

Compliance Programme  
CWM SURVEY & INSPECTION B.V.  
ROTTERDAM

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 <b>For accordance:</b>		
 <b>Fred Penning</b> <b>Managing Director</b>		
 <b>Date:</b>		

## 0. Introduction CWM and IFIA

The IFIA Compliance Code, published in April 2007 revised in January 2008, February 2010 July 2012, consists of the five IFIA Compliance Principles and twelve Requirements for Implementation is adopted by CWM SURVEY & INSPECTION Rotterdam, further to be called CWM. CWM has, assisted by these Guidelines, developed his own CWM Compliance Programme in this Attachment A. The requirements are integrated in CWM's existing Quality Manual according to the ISO 9001 2008 requirements.

## 1. CWM Application of Compliance Principles

### 1.1. Integrity

CWM provides guidance to its employees for dealing with clients who expect CWM to abuse tolerance to obtain acceptable results. In respect of those business sectors in which CWM is active, CWM complies with any sector specific Integrity Rules as published by the IFIA Committee. See procedure B1 Beoordelen, uitvoeren en beheersen van de opdracht.

### 1.2. Conflicts of interest

In order to avoid conflicts of interest, or the appearance of conflicts of interest, in CWM's business transactions and services, CWM maintains a policy regarding conflicts of interest.

*CWM's policy provides guidelines to employees in order to avoid conflicts of interests between:*

- CWM and related entities in which CWM has a financial or commercial interest and to which CWM is required to provide services, and
- CWM companies and/or divisions engaged in different activities but which may be providing services to either the same client or each other.

*CWM's policy provides, as a minimum, that the CWM's employees do not:*

- directly or through relatives, friends or intermediaries, acquire an interest in a supplier, a client or a competitor of CWM, except for the acquisition of shares of a client, supplier or competitor on a public stock exchange, and then only to an extent which does not grant significant influence over the affairs of the client, supplier or competitor and which does not make the employee unduly dependent on its financial fortunes;
- hold any position with a competitor or client;
- conduct any company business with any member of their family or with an individual or organization with which they or their family is associated;
- employ a member of their family without approval of the CWM's management.

See also the Quality Manual ISO 9001 Chapter 5.3. Kwaliteitsbeleid.

### 1.3. Confidentiality

CWM requires each employee to sign a non-disclosure Agreement which prohibits the disclosure of any confidential business information, obtained during the course of his/her employment, to other parties. CWM ensures that all intermediaries, joint venture partners, agents, subcontractors, franchisees, contractors and suppliers are made aware of the confidential nature of business information that they may handle through their dealings with CWM, and that they not disclose confidential information to other parties. See procedure B1 Beoordelen, uitvoeren en beheersen van de opdracht.

### 1.4. Anti-bribery

#### Compliance with laws

CWM ensures that his CWM Compliance Programme meet the requirements of this IFIA Compliance Code and local laws relevant to countering bribery in all the jurisdictions in which it operates. In the event that the local laws specify additional or different requirements, which are not covered by CWM's Compliance Programme, CWM modifies that for the countries concerned. Records will be kept of countries where this Compliance Programme is modified.

**Analysis of risks**

CWM's Compliance Officer, to be called Quality Coördinator, or his delegate, organizes periodic reviews to assess bribery risks and determine appropriate control measures. Such reviews are systematically conducted, according to the internal audit schema following Procedure G2 Internal Audit of the Procedure Manual ISO 9001, but anyway:

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

**Business Principles for Countering Bribery**

CWM employs good business practices and risk management strategies in accordance with the Business Principles for Countering Bribery as published by Transparency International and Social Accountability International (see [www.transparency.org](http://www.transparency.org)).

These addresses at least the following areas:

**Political contributions**

CWM, its employees or agents do not make direct or indirect contributions to political parties, organizations or individuals engaged in politics, as a way of obtaining advantage in business transactions. CWM accounts for all its political contributions in a separate ledger and consolidate all such payments made by any of the operations that form part of its organization.

**Charitable contributions and sponsorships**

CWM ensures that charitable contributions and sponsorships are not being used as a subterfuge for bribery. CWM accounts for 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.

**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. Recognizing that facilitation payments are a form of bribery, CWM works to identify and eliminate them.

**Gifts, hospitality and expenses**

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

**1.5. Fair marketing**

CWM provides guidelines to employees, agents and intermediaries to ensure that they understand and adhere to the Principle governing fair marketing. CWM's presentations and publications are accurately and unambiguously reflect the CWM's network and affiliations, resources / capabilities, experience and services provided.

