

Anti-corruption and Integrity Management Statement of Haitong Securities Co., Ltd.

Haitong Securities Co., Ltd. (hereinafter referred to as “Haitong Securities” or “the Company”) endeavors to maintain a corruption-free working environment, enhances the self-discipline awareness of employees, and prevents staff from violating laws and regulations. In line with the principles of “addressing both symptoms and root causes, taking a holistic approach, basing upon education, and focusing on prevention”, the Company strengthens corruption-free practice management through “Six Ones” series activities, puts forth effort to build a clean company, integrates the integrity culture into policy development and governance practice, keeps consolidating the ideological defense line of Party members and cadres against corruption, and enhances employees’ ideological understanding of anti-corruption and integrity in practice.

CPC Party Committee Secretary and Chairman of Haitong Securities give Party lectures on integrity to cadres and employees, convey the decisions of the Shanghai Municipal Conference on Comprehensively and Strictly Governing the Party and Education through Warning, and require Party members and cadres to have a clear understanding of the current situation and strictly control risks. The Company has continuously strengthened employee practice compliance management, put forth effort to improve employees’ professional abilities and ethics, imposed serious punishment on acts like providing wealth management services for clients and trading stocks, strictly implemented the integrity management system in practice, gradually used big data technology to conduct compliance detections, investigations and analyses, and intensified handling of violations.

I. Establishing the Organizational System

Haitong Securities has formulated the *Administrative Measures of Haitong Securities Co., Ltd. for Integrity in Practice* (see the Appendix). The corruption-free practice management of the Company is directly led by its CPC Party Committee Office, and overseen and guided by the stationed disciplinary inspection and supervision team. The Board of Directors nails down the objectives of corruption-free practice management and assumes responsibility for the effectiveness of such management. For the corruption-free practice management, the main leader of the Company holds primary responsibilities, and other senior executives hold responsibilities within the scope of their duties, support internal and external audits and incorporate integrity in practice into the scope of audits. Besides, the CPC Party Committee of the Company and the stationed disciplinary inspection and supervision team have jointly formulated and implemented the *Supervision Plan for the Rectification of Problems Found in the Inspection by CPC Party Committee of Haitong Securities Co., Ltd.*, the *Implementation Measures of Haitong Securities Co., Ltd. for Establishing and Improving the System of Talking with Officials*, the *Implementation Measures of Haitong Securities Co., Ltd. on Preventing Conflicts of Interest of Management Personnel at All Levels in Operation Management Activities*, etc. to strictly standardize employees’ behaviors in practice and promote the building of the integrity culture. They have also jointly formulated the *Collection of Typical Cases of Violations of Haitong Securities Co., Ltd.* and the *Selected Thoughts of New Cadres on Duty Performance*, and organized the "Incorruptibility and Integrity" Essay

Competition to further provide positive guidance and give warnings with negative examples.

II. Strengthening Internal and External Control

To standardize business activities, the Company engages external auditors every year to conduct internal control audits and issue audit opinions. External auditors test the Company’s control on the internal environment including corporate culture, ethical standards and integrity in practice. In previous years, external auditors issued standard internal control audit reports with unqualified opinions on the Company. Meanwhile, the Audit Department conducts regular or irregular internal audit supervision over relevant departments, branches and subsidiaries. The audit supervision is based on integrated audit, and the auditee’s compliance with the regulations on integrity in practice is also within the scope of audit.

III. Building Supervision and Whistleblowing Mechanisms

In terms of supervision and whistleblowing mechanisms, the Company has formulated multiple regulations to standardize the supervision and whistleblowing management procedures and protect whistleblowers’ rights and interests. The *Implementation Measures for the Management of Letters and Visits for Whistleblowing to the Disciplinary Inspection and Supervision Team Stationed by the Shanghai Municipal Commission for Disciplinary Inspection and Supervision* stipulates the rights of whistleblowers, clearly stating that the Company will seriously investigate and penalize institutional violations and the infringements of whistleblowers’ legitimate rights and interests in accordance with regulations, disciplines and laws. Meanwhile, according to Article 33 of the *Compliance Management Measures of Haitong Securities Co., Ltd.*, the Company will establish a violation reporting system to ensure all the employees can normally exercise their rights to report violations. The Company and all of its departments are obliged to keep the whistleblower confidential and protect him/her from being retaliated against.

