the company arranges un-announced audit on a regular basis to supervise and evaluate the performance. While conducting performance appraisals, employee training (ethics training at least once per year) or meeting reviews, every member has the right to comment the Compliance Program and give improvement suggestion.

Any employee violation of the Compliance Program will be subject to disciplinary action, including termination of the labor contract. Any employee found to have offered, solicited or accepted any form of bribe or incentive will have his labor contract terminated. Before carrying out disciplinary action, in the case of Program violation, the party has a right to be heard and the right to defend himself. Each staff member should report their knowledge of the situation and any improper payments or benefit or bribe attempts.

Reporting of a violation of the Program or any suspected breaches of the Program by any employee can be made to the following people:

- The employee's immediate manager, or
- The employee's superior's immediate manager, or
- Company's internal auditor, or
- Compliance Officer

For proper, truthfully reporting of staff in violation, the company will not impose any sanctions. However, any person involved in prohibited activities is likely to be subject to appropriate disciplinary action, even if he is a whistleblower. If requested, informant's identity can remain anonymous.

The implementation of the Compliance Program should be made by the internal and external auditor's regular check and test results submitted to the Compliance Committee. Department managers within the company should act in accordance with procedures to prepare compliance reports.

If staff have any questions or concerns about the implementation or interpretation of the Compliance Program, they can always contact their direct manager or the company "Compliance Officer" for advice. If necessary, the question must be reasonably within the scope of application to ensure confidentiality and animosity. Compliance-related inquiries, complaints or feedback from external bodies or Programs should contact the Compliance Officer via ([www.v-trust.com](http://www.v-trust.com)). All staff has access to V-Trust's system, and relevant parts of the Compliance Program.

When faced with moral aspects of business decision, you should consider the following questions:

1. Did I adhere to the spirit and meaning of relevant laws and policies?
2. Were my actions or decisions consistent with V-Trust's values and Compliance Program?
3. Am I willing to put my actions on media coverage?

4. How would my family, friends or colleagues evaluate my actions or decisions?
5. Whether V-Trust has any direct or indirect adverse consequences?
6. Is there any other option?

If a problem occurs, the following tips can help you:

1. Answer the following questions to clarify your situation:
  - How was I involved in this event?
  - What principles or regulations were violated?
  - Who defined this violation?
  - Did it happen a long time ago?
  - Has the problem been solved yet?
  - Where did the breach occur in operations?
2. Then, determine how to deal with the problems identified:
  - Never ignore the problem exists, even if you cannot be sure;
  - Read the following list of contacts, select the contact you think is most appropriate to discuss the issue.

Not sure what to do when facing these issues, you must always:

- Pause for a while;
- Check applicable documents;
- If necessary, talk with your immediate manager, or (if you prefer) requests your company's Compliance Officer to help, you can always get in touch with them.

### **Compliance Program Help Line Contact:**

Compliance Officer: Huang Lingling (Grace Wong)

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