**2. CWM Compliance Programme****2.1. Implementation**

CWM implements the Compliance Programme, based on the IFIA Code, throughout its organization. CWM integrates the Code's requirements into its Quality Management System, through this Attachment A following the requirements of the ISO 9001 2008 norm.

**2.2. CWM's Compliance Programme**

CWM confirms its commitment to implementing this Code by publishing and adopting the CWM Principles and the key elements of implementation, at least,

- address all the IFIA Compliance Principles and Requirements for Implementation;
- follow these guidelines;
- apply these guidelines throughout the whole of its organization.

**2.3. Compliance Officer**

CWM has nominated a Compliance Officer, Mr. F. Penning, who is irrespective of his other responsibilities have responsibility and authority for the co-ordination of the implementation of the CWM Compliance Programme throughout the organization. The Compliance Officer, also to be called Quality Coordinator, can nominate delegates to perform some or all of his functions within specified parts of the organization. Additionally, the other CWM's employees have responsibility for implementation of the CWM Compliance Programme in their areas of responsibility. See the function descriptions.

**2.4. Compliance Committee**

CWM has a Compliance Committee to carry out periodic reviews of the progress of the CWM Compliance Programme and provide policy guidance. The Compliance Committee also, Quality Team, includes the Director and the Manager Operations and the Quality Coordinator.

**2.5. Recruitment**

Prior to job offer, prospective employees of CWM are informed of the CWM Compliance Programme through the introduction programme. See Procedure F1 Opleiding en training of the Procedure Manual ISO 9001.

**2.6. Employee commitment**

CWM ensures that:

- each employee is provided with a copy of the CWM Compliance Programme and requested to sign a declaration that it has been received, read and understood. A record is kept in the employee's file. See procedure E1 Opleiding en training;
- each Manager is required to sign an annual declaration (see Annex A) that the CWM Compliance Programme has been implemented in his area of responsibility.
- The CWM Compliance Programme includes provision that it be made clear that employees will not suffer demotion, penalty or any other adverse consequences arising from strict implementation of the CWM Compliance Programme even if it may result in a loss of business.

**2.7. Training**

All employees undergo a CWM Compliance Programme Training Course. For the purpose of guidance in the preparation of course material, CWM refers to the IFIA Compliance Training Guide. A record of course completion is kept in each employee's file. See Procedure F1 Opleiding en training of the Procedure Manual ISO 9001.

**2.8. Consultation on Code development**

The employees of CWM have the opportunity to provide input on the development of the CWM Compliance Programme. See Procedure G3 Opstellen, wijzigen en goedkeuren van procedures, werkinstructies en het computerprogramma of the Procedure Manual ISO 9001.

**2.9. Employee performance evaluation**

CWM ensures that each employee has an on-going understanding of the CWM Compliance Programme during employee performance evaluations. See Procedure F1 Opleiding en training of the Procedure Manual ISO 9001.

**2.10. Employee "Help lines"**

CWM makes provision for "help lines" where its employees may obtain guidance on any question or matter of concern relating to the implementation or interpretation of the CWM Compliance Programme. At the employee's request, any such question is dealt with confidentially and the anonymity of the employee is protected to the extent reasonably practicable. Such help lines may utilize CWM internal resources and/or an external third party organization.

**2.11. Security Measures**

CWM implements adequate security measures in its organization's premises containing confidential business information to ensure that access is restricted to authorized personnel only and that documents/data are stored in designated secure areas and disposed of in a secure manner. See Procedure G4 Beheer Handboek Kwali-teitsborging, Procedure Handboek, documenten en formulieren of the Procedure Manual ISO 9001.

**2.12. External Communications**

CWM makes the CWM Compliance Programme Principles public and provides facilities to receive enquiries, complaints or feedback from interested parties. See procedure G1 Beheersing van afwijkingen of the Quality Manual ISO 9001.

**2.13. Reporting of Violations**

The employees of CWM are encouraged to report details of violations or suspected violations either direct to the Quality Coordinator. The reporting employee is fully protected against any form of reprisal unless s/he acted maliciously or in bad faith. If requested, the employee's anonymity is protected to the extent reasonably practicable. See procedure G1 Beheersing van afwijkingen of the Quality Manual ISO 9001.

Employees are required to report any solicitation for, or offer of, an improper payment or advantage coming to their knowledge. See procedure G1 Beheersing van afwijkingen of the Quality Manual ISO 9001.