Whistleblowing Ways and Whistleblower Protection Measures

Whistleblowing ways	<ul style="list-style-type: none"> • External stakeholders can make complaints or blow the whistle by letter, email, telephone, fax, visits, internet, etc. • Employees have access to the discipline inspection and supervision platform through the OA system.
Whistleblower protection measures	<ul style="list-style-type: none"> • The whistleblowing contents and the personal information of whistleblowers are kept strictly confidential. • It is strictly forbidden to forward or notify the whistleblowing materials or whistleblower information to the organization or person being reported against. • The whistleblowing cases are verified and handled on the premise of not revealing the identity information of whistleblowers. • The prior consent of whistleblowers should be obtained, if the publicity and coverage of whistle-blowing cases entail the disclosure of their identity information.

IV. Building an Integrity Culture

Haitong Securities attaches great importance to the building of an integrity culture and makes sure that integrity education covers the functional departments of the Head Office, branches and subsidiaries. A series of courses on integrity in practice has been developed and are open to all employees. The series of courses have been included into the online required courses in the training for officials and the required courses in the training for new employees, covering all employees. The Company has launched the learning and interpretation course *Regulations on Integrity in Practice* at Haitong Wealth Training Institute. Subsidiaries and investment banking departments have held the online training *Uphold Integrity in Practice and Earnestly Perform Job Duties*, the training *Implementation Rules on Corruption-free Practice*, the course *Introduction to Inspection by the CPC Committee and Case Analysis*, the interpretation course of the *Supervision and Management Measures of Directors, Supervisors, Senior Management and Workers of Securities Fund Operators* and its supporting rules, the themed training sessions *On Building a Fair Competition Environment and Strengthening Professional Ethics and Self-discipline Management*, *Code of Practice of Employees*, *Code of Professional Ethics*, *Self-discipline Management and Specification of Underwriting Business*, and *Compliance of Bond Financing Departments*. In 2022, the Company carried out 8 training sessions on integrity practices for 264 employees in total.

Appendix: Administrative Measures of Haitong Securities Co., Ltd. for Integrity in Practice

Chapter 1 General

Article 1 The Measures is formulated in accordance with the *Securities Law*, the *Regulation on Supervision and Administration of Securities Companies*, the *Regulations on Integrity in Practice for Securities and Futures Operators and Their Workers*, the *Implementation Rules on Integrity in Practice for Securities and Futures Operators and Their Workers*, the *Opinions on Strengthening the Supervision of Integrity Practice of Intermediaries under the Registration-based IPO System and Opinions on Strengthening the Risk Prevention and Control in Integrity Practice of Securities Companies in Employing Third Parties in Investment Banking Business* and relevant rules and regulations of Haitong Securities Co., Ltd. (hereinafter referred to as the “Company”) to strengthen supervision and management of integrity in practice or corruption-free practice by the Company and its workers.

Article 2 Integrity in practice herein means that when conducting securities or futures business or carrying out relevant activities, the departments, branches and subsidiaries of the Company and their workers strictly abide by laws and regulations, the provisions stipulated by the China Securities Regulatory Commission, the self-discipline rules of the industry and relevant integrity regulations of the Company, observe social morality, commercial ethics, professional ethics and code of conduct, compete fairly, perform compliant operations, are faithful, diligent and honest, and do not directly or indirectly transfer illegitimate benefits to others or seek illegitimate benefits.

