



CHINT's Business Partners

Code of Conduct

**Working together to ensure integrity and compliance makes the
business better, more successful and more sustainable**

December 2019

Dear Ladies and Gentlemen,

CHINT Group is a world renowned smart energy solution provider.

CHINT Group unswervingly adheres to the culture of people-oriented and value-sharing and the mission of making the electric power safer, more green, more convenient and more efficient. CHINT Group regards “customer-focus, innovation, modest in learning, integrity, collaboration, responsibility” as its core values and “creating values for customers, seeking career development for employees and taking on responsibilities for the society” as its business philosophy to build the enterprise image of green energy-saving, sustainable innovation, reliability and comprehensiveness, and win-win cooperation.

CHINT Group:

- promotes innovation and a collaborative work;
- strives to create and maintain a healthy and safe environment toward its employees and business partners and everyone who interacts with CHINT Group;
- constantly acts with integrity, transparency, dignity and respect in the performance of the day-to-day activities;
- is always grateful for the trust and the investment of its shareholders and investors.

In order to better protect our values and identity, it is a priority that everyone, individually or collectively, behave in harmony with our values set out in our Integrity and Compliance Programme.

Our ICP is integral part of our business and it is vital for its existence, its success and for our common wellbeing and harmonious human development because the principles of our Integrity and Compliance Programme derives from essential elements of our culture such as honesty, loyalty, integrity, sharing values and reciprocal assistance.

Since the establishment of CHINT Group, we have developed business relations with an extensive network of Business Partners. Our choice is obviously based on quality, needs, performance, and costs but it essential that our relationship be lawful, ethical, sustainable and mutually beneficial.

This is the reason CHINT Group required, requires and shall continue to require to work only with Business Partners who are as committed as we are to business ethics, to fair sales and marketing practices, to confidentiality and intellectual property protection, to zero-tolerance standards for any Misconduct.

CHINT Group has made responsible business practices a core element of our Business Partners’ management processes.

Therefore, it is our declared objective to closely cooperate for making sustainability a fundamental part of our business relationships. This includes a clear commitment to clean business.

Please take the time to read this Code, which is a part of our Integrity and Compliance Programme, carefully and understand it. Thank you and we look forward to working together!

Sincerely Yours

NAN Cunhui

Chairman of the Board of Directors

1. Introduction to the Business Partners' Code of Conduct

1.1. CHINT Group's Integrity and Compliance Programme

CHINT Group's Integrity and Compliance Programme is composed by:

- a) The Code of Integrity, Compliance and Business Conduct (the "**ICP Code**"), which sets forth the rules, the principles and the procedures of CHINT Group's compliance & integrity policy as well as ethical and respectful business conduct ;
- b) This Business Partners' Code of Conduct (the "**Code**") which sets out the rules and principles which guide our business decisions and behaviour in order to ensure integrity and transparency in all aspects of CHINT Group's relationships with its Business Partners,
- c) The standard operational policies ("**SOP**"), guidelines, instructions adopted in application of the ICP Code and this Code.

1.2. Application of this Code

This Code applies in addition to any and all applicable national and international laws wherever the business of CHINT Group is conducted.

This Code is a mandatory requirement for doing business with CHINT Group. It applies to all of CHINT Group's Business Partners, their employees and their business partners.

CHINT Group reviews and updates regularly this Code. You will find the most recent version on <https://en.chint.com/about-us/513>.

It is critical that this Code be put to use on a daily basis and that CHINT Group's Business Partners uphold and convey its values within their organisations.

This Code gives an overview of the topics that are most important to maintaining ethics in our business relationship, it is not meant to be comprehensive and all-inclusive.

In addition to this Code, CHINT Group adopted a Business Partners SOP, the terms of which the relevant CHINT Group's entity communicates to a Business Partner since the establishment of a contact with a Business Partner.

This Code is not meant to me a legal advice and therefore, you may also need to consult with your own advisors or counsels.