**2.14. Investigations and Sanctions**

The Quality Coordinator initiates, where appropriate, an investigation into any violation of the CWM Compliance Programme reported to him/her or coming to his knowledge. CWM maintains a documented procedure for the handling of investigations and sanctions which includes requirements for:

- the maintenance of records of all reported violations and subsequent actions taken;
- the alleged perpetrator of such violation to have the right to be heard;
- the Quality Coordinator to decide on the appropriate corrective and disciplinary measures to be implemented if a violation has been established. These measures may include a reprimand, demotion, suspension or dismissal;
- the Quality Coordinator receives progress reports from his nominated delegates and/or the management in the locations concerned and prepare periodic summary reports on investigations, violations established and the implementation of corrective actions and disciplinary measures.

See procedure G1 Beheersing van afwijkingen of the Quality Manual ISO 9001.

**2.15. Business Relationships**

To ensure that CWM's Compliance Programme is applied to the extent appropriate in its business relations with parties external to the CWM's organization and that improper payments are not channeled through them, CWM ensures that such parties abide by the CWM's Compliance Programme to the extent that is appropriate.

Such parties include intermediaries, (entities or individuals external to CWM who are required to promote the services of CWM as part of their responsibilities, including consultants and advisers), joint venture partners, agents, subcontractors and franchisees. There is no speak of franchisees, only agents and subcontractors are used. See procedure E1 Acceptatie leverancier en E2 Inkoop.

CWM does this by at least:

- conducting due diligence before entering into or renewing any contract with the party;
- making known its Compliance Principles to the party and seeking assurance that the party will comply with the Principles in so far as these apply to activities performed on behalf of CWM;
- except in the case of subcontractors, obtaining the party's contractual commitment to comply with the Compliance Principles and to allow CWM to verify this periodically;
- monitoring the party's continual compliance with the Principles (and in the event of discovering a breach taking remedial action);
- not dealing with any parties known to be involved in bribery.

Due diligence includes:

- A risk analysis;
- An interview with the party;
- An investigation of the party's background which, for intermediaries, are reviewed and approved by CWM;
- Verification through a remuneration analysis, which are reviewed and approved by CWM, that the remuneration paid to each intermediary is appropriate and justifiable for legitimate services rendered, and does not facilitate improper payments by the intermediary.

In addition, for intermediaries and other parties as may be appropriate, CWM provides training and support. See Procedure F1 Opleiding en training of the Procedure Manual ISO 9001.

CWM's accounts for all intermediaries' remuneration in a separate general ledger account in its accounting records and consolidates all such payments made by any of its operations and prepare annually a consolidated management statement of all intermediaries' remuneration.

## **2.16. Complaints and Disciplinary Procedures**

Complaints concerning alleged non-compliance with this Code by other Members are lodged with IFIA in accordance with the IFIA Complaints and Disciplinary Procedures. CWM refrains from submitting such complaints to other parties unless it is necessary to do so to protect their reputation. See procedure G1 Beheersing van afwijkingen of the Quality Manual ISO 9001.

## **2.17. Accounting and book keeping**

CWM maintains accurate books and records which properly and fairly document all financial transactions. Off-the-books accounts are prohibited.

## **3. Verification**

### **3.1. Management declarations**

CWM requires its Employees throughout its organization to prepare and sign, on an annual basis, a Compliance Declaration. See Annex A. These Compliance Declarations is sent to the Quality Coordinator who submits an annual summary report. See the Quality Manual Chapter 5.

### **3.2. Internal audits**

CWM has nominated internal auditors, as part of their internal audit plan, to verify that the CWM Compliance Programme has been implemented within its organization and in particular that the Management Declarations have been completed in conformance with Annex A and reflect compliance with the CWM Compliance Programme and, in respect of those locations selected for site audits, correctly reflect the actual situation.

Such site audits review the processes in place and include testing, on a sampling basis, to ensure the effective application and implementation of the CWM Compliance Programme. The IFIA Guidance Check List for Members' Internal Compliance Audits is used for reference. This Check List is directly applicable if the CWM's implementation of the Code follows the July 2005 version of the IFIA Compliance Code in detail. Otherwise it acts as a general check list for areas that the internal audit is likely to need to cover when applied to audit of CWM's implementation of the IFIA Code.

The compliance findings resulting from such audits will be reported to the Quality Coordinator who submits a summary report to the Director. The Director takes follow-up actions where appropriate. See procedure G2 Eigen beoordeling van het kwaliteitssysteem of the Procedure Manual ISO 9001.