Article 3 The objectives of the corruption-free practice management of the Company are to see that the CPC Party Committee and Party organizations at all levels of the Company fully fulfill their primary responsibilities in building a clean Party, the Board of Directors and the operation management layer fully fulfill their primary responsibilities in controlling integrity risk and the leaders at all levels fully fulfill their corruption-free practice management responsibilities, give play to the joint responsibility and synergy between the Party Committee and the governance body, urge workers to strictly abide by laws and disciplines, constantly improve practice, promote the building of an integrity culture, impose serious punishment on violations, refine rules and regulations, further enhance workers’ own free will to abide by laws and disciplines, prevent major cases and violations, ensure integrity in practice, and build a good social image of the Company.

Article 4 The Company has established and improved the internal control system for integrity in practice, formulate specific and effective ex-ante prevention system, in-process control measures and ex-post accountability system, conduct scientific and systematic integrity risk assessments on business types, procedures and relevant work involved, identify integrity risk points, strengthen the post check-and-balance and internal supervision mechanism and ensure its effective operation.

The business types and procedures as said above include business contracting, undertaking, sale, transaction, settlement, delivery, investment, procurement, commercial cooperation, personnel recruitment, applying for administrative permits, accepting regulatory enforcement, implementing self-discipline management and etc..

Article 5 Workers as said herein mean employees who have signed an employment contract with the Company, securities brokers who have signed an agreement of agency with the Company, or other personnel who do not sign an employment contract but have a labor relationship with the Company.

Chapter 2 Responsibilities

Article 6 The Board of Directors of the Company decides the objectives of corruption-free practice management and assumes responsibility for the effectiveness of such management.

The Board of Supervisors of the Company supervises the performance of directors and senior management personnel in compliance management and clean management.

The main leader of the Company holds primary responsibilities for corruption-free practice management, and other senior executives hold responsibilities within the scope of their duties.

Article 7 The departments, branches and subsidiaries of the Company take corresponding management responsibilities within the scope of their duties and appoint special internal institutions or workers to carry out specific tasks.

The departments, branches and subsidiaries of the Company shall incorporate relevant requirements on integrity risk control into their own internal control management system based on business characteristics, strictly implement the code of conduct for corruption-free practice, strengthen management, education and supervision of workers, and conduct self-inspections and submit reports according to the requirements of the Company.

Article 8 The CPC Party Committee Office of the Company is the leading department of corruption-free practice management and is responsible for organizing and coordinating corruption-free practice management routine, convening the joint conference on supervision work, and pushing for the implementation of the responsibility system for the building of a corruption-free Party.

The Compliance and Legal Department and the Human Resources Department are responsible for putting in place specific work according to the Measures and overseeing and inspecting the practice of departments, branches, subsidiaries and workers in terms of integrity and holding accountable relevant parties.

Article 9 The disciplinary inspection and supervision team stationed by the Shanghai Municipal Commission for Disciplinary Inspection and Supervision of the CPC Shanghai Commission for Discipline Inspection in Haitong Securities Co., Ltd. is responsible for guiding and overseeing the implementation of integrity in practice by the departments, branches and subsidiaries of the Company.

Article 10 The Compliance and Legal Department incorporates integrity in practice into the scope of a compliance inspection, holds relevant parties accountable for acts in violation of the regulations on integrity in practice that are found in compliance inspection, urges relevant units to make remediation according to corruption-free practice management requirements, and makes sure that relevant matters are reported to regulators.

Article 11 The Human Resources Department incorporates workers' integrity in practice into the human resources management system, evaluates workers' integrity in

practice during recruitment, performance evaluation, promotion, dimission, etc., and organizes integrity training and education among workers. Regarding personnel violating the regulations on integrity in practice, the Human Resources Department gives corresponding punishment and economic penalties and puts that in the integrity records of securities and futures markets.

Article 12 The Planning and Finance Department takes the lead in spreading and strengthening financial and economic disciplines, formulates measures for expenses incurred in business activities, defines expense use and review duties, procedures and standards, strengthens expense audit management, and strives to prevent acts in violation of laws and disciplines such as concealed accounts.