2. Consequences of the breach of this Code

There are serious consequences for breaching this Code and any applicable laws, including the loss of future business dealings with CHINT Group, heavy indemnities and possibly the termination of the business relationship, without any indemnity due to the Business Partner.

3. Dēfinitions

In this Code the defined terms shall have the following meaning, unless this Code otherwise provides for.

"Business Partners" means any individuals or entities which / who are in business relation with CHINT Group or with whom CHINT group intends to be in business relation, whether or not they act on its behalf. The Business Partners include but are not limited to agents, distributors or other intermediaries, resellers, franchisees, purchasers, co-contractors, subcontractors, sales representatives, customs agents, visa agents, business development consultants

or business introducers, general consultants, joint venture's partners, in-country EPC partners, consortium partners, lawyers, accountants, financial consultant or other advisors.

In this Code reference to "you" or "your" refer to the Business Partners.

"CHINT Group" means Chint Group Corporation and its subsidiaries and sub-subsidiaries. In this Code reference to "us" or "our" refer to CHINT Group.

"Misconducts" means Corruptive practices, Fraudulent practice, Collusive practice, Coercive practice or Obstructive practices.

"Corrupt practices" means any of the following Public or Private Corrupt practices:

- **"Bribery"**: the offering, promising, giving, authorizing or accepting of any undue pecuniary or other advantage to, by or for a public official at international, national or local level, a political party, party official or candidate to political office, and a director, officer or employee of an Enterprise, or for anyone else in order to obtain or retain a business or other improper advantage, e.g. in connection with public or private procurement contract awards, regulatory permits, taxation, customs, judicial and legislative proceedings.

Bribery often includes (i) kicking back a portion of a contract payment to government or party officials or to employees of the other contracting party, their close relatives, friends or Business Partners or (ii) using intermediaries such as agents, subcontractors, consultants or other Third Parties, to channel payments to government or party officials, or to employees of the other contracting party, their relatives, friends or Business Partners.

- **"Extortion or Solicitation"**: the demanding of a bribe, whether or not coupled with a threat if the demand is refused.
- **"Trading in influence"**: the offering or solicitation of an undue advantage in order to exert an improper, real, or supposed influence with a view to obtaining from a public official an undue advantage for the original instigator of the act or for any other person.
- **"Laundering the proceeds of Bribery, Extortion or Solicitation or Trading in influence"**: the concealing or disguising the illicit origin, source, location, disposition, movement or ownership of property, knowing that such property is the proceeds of crime.

"Fraudulent practice" means any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party

to obtain a financial or other benefit or to avoid an obligation.

“Collusive practice” means an arrangement between two or more parties designed to achieve an improper purpose, including to improperly influencing the actions of another party.

“Coercive practice” means impairing or harming, or threatening to directly or indirectly impair or harm any party or the property of the party, in order to improperly influence the actions of a party.

“Obstructive practices” refers to:

- deliberately destroying, falsifying, altering, or concealing of evidence material to the investigations or making false statements to investigators in order to materially impede any investigation, into allegations of a corrupt, fraudulent, coercive, or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or
- acts intended to materially impede the exercise the inspection and audit rights by the relevant authority or institution.

“Person” means an individual, legal entity, partnership, association, trust, foundation not having the form of legal entity.

“Private Corrupt practice” means any form of Corrupt practices where the purpose of the Corrupt practice is to entice a private individual, such as a director, officer or employee of a private sector Person to breach his/her duties towards that Person.

“Public Official” means any individual holding a legislative, administrative, or judicial office at any level of government, national, or local. International civil servants are also public officials. Employees of public Persons (Persons over which a government, central or local, exercises a dominant influence) are public officials unless the Person operates on a commercial basis on its market like a private company. Employees of a private Persons performing an activity in the private interest such as customs inspections or tasks delegated in connection with public procurement are also considered as public officials in that respect.

“Public Corrupt practice” means any form of Corrupt Practice where the purpose of the Corrupt Practice is to obtain an undue advantage from an act or omission of a Public Official in relation with his/her public duties.