### 3.3. External examinations

#### Frequency

The effectiveness of the implementation of the CWM Compliance Programme is required to be examined at least annually by the CWM's appointed independent external audit firm V2N Hendrik Ido Ambacht.

#### Independent external audit firm

CWM's independent external audit firm appointed to carry-out this examination is normally the firm engaged for the audit of the CWM's (consolidated) financial statements. If it is not a member of a recognized national professional accountancy organization it needs to be approved by the Director.

#### Notification to IFIA of Member's appointed external audit firm(s)

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

#### Scope of examination

For the purposes of demonstrating that CWM is in conformance with the IFIA Compliance Code, CWM requires the external audit firm to:

- a. Perform, as a minimum, the following assurance review based on the International Standard on Auditing (ISA) as adapted for the IFIA Compliance Code:
  - Verify that CWM has established a CWM Compliance Programme incorporating the requirements of the IFIA Code.
  - Verify that CWM's current CWM Compliance Programme (including the Principles) remains identical to that submitted to, and approved by, IFIA.
  - Observe the existence of internal management systems, processes and controls in respect of (a) alleged violations (b) Compliance Committee records and (c) compliance training.

Review the following consolidated management statements:

- Political Contributions
- Charitable Contributions and Sponsorships
- Intermediaries' remuneration
- Extraordinary expenditures relating to gifts, hospitality and expenses.

And verify whether these statements:

- reconcile with the accounting records and supporting documentation;
- have been approved by CWM where applicable.

\* Verify that Management Declarations have been received from all Senior Managers as identified by CWM at least one in respect of each group member in the CWM Group membership as listed in the IFIA Members Directory and test the follow-up systems employed for ensuring that all matters of concern or reports have been addressed or acted upon by the Quality Coordinator.

Review any other areas and audit procedures as considered appropriate by the external audit firm and agreed with CWM.



- b. \* Confirm that information relating to the operation of CWM's Compliance Programme is available from each group member within the CWM Group membership as listed in the IFIA Members Directory.
- c. \* Perform the assurance review, as above, by audit sampling in respect of the CWM's locations incl. group members within the CWM Group membership and the systems and documentation applicable to those locations. The audit sampling is agreed between the auditor and CWM, based upon a compliance risk assessment and taking into account CWM's organization and peculiarities.
- d. Perform the assurance review, as above, by audit sampling in respect of both CWM's locations and the systems and documentation applicable to those locations. The audit sampling is agreed between the auditor and CWM, based upon a compliance risk assessment and taking into account CWM's organization and peculiarities.
- e. Maximizes the use of CWM's internal audits to avoid duplication of efforts and minimizes additional costs.

### **Reportable Conditions**

Significant deficiencies in the design or implementation of CWM's Compliance Programme that adversely affect CWM's ability to ensure conformity with the IFIA Compliance Code are deemed reportable conditions. Where such conditions are detected by the external audit firm during performance of the assurance review, they are reported in the Assurance Report regardless of whether or not CWM has already taken corrective action.

The external audit firm is not required to include in its Assurance Report any minor non-conformities detected. This is communicated separately to CWM's management for corrective action within the time frame stipulated by the auditor.

- a. Perform procedures agreed between CWM and the external audit firm and approved by the Director General, in accordance with Annex C.
- b. Perform these procedures by audit sampling in respect of both the CWM's locations incl. group members within the CWM Group membership and the systems and documentation applicable to these locations, The audit sampling should be agreed between the auditor and CWM taking into account the CWM's organization and peculiarities.
- c. Maximize the use of the CWM's internal audits to avoid duplication of effort and minimize additional costs in so far as is permitted by the local standards under which the agreed upon procedures are being performed
- d. Report on each procedure referred to in above in accordance with Annex C and as provided in the paragraph below.

### **External audit firm's "Assurance Report"**

CWM requires the external audit firm to issue a Report based on the Proforma Assurance Report, contained in Annex B, which is provided for guidance and may be adjusted as considered appropriate by the external audit firm and/or as may be required by professional standards. CWM required sending a copy of its external audit firm's Assurance Report to the Director General within 6 months of the end of CWM's financial year. The Director General will submit to the IFIA Council summary reports of the Assurance Reports received. In the event that an Assurance Report contains Reportable Conditions, the Director General will follow these up, where applicable, in conformance with the IFIA Complaints and Disciplinary Procedures.

### **Enclosures:**

Annex A CWM Declaration Template