Article 13 The Audit Department takes the lead in incorporating the implementation of the regulations on integrity in practice into the scope of audits of the Company.

Article 14 The Board of Directors, the Board of Supervisors Office and the General Manager Office take the lead in the tutoring and publicity to shareholders, customers and other stakeholders and notifies stakeholders of the requirement that they shall abide by the regulations on integrity in practice. The General Manager Office and the Party-Masses Relationship Department take the lead in the publicity of integrity in practice and promote the building of a clean company.

Article 15 The Wealth Management Headquarters takes the lead in incorporating the requirements of integrity practice into the management system for marketing personnel (including brokers) and strengthening the standardized management of the use of marketing expenses.

Article 16 The Risk Management Department incorporates the requirement of preventing integrity risk into the internal control management system, urges and organizes the departments, branches and subsidiaries of the Company to refine the internal control matrix to prevent integrity risk, including integrity risk identification and assessment, and develops corresponding risk control measures.

Article 17 The internal control department of the Investment Banking Headquarters oversees the integrity of practices within the Investment Banking Headquarters. It will also organize and provide training and education on ethical conduct, promote a culture of ethical behavior among all employees, and foster an ethical working environment. The leaders at all levels within the Investment Banking Headquarters are responsible for implementing the Company's integrity objectives within their scope of duties and assume corresponding responsibilities for integrity management. The Investment Banking Headquarters and its staff shall strictly adhere to the requirements of integrity and take on the associated responsibilities for integrity.

The Company shall enhance its review of conflicts of interest and integrate the review mechanism throughout the entire process of investment banking operations. During the course of engaging in investment banking activities, the Company and its staff must adhere to the regulations of the China Securities Regulatory Commission and the stock exchanges on communication and interaction, rigorously implement shareholder transparency checks for investment banking projects and strengthen the management of insider information and undisclosed information related to listed company mergers and acquisitions, securities issuance pricing inquiries, and other matters. The Company shall emphasize a sense of fair competition and enhance vigilance in preventing corruption risks when hiring third-party institutions and individuals.

Article 18 Subsidiaries shall determine the objectives and responsibilities of corruption-free practice management and strictly implement them according to the Measures. Subsidiaries may formulate corruption-free practice management measures in line with their own characteristics according to regulatory requirements and report them to the Company for records.

Chapter 3 Code of Conduct for Integrity in Practice

Article 19 When conducting securities business or carrying out relevant activities, the workers of the Company shall not transfer illegitimate benefits to civil servants, customers, potential customers under negotiation or other stakeholders in any of the following ways:

- i. Providing property such as cash gifts, presents, housing, vehicles, negotiable securities, equity and commission refunds, or providing convenience for the foregoing acts such as holding on behalf of holders;
- ii. Providing benefits such as travel, banquets, entertainment, fitness and work arrangements;
- iii. Arranging transactions that significantly deviate from fair value such as structured, high-yield or principal-protected wealth management products;
- iv. Directly or indirectly providing insider information, undisclosed information, trade secrets or customer information to others and explicitly or implicitly asking others to engage in securities trading;
- v. Other ways to transfer illegitimate benefits.

According to the internal regulations and limitation standards formulated by the Company in accordance with law, the foregoing provisions do not apply to reasonable marketing that is conducted in accordance with law.

Article 20 The workers of the Company shall not seek illegitimate benefits in any of the following ways:

- i. Directly or indirectly accepting or asking for others' property or benefits in any of the ways described in Article 19;
- ii. Directly or indirectly using the insider information, undisclosed information, trade secrets or customer information provided by others or acquired from others to seek benefits;
- iii. Inducing customers to engage in unnecessary trading or using customers' assets under custody for unnecessary trading to seek benefits;
- iv. Illegally engaging in profit-making operating activities illegally, taking part-time jobs that may affect independence, or engaging in activities that are in conflict with the Company's or investors' legitimate rights and interests;
- v. Abusing powers to provide convenience for near relatives or other parties interested to engage in profit-making operating activities; or
- vi. Other ways to seek illegitimate benefits.

