

Conflicts of Interests

Purpose

This Policy establishes guidelines and procedures regarding timely and proper disclosure of possible conflicts of interests which an Employee or Director may have in connection with job duties and responsibilities in order that management may review and approve each situation as necessary to protect the best interests of the Company and its responsibilities to its clients and public in large.

Policy

The Company prohibits conflicts of interest unless specifically approved by the Chief Executive Officer or his or her designee as provided below since Directors and Employees have a duty to the Company to advance the Company's legitimate interests when the opportunity to do so arises.

The Company has always been concerned with outside business interests of its Directors and Employees that might possibly conflict with the interests of the Company. An adequate definition of what constitutes a conflict of interest is most difficult. However, the Company expects and requires Directors and Employees to be honest and ethical in the handling of actual or apparent conflicts of interest between personal and business relationships. The minimum standard is that required by law.

There are certain situations which the Company will always consider to be conflicts of interest.

These occur if

the Director or Employee, or any other person having a close personal relation with the Director or Employee:

- obtains a significant financial or other beneficial interest in one of the Company's suppliers, customers or competitors without first notifying the Company and obtaining written approval from the Chief Executive Officer or his or her designee;
- engages in a significant personal business transaction involving the Company for profit or gain, unless such transaction has first been approved in writing by the Chief Executive Officer or his or her designee;
- accepts money, gifts of other than nominal value, excessive hospitality, loans other than from lending institutions at prevailing interest rates, guarantees of obligations or other special treatment from any supplier, customer or competitor of the Company;
- participates in any sale, loan or gift of Company property without obtaining written approval from the Chief Executive Officer or his or her designee;
- learns of a business opportunity through association with the Company and discloses it to a third party or invests in or takes the opportunity personally without first offering it to the Company.

- uses corporate property, information, or position for personal gain;
or
- competes with the Company

Or when an Inspector (whether a person legal or natural) of the Company

- Accepts inspection jobs from the supplier on products he/she has been assigned to inspect on behalf of Sinntec and its Clients either by himself/herself or through a close relation.
- Is employed by the supplier so that he/she is obliged to protect the interest of the supplier.

For the purpose of the above, "Person having a close personal relation" refers to spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, or any person living in the same home.

If any Director, Employee or Inspector of the Company has a possible conflict of interest, the situation should be promptly and fully disclosed to the Audit Committee of the Company or to his or her manager or supervisor. It is the responsibility of the manager or supervisor to obtain the approval of the Chief Executive Officer or his or her designee as required by this Policy.

The Company will ensure that all Employees and Inspectors who are engaged in inspection or testing activities do submit annually a completed statement of compliance showing any conflicts of interest.

Procedure

A completed statement of compliance will be obtained annually from all key Employees subject to this requirement.

The completed statements will, subject to the Company's policy on document retention, be retained on file in hard copy, or other media.

The statement of compliance selection and reporting process will be reviewed annually for adequacy and compliance with this Policy.

Results of the reporting process and the nature of significant exceptions, if any, will be communicated annually to the Chief Executive Officer and to the Audit Committee.