4. Compliance and Integrity

4.1. Prohibition of any Misconduct

Any Misconduct is strictly prohibited.

Committed to maintain the highest standards of integrity and compliance conduct in the completion of our daily activities and to abide by our values and further be compliant with the obligations within the ICP Code, CHINT Group is committed to:

- zero tolerance of any Misconduct,
- making integrity and the combats against Misconducts central to CHINT Group's culture,
- Ensuring upstream and effective control and monitoring in order to prevent, to detect and to remedy any behaviour that would be unethical or non compliant or would constitute a Misconduct or a breach of law,
- Following permanent and continuous improvement of the requirements and standards,
- Ensuring an efficient protection and incentive of whistler blowers

4.1. General expectation

CHINT Group expects its Business Partners to conduct their activities in accordance with the highest legal, ethical and professional standards and to adhere to its business standards, culture values and to the principles and rules set forth in the ICP Code and the Business Partners Code.

CHINT Group further expects that its Business Partners adopt robust and effective Integrity and Compliance rules equivalent to the ICP Code.

4.2. Principle governing our relationship with the Business Partners

In addition to the requirements for fair high quality business, the Group builds its relationship with the Business Partners through the rules outlined below.

4.2.1. Risk assessment and due diligence

Prior to selection of and contracting with a Business Partner, CHIN Group carries out compliance risk assessment and due diligence in order to evaluate, identify and understand the potential legal, financial, reputational and integrity & compliance risks.

Each Business Partner has to reply the identification and compliance questionnaire and provide documentation supporting the answers in that questionnaire.

Please refer to the general form of the identification and compliance questionnaire attached to this Code.

CHINT Group can vary and amend this questionnaire as it deems be necessary for the purpose of adequate risks assessment and due diligence.

4.2.2. Business Partner's Integrity and Compliance Undertakings

Each Business Partner must sign, in parallel with the execution of the relevant contract with CHINT Group, the Business Partner's Integrity and Compliance Undertakings the form of which is attached to this Code.

CHINT Group can vary and amend the Business Partner's Integrity and Compliance Undertakings it deems be necessary.

4.2.3. Ongoing monitoring of Business Partners

CHINT Group monitors the Business Parties' activities during the entire relationship to ensure continued compliance with all applicable laws, the ICP Code, the Business Partners

Code and the SOPs.

For the purposes of the monitoring, CHINT Group may, without limitation:

- Carry out further due diligence and risks assessment,
- Require the Business Partner to report on any payments made by the Business Partner to any third parties, including Public Officials, in connection with the performance of the contract entered into with CHINT Group, with explanation of the reason for such payments and supporting documents,
- Require the Business Partner, to report more, generally any circumstance which may be considered as a Misconduct or may read to Misconduct or, more generally, to a breach of the Business Partner's Integrity and Compliance Undertakings,
- Require the Business Partner, to give access to its books for compliance and integrity audit of the activities under the contract entered into with CHINT Group.

4.2.4. Training

CHINT Group shall organize appropriate compliance and integrity training session of the Business Partners.

4.3. Sanctions

Without prejudice to the generality of article 2 above, CHINT Group shall have the rights set forth below.

4.3.1. In relation to the risks assessment and due diligence process

In the event the Business Partner refuses to answer the questions or to provide inaccurate information or supporting document or, more generally, refuses to cooperate with CHINT Group, CHINT Group shall have the right, without any indemnity due to the Business Partner, to suspend the selection process, to refuse to contract or, if the contract is executed, to suspend or terminate it.

4.3.2. In relation to the Business Partner's Integrity and Compliance Undertakings

In the event the Business Partner refuses to sign the Business Partner's Integrity and Compliance Undertakings, CHINT Group shall have the right, without any indemnity due to the Business Partner, to refuse to sign the relevant contract with the Business Partner.

In the event of a breach of the Business Partner's Integrity and Compliance Undertakings, without any indemnity due to the Business Partner, require the Business Partner to apply corrective measures, including focused training programme under CHINT Group's supervision, or suspend or terminate the business relationship with the Business Partner.