Article 21 When conducting investment banking business, the workers of the Company shall not transfer or seek illegitimate benefits in any of the following ways:

- i. Obtaining the equity of pre-IPO companies, listed companies planning M&A or restructuring or underlying assets for themselves or their interested parties with unfair prices or improper methods;
- ii. Rationing bonds or repurchasing bonds by agreement for interested parties with unfair prices; or leaking securities offering quotation or pricing information or manipulating securities issue prices;
- iii. Directly or indirectly transferring benefits by hiring a third-party institution or individual;
- iv. Illegally making improper commitments or engaging in improper acts toward issuers or investors such as returning partial underwriting commission or providing financial indemnity;
- v. Providing or asking for or taking commercial bribes;
- vi. Soliciting projects or negotiating service fees by claiming to be close with regulators or other relevant personnel or promising a price, interest rate, approval or approval time;
- vii. Rigging the securities issuance or underwriting process to transfer or seek illegitimate benefits by holding on behalf of holders or trust; or
- viii. Other ways to transfer or seek illegitimate benefits.

Article 22 When conducting financing business such as securities margin trading and stock pledged repurchase, the workers of the Company shall not transfer or seek illegitimate benefits in any of the following ways:

- i. Illegally raising credit limits for customers or determining the distribution of notes privately without following relevant regulations of the Company when financing funds or sources of securities lending are limited;
- ii. Providing financing to specific customers with an interest rate that is much lower than the cost of capital of the Company or the price of market funds in the same period without approval, or setting relatively loose default handling conditions in violation of the Company's regulations;
- iii. Providing convenience to customers to conduct insider trading, manipulate the market, illegally use loan funds, evading information disclosure obligations or engage in other unfair trading activities;
- iv. Illegally providing intermediary services to securities margin trading between customers; or
- v. Other behaviors of transferring or seeking illegitimate benefits.

Article 23 When conducting self-operated business, customer asset management business or alternative investment business or providing relevant services, the workers of the Company shall not transfer or seek illegitimate benefits in any of the following ways:

- i. Using insider information, undisclosed information, trade secrets or customer information to illegally engage in and give a hint to others to engage in relevant securities trading activities;

- ii. Trading with a price that significantly deviates from fair value;
- iii. Trading different investment portfolios unfairly or transferring benefits between different accounts;
- iv. Using customers' assets under management to seek or transfer illegitimate benefits for or to others;
- v. Using customers' assets for unnecessary securities trading in order to obtain commissions or other benefits;
- vi. Encroach or embezzle assets under custody;
- vii. Fabricating or spreading false or untrue information, or leveraging advantages in information, funds or stocks or bonds held to, independently or by conspiring with others, affect the transaction price or volume of securities, futures or other derivatives;
- viii. Transferring the actual investment decision-making authority of asset management accounts;
- ix. When exercising voting rights externally on behalf of investment portfolios, voting without objective, independent professional judgment; or
- x. Other behaviors of transferring or seeking illegitimate benefits.

Article 24 When conducting securities brokerage business, selling products or providing services, the workers of the Company shall not transfer or seek illegitimate benefits in any of the following ways:

- i. Returning commissions or other benefits, illegally giving preferential treatment to some customers, or selling products or providing services to customers who do not meet suitability requirements;
- ii. Arranging transactions that significantly deviate from fair value such as structured, high-yield or principal-protected wealth management products for specific customers;
- iii. Leaking customer data, account assets, transaction records, etc.;
- iv. Entrusting personnel or institutions without qualifications to attract customers and transferring illegitimate benefits;
- v. Inducing customers to engage in unnecessary securities trading;
- vi. Assisting customers in providing false personal information, fabricating materials or holding on behalf of holders, etc. and selling products or providing services to customers who do not meet suitability requirements and qualified investor requirements;
- vii. Selling financial products that are not approved by the Company for sale in the name of the institution or the staff of the institution; or
- viii. Other behaviors of transferring or seeking illegitimate benefits.

