

1. Prevention of Bribery Ordinance (Chapter 201 Law of Hong Kong, SAR)

Suppliers are reminded that KMB is one of the Public Organizations listed in the Schedule of the captioned Prevention of Bribery Ordinance. All our staff members have been instructed to strictly adhere to the requirements of the said Ordinance. You are requested to report to the Independent Commission Against Corruption should any employee of KMB be found having committed any offence of corruption under the said Ordinance.

Moreover, should any supplier or contractor be found having committed any offence of corruption under the said Ordinance, KMB reserves the right to immediately terminate all outstanding contract(s) without entitling the supplier or contractor any compensation or claim for loss.

2. Declaration of Conflict of Interests

Suppliers are requested to declare any close personal or business relationship with any director, staff within KMB or TIH Group.

3. Environmental, Health and Safety Awareness of Supplier / Sub-Contractors

KMB expects all of its suppliers to commit to environmental care and providing a healthy and a safe workplace to their employees. Suppliers should take measures in

- Continually improving environmental performance by preventing pollution through:
 - Enhancing employee awareness of environmental issues;
 - Encouraging energy conservation;
 - Promoting reduction of waste by proper treatment and finding alternative use for waste;
 - Complying with all relevant legislative requirements.
- Implementing and enforcing proper health and safety procedures by:
 - Providing and maintaining a safe and risk-free plant for adopting good systems, equipment and tools at works;
 - Enforcing appropriate procedures for the use, handling, storage and transportation of materials as well as safe working methods;
 - Complying with all relevant legislative requirements.

KMB requires all of its suppliers to follow the abovementioned requirements and to inform KMB of any involvement in major social controversies, fines or settlement related to subcontractor/ supplier activities.

4. Governing Law

All KMB contracts shall be governed by and construed in accordance with the Laws of the Hong Kong Special Administrative Region (“HKSAR”). The supplier shall perform all KMB contracts in a proper and lawful manner and shall under no circumstances do anything which will violate the Laws of the HKSAR.

5. General Packaging Requirement of Incoming Goods

- 5.1 **Ferrous metal parts** must be completely coated with anti-rust material which will remain effective in transit and subsequent storage.
- 5.2 **Machined surfaces** must be protected with suitable packing that will be effective during transit, subsequent handling and storage. Particular attention to be given to - gears, splines, threads, flanges, shafts, etc.
- 5.3 **Multi-pack items** such as nuts, bolts, washers, etc. must be in maximum pack size 100 PCs or less. Labels must be in or securely attached to the outside of the pack and must be clearly visible.
- 5.4 **Taper roller bearings** must be packed one matched set per one box.
- 5.5 **Brake drums** must be packed in protective box or strapped on pallet with maximum two layers and shrunk packed, no other parts to be placed inside the brake drums.
- 5.6 **Window glasses** must be partitioned with suitable materials such as polythene materials to avoid impact leading to cracking or scratching marks. They should be firmly fixed in the crates or boxes and with protective materials as bubble sheets etc. to minimise damage in transportation and handling. Prominent sign of "FRAGILE" materials must be clearly indicated on the outside of the crates and boxes.
- 5.7 **Other items** must be individually packed or boxed with labels securely attached to the outside of the pack.

Exception may be made for some parts which have the part number cast/forged in the part and some body parts such as extrusions, mouldings etc. provided they are properly labelled, separated or wrapped with tapes when packed and none of the surfaces are susceptible to damage.

- 5.8 All boxes/packing cases must be fully utilised, any space not filled with parts must be packed with filler material which will prevent movement whilst in transit.

N.B.: *The above points just cover some important areas which we require. In case of any other form of improper packing is received, notification will be given to supplier.*