4.3.3. In relation to the ongoing monitoring

In the event, during the monitoring and controls process:

- Any noncompliance with the ICP Code, the Business Partners Code or the the Business Partner's Integrity and Compliance Undertakings, becomes apparent, the Business Partner will be expected to initiate a corrective action plan. Where relevant, CHINT Group shall work with Business Partner to improve its processes and procedures as it thinks fits and will require Business Partner to actively engage in and implement the same,

- If the Business Partner does not apply the corrective measures plan, without justification, the Group reserves the right to reconsider the continuation of the business relationship or to terminate the business relationship, without any indemnity due to the Business Partner,
- If A Misconduct becomes apparent and no corrective measures could apply, CHINT Group may terminate the business relationship, without any indemnity due to the Business Partner, and if the Misconduct is a criminal offence, to inform the competent authorities

4.3.1. **In relation to the training sessions**

The refusal from a Business Partner or the nonattendance to the training sessions shall be taken into consideration in the evaluation of the relationship with such Business Partner and may lead to suspension or termination of the relationship given the results of the overall evaluation.

5. Health and Safety

CHINT Group is committed to maintaining safe workplaces and have developed multiple safety guidelines, procedures and policies to protect people working at CHINT Group. We also maintain drug and alcohol free workplaces and forbid the distribution, sale, purchase, exchange, possession and use of illegal drugs in the workplace. Smoking is only permitted in designated areas at CHINT Group's worksites.

We expect Business Partners' personnel working at CHINT Group's premises to comply with CHINT Group's health and safety instructions.

6. Respecting employees' and children's rights

CHINT Group combats forced labour and child labour: we do not employ children under the age of 16. More generally, we comply with ILO Convention especially as it relates to the employment of children between 15 and 18 years of age and we expect our Business Partners to subscribe to the same obligation and strictly comply with the related legislations.

Similarly, we expect that our Business Partners' employment practices to be free from forced labour and workers to be paid according to applicable wage laws, including minimum wage, overtime and mandated benefits and to be treated equally and fairly.

We expect further that our Business Partners respect also working hours, rest time and periodic leaves must also be respected, in line with local legislations or collective bargaining agreements, where applicable.

Also as a global group, CHINT Group value and encourage diversity. We also combat discrimination and harassment: Any sexual or psychological harassment, bullying or other such conduct that interferes with an individual's work performance or creates an intimidating, hostile or offensive work environment, is totally forbidden at CHINT Group, even if there is no relation of job subordination between the parties.

In that respect, Business Partners need to ensure that their employment practices are free from any kind of discrimination, in particular vis-à-vis unionists, employees representatives, or women. They also need to recognize the principle of equal remuneration for men and women.

7. Environment protection

CHINT Group, involved the innovation and technology progress, works in compliance with all local environmental laws and forbid the manufacturing or selling of products that present

an unacceptable risk for individuals' health and the environment.

We expect our Business Partners to comply with the same principles and to contribute to the protection of environment by helping us reduce our consumption of raw materials and energy, optimize natural resources and reduce waste discharges during the design, manufacture, distribution, use and recycling of all of our products.

8. Doing business fairly

CHINT Group believes that fair business, together with the compliance and integrity, ensure business success and sustainability long into the future.

8.1. Combating antitrust practices

We expect all of our Business Partners to abide by the same rules and to neither collude with competitors in cartels, engage in price-fixing, market sharing and bid rigging or exchange sensitive business data with competitors in an attempt to restrict competition.

8.2. Conflicts of interest

Conflicts of interest can hinder the success of a company, lead to economic damages and also tarnish the company's reputation if they become public, for instance, if the conflict of interest leads to uneconomical decisions, if customers get lost because they lose confidence in the integrity of the company or if restricted information is disclosed as a result. In some cases, conflicts of interest might also bear Misconduct or antitrust risks.

A "conflict of interest" exists when an employee's private interests supersede or interfere with CHINT Group's interests or when an employee or a close relative might benefit personally from a transaction involving a company in the CHINT Group.