Article 25 When providing securities investment consulting or R&D services, the workers of the Company shall not transfer or seek illegitimate benefits in any of the following ways:

- i. Accepting any property or other benefits that may affect independent and objective practice;
- ii. Releasing or promising to release research views in favor of issuers, listed companies or other interested parties in violation of the principle of independent and objective practice;
- iii. Providing the contents or views of securities research reports to internal departments or personnel of the Company or other specific targets before others;
- iv. Treading customers unfairly when providing investment advisory opinions;
- v. Seeking favorable selection or ranking results, commission income or performance evaluation results for themselves or their teams with improper means; or
- vi. Other behaviors of transferring or seeking illegitimate benefits.

Article 26 When purchasing articles or services, the workers of the Company shall not transfer or seek illegitimate benefits in any of the following ways:

- i. Making purchases using methods that are not specified or deliberately avoiding specified purchase methods;
- ii. Colluding with others to damage the interests of the Company;
- iii. Illegally purchasing from designated suppliers or inciting or instigating other workers to purchase from designated suppliers;
- iv. Leaking information relating to procurement review;
- v. Contacting bidders or suppliers privately or participating in banquets, travel, entertainment, fitness or other activities that may affect impartial duty performance;
- vi. Leaking bidding results to relevant personnel after bidding ends;
- vii. Evading review and approval of procurement matters by breaking up the whole into parts, settling accounts separately or settling accounts by installments;
- viii. Interfering with, obstructing or restricting the normal procurement activities of the Company;
- ix. Other behaviors of transferring or seeking illegitimate benefits.

Article 27 In activities such as personnel recruitment, personnel evaluation, promotion, appointment or removal of cadres, job transfer or labor dispatching, the workers of the Company shall not transfer or seek illegitimate benefits in any of the following ways:

- i. Promising high posts or other favors or interceding, giving advance notices or providing convenience for those who crave official positions;
- ii. Deciding the choice of persons internally in violation of the principles of fairness, impartiality and openness;
- iii. Leaking discussions about relevant personnel recruitment, personnel evaluation, promotion, appointment or removal of cadres, job transfer or labor dispatching, the scope of evaluation contents, organizational inspection and review information, undisclosed decisions on organizational personnel, contents of archives, or other information only available to the organization;

- iv. Practicing fraud or concealing or distorting facts in the formation of cadres' archives or the organizational inspection or review;
- v. Engaging in malpractices for selfish ends in personnel recruitment, personnel evaluation, promotion, labor dispatching or other activities;
- vi. Concealing, screening or shielding illegal selection or use of personnel or violations of the organizational personnel discipline such as craving official positions, selling or buying official positions, promising high posts and other favors, rigging votes, promoting or adjusting cadres suddenly, etc.
- vii. Discussing or deciding on personnel recruitment, personnel evaluation, promotion, appointment or removal of cadres, job transfer, labor dispatching or other matters without following established rules of procedure or program organization;
- viii. Other ways to transfer or seek illegitimate benefits.

Article 28 When accepting regulatory enforcement, self-discipline management and internal inspection, the workers of the Company shall not:

- i. transfer illegitimate benefits to the staff of regulatory authorities, industry self-discipline organizations or the internal supervision and management departments of the Company;
- ii. affect relevant decisions or supervision or inspection arrangements of regulatory authorities, industry self-discipline organizations or the internal supervision and management departments of the Company or obtain relevant internal information with improper means;
- iii. refuse, interfere with, hinder or refuse to cooperate in the supervision, management or inspection conducted by regulatory authorities, industry self-discipline organizations or the internal supervision and management departments of the Company and their staff;
- iv. engage in other acts that affect the supervision, management or inspection conducted by regulatory authorities, industry self-discipline organizations or the internal supervision and management departments of the Company.

Article 29 The workers of the Company shall keep strengthening professional competence and obtain business opportunities through legal and fair competition. The workers of the Company shall not infringe upon other market entities' trade secrets or accept or provide commercial bribes.

Article 30 Relevant workers of the Company shall abide by the prohibitive provisions of the CPC Shanghai Municipal Committee and the CPC Committee of the Company on integrity in practice and prevention of conflicts of interest.

Chapter 4 Reporting Mechanism

Article 31 The Company has established and refined the reporting mechanism for integrity in practice. Departments, branches and subsidiaries shall earnestly implement it, discover and eliminate integrity problems and latent risks in a timely manner, and report major events to the Compliance and Legal Department and the Human Resources Department in a timely manner.

Article 32 Departments, branches and subsidiaries shall regularly or irregularly conduct internal self-inspections on integrity in practice and report the results to the Compliance and Legal Department and the Human Resources Department.

Article 33 The Compliance and Legal Department and the Human Resources Department shall take the lead and relevant functional departments shall cooperate to report the Company's corruption-free practice management in the previous year to relevant office of the China Securities Regulatory Commission (CSRC) and the Securities Association of China (SAC).

In any of the following circumstances, the Company shall, within five working days, report to relevant CSRC office and the SAC:

- i. The Company finds clues of violation of the Measures or relevant provisions of regulators on integrity in practice in an internal inspection, verifies the violation through investigation and makes a decision on how to handle the violation;
- ii. The Company and workers find that a regulator doesn't withdraw from situations which they should withdraw from, abuses his or her powers to ask for or receive illegitimate benefits or engages in other acts in violation of integrity regulations.
- iii. The Company and workers find that a stakeholder such as shareholders or customers interferes with regulatory work with improper means;
- iv. The Company and workers are investigated or subject to disciplinary punishment, administrative punishment or criminal punishment by discipline inspection and supervision organs (institutions) or judiciary authorities for violating the regulations on integrity in practice;
- v. Other situations that are found the Company and workers and are deemed necessary to be reported relevant CSRC office and the SAC.

Article 34 When the CSRC and its office conduct an on-site inspection of the Company and workers, the Company and workers shall actively cooperate with the inspection.

Chapter 5 Handling of Violations of the Code of Conduct for Integrity in Practice

Article 35 When finding a worker violating the code of conduct for integrity in practice, the Company shall promptly order him or her to make remediation and punish the responsible person according to relevant regulations of the Company. If the responsible person is a CPC Party member, he or she shall also be punished according to the Party discipline. If the responsible person is suspected of crime, he or she shall be transferred to the supervisory or judiciary authority.

Article 36 If a worker of the Company violates the Measures and his or her institution has management responsibility, relevant responsible person shall be held accountable according to relevant provisions.

Article 37 When a worker of the Company violates the Measures, the worker shall be given severer punishment in any of the following circumstances:

- i. The worker directly or indirectly or instigates or helps others to transfer illegitimate benefits to regulators;

- ii. The worker has violated the Measures in a row or multiple times;
- iii. The amount involved is huge or many people are involved;
- iv. The violation has severe social impact;
- v. Other circumstances in which the Company believes that the worker shall be seriously punished.

Article 38 If a worker of the Company violates the Measures and reports to the Company in a timely manner, take the initiative to take measures to reduce adverse impact or actively cooperate with the investigation, the worker may be exempted from liability or given lighter punishment as the case may be.

Chapter 6 Supplementary Provisions

Article 39 In case of any discrepancy between the Measures and current national laws, administrative regulations, department rules or industry self-discipline rules, the national laws, administrative regulations, department rules or industry self-discipline rules shall prevail.

Article 40 If a department's name or function is changed, the department's responsibilities as described herein shall be naturally taken by the department that takes corresponding responsibilities after the change.

Article 41 The Measures is interpreted by the Compliance and Legal Department and the Human Resources Department of the Company.

Article 42 The Measures shall take effect beginning on the date of issuance.