Employees are expected to make business decisions that are based solely on CHINT Group's best interest and prohibited from entering into any conflict of interest.

Therefore, investing, directly or indirectly, in a Business Partner working with CHINT Group, a supplier's parent company or its subsidiaries is not permitted. Business Partners cannot either lend money to CHINT Group employees, nor directly or indirectly propose or give any kickbacks.

8.3. Confidentiality

At CHINT Group, we protect our information, know how, IP rights and more generally our confidential and strategic information.

We are extremely cautious as to the integrity and safety of our Information technology network and devices as well as the exchange of information, be it directly, via IT systems or on the social media.

We respect the intellectual property and confidential information of others as well as the confidentiality of their data, projects, trade secrets, copyrights and other intellectual property, including software, images and publications.

Ensuring confidentiality and Cyber security takes discipline and attention. We expect our Business Partners to strictly comply with our IT rules when using devices provided by CHINT Group. We also expect them to respect confidentiality or rights and to use information disclosed or rights provided for the sole purpose of fulfilling their obligations vis-à-vis CHINT Group.

8.4. Data Protection

We carefully protect personal data. We collect, use and store our Business Partners personal Data for the sole purpose of managing the business and/or contractual relationship.

We expect our Business Partners to comply with the applicable laws and regulations related to processing of personal data regulation.

8.5. Complying with Export/Import and Economic sanctions restrictions

CHINT Group is committed to compliance with the applicable laws and regulations that govern the importing and exporting of goods, services, technologies and information, including re-exports and parallel trade.

When interacting with CHINT Group, Business Partners are required to act in compliance with these obligations and are expected to provide CHINT Group with information regarding their international business dealings, the origin and/or export classification of products/materials they are supplying to CHINT Group, and/or confirm in writing the end-use and/or end-user of CHINT Group products they are purchasing from, or distributing on behalf of, CHINT Group.

Neither a Business Partner, nor any parent, subsidiary, affiliate, supplier, or associated company can be included on any of the restricted party lists maintained by the U.S. Government and the EU's Consolidated list of sanctioned persons and any other, nor can be owned or controlled by or acting on behalf of a restricted party (collectively, "**Restricted Parties**").

8.6. Conflict minerals

Conflict minerals are certain types of raw materials that come from specific regions where human rights violations and violent conflicts are occurring. Business Partners must actively avoid acquiring, trading, possessing or otherwise furthering the use of these conflict minerals.

CHINT Group also helps customers meet their obligations pertaining to conflict mineral legislations and expect its Business Partners to cooperate and provide required information.

8.7. Inside information

In the performance of our activities, we may have access to "inside information".

The "inside information" is generally defined as knowledge held by an entity that would be crucial, significant and precise, not generally publicly available, and which, if disclosed, would be likely to have a significant effect on the price of the shares or others securities on financial markets.

Inside information may include non-public information related to financial aspects, plans for dividend, any mergers or acquisitions projects, new contracts or any others matters which are sensitive and confidential.

Trading on shares or other securities while being in possession of inside information is illegal and unfair and CHINT Group prohibits is clearly.

We expect that our Business Partners comply with the same prohibition.

9. How to report Misconducts or to contacts us for any questions that you may have in relation to this Code

9.1. Reporting of possible Misconduct

It is essential that CHINT Group obtains knowledge of any Misconduct that any CHINT Group's, employees, or Business Partner or its employee or business partner may commit.

Reliable reporting channels are indispensable for effective compliance, because they help ensure that possible Misconduct is reported, thoroughly investigated, brought to light and properly sanctioned.

9.2. Compliance Hotline “Chint listens to you”

The compliance hotline “**Chint listens to you**” is a secure way of reporting potential compliance violations. Reports can be submitted at any time, in a safe, confidential and if desired, anonymous manner, either online or by telephone.

Incoming reports are not traced and reporting parties are not automatically registered.

All reports are treated confidentially.

“**Chint listens to you**” can be reached via a secure email address: compliance@chint.com or by phone 021-67777777-880080.