

Revised March 2020



# **Code of Integrity, Compliance and Business Conduct<sup>1</sup>**

**To bring Chint among the worldwide leader of the  
integrity and compliance**

Last update 12 March 2020

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<sup>1</sup> English version in proofreading

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## Our identity is based on our values

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 (“**Chint Integrity and Compliance Programme**”).

**Chint Integrity and Compliance Programme** 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 **Chint Integrity and Compliance Programme** derives from essential elements of our culture such as honesty, loyalty, integrity, sharing values and reciprocal assistance.

## **CHAPTER 1.**

### **CHINT'S INTEGRITY AND COMPLIANCE PROGRAMME**

#### **1.1 STRUCTURE OF OUR INTEGRITY AND COMPLIANCE PROGRAMME**

Chint's Integrity and Compliance Programme is structured through:

- this Code of Integrity, Compliance and Business Conduct (the “**Code**”), which sets forth the rules, the principles and the procedures of Chint's compliance & integrity policy as well as ethical and respectful business conduct,
- the Business Partners Code of Conduct (the “**Business Partners Code**”, which sets forth the rules regarding compliance and integrity of the Business Partners,
- the standard operational policies (“**SOP**”), which are adopted at the level of each entity of the Group in application of the Code and of the Business Partners Code, and
- any instructions, guidelines or similar instruments, which may be adopted by the management of the Group in compliance and pursuant to the Code, the Business Partners Code and the SOP.

In the event of inconsistency between the instructions, the guidelines, the SOP and respectively the Code or the Business Partners Code, the relevant provisions of the Code or of the Business Partners Code shall prevail.

#### **1.2 PURPOSE OF THE CODE AND OF THE BUSINESS PARTNERS CODE**

##### **1.2.1 Purpose of the Code**

The Code 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's business and in Chint's relationships with others.

The Code is not meant to be a simple collection of rules and high ethical standards of conduct.

It is designed to help us all, in our daily activity, to take the right decisions and to adopt the right conduct.

In particular, the scope of the Code is to prevent, detect and remediate any Misconduct.

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

The Employees must be aware that they shall be subject to civil or criminal liability or to disciplinary measures in case of breach of the laws, regulation and Chint's Integrity and Compliance Programme.

##### **1.2.2 Purpose of the Business Partners Code**

Given the extreme importance of working together with the Group's Business Partners in order to ensure that integrity and compliance makes the business better, more successful and more sustainable, the Group adopted a separate Business Partners Code which sets out the rules and principles applicable to the Group's relationships with its Business Partners in respect to integrity and compliance.

### 1.3 APPLICATION OF THE CODE TO THE GROUP

The Code is applicable to Chint Group Corporation (the “**Company**”), to all its subsidiaries and sub-subsidiaries (individually the “**Subsidiary**” and collectively the “**Subsidiaries**”) (the Company and the Subsidiaries formed collectively the “**Group**”).

However, nothing in this Code can imply or could be construed as creating any joint and several liability between the entities of the Group who shall continue to act as independent entities within their business scope, corporate interest and identity.

When referred to **Person** in this Code, reference is made to an individual, legal entity, partnership, association, trust, foundation not having the form of legal entity.

### 1.4 APPLICATION OF CHINT’S INTEGRITY AND COMPLIANCE PROGRAMME

Chint’s Integrity and Compliance Programme is applicable to all Employees and it is the duty of all Employees to comply with Chint’s Integrity and Compliance Programme.

When referred to **Employee** or **employees** in this Code and in the SOPs, reference is made to all individuals working within the Group at all levels, including but not limited to senior managers, officers, directors, employees (whether permanent or temporary or home-workers), trainees, wherever they are located.

All Employees shall sign an Employee’s Integrity and Compliance Undertaking to comply with Chint’s Integrity and Compliance Programme. This Employee’s Integrity and Compliance Undertaking is an integral part of the employee’s employment agreements and are included in each individual Employee’s book. .

The Compliance department and the competent Human Resources department elaborate a form of the Employee’s Integrity and Compliance Undertaking.

In compliance with this Code and the relevant SOPs, different category of Employee sign specific statements in addition to the Employee’s Integrity and Compliance Undertaking.

The competent Human Resources department is responsible for the execution of the Employee’s Integrity and Compliance Undertakings by the Employees.

In the event the amendments of this Code and or SOPs, the Compliance department and the competent Human Resources department shall amend the Employee’s Integrity and Compliance Undertaking through an addendum and each of the Employees shall sign the addendum when the Human Resources department requests it.

### 1.5 REVIEW AND UPDATE OF THE CODE AND THE SOP

The Code and the SOP are reviewed and updated periodically to reflect changes in laws, policies, standards and best international practices as well as gaps or insufficiencies when detected through the periodical assessments of its efficiency and implementation.

The most current version of the Code is available on our website at <https://en.chint.com/about-us/513>

### 1.6 THE GROUP’S COMMITMENTS WITH RESPECT TO THE CODE

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 this Code, the Group is committed to:

- (a) Making integrity and the combats against Misconducts central to the Group's culture;
- (b) Ensuring that this Code and the SOP are known understood and efficiently applied by all Employees at every level of the Group;
- (c) Ensuring upstream and effective control and monitoring through three line of defence system 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;
- (d) Following permanent and continuous improvement of the requirements and standards;
- (e) Ensuring an efficient protection and incentive of those who report any violation of Chint's Integrity and Compliance Programme, as well as any violation of applicable laws, rules or regulations.



**CHAPTER 2.**  
**THE PRINCIPLES AND RULES TO ENSURE HIGHEST STANDARD OF**  
**INTEGRITY AND COMPLIANCE**

**2.1 PROHIBITION OF MISCONDUCTS**

Any Misconduct is strictly prohibited.

**2.1.1 Content of Misconducts**

Are considered as Misconducts:

- **Corruptive practices** means Bribery, Extortion or Solicitation, Trading in influence and Laundering of proceeds.
- **Fraudulent practice** means any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a Person to obtain a financial or other benefit or to avoid an obligation.
- **Collusive practice** means an arrangement between two or more Persons designed to achieve an improper purpose, including to improperly influencing the actions of another Person.
- **Coercive practice** means impairing or harming, or threatening to directly or indirectly impair or harm any Person or the property of the Person, in order to improperly influence the actions of a Person.
- **Obstructive practice** means:
  - o 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, including internal investigations made within the Group, into allegations of a corrupt, fraudulent, coercive, or collusive practice; and/or threatening, harassing or intimidating any Person to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or
  - o Acts intended to materially impede the exercise the inspection and audit rights by the relevant authority or institution.

**2.1.2 Prohibition to act directly or indirectly**

The prohibition to commit a Misconduct applies to both acting personally (acting directly) or through any other Person, including but not limited to, family, relatives, friends, trustees or legal entities (acting indirectly).

**2.1.3 Prohibition of any type of conduct resulting in Misconduct**

The prohibition to commits Misconduct includes the active action (doing) as well as the omission (not doing).

## 2.2 INTERNAL RULES REGARDING INTEGRITY AND COMPLIANCE

### 2.2.1 Corruptive practices

The Group has a zero-tolerance approach for any Corruptive practice, in any form and any Corruptive practice is absolutely prohibited. They are not only illegal but are a clear breach of our values and of the Chint's Integrity and Compliance Programme and shall seriously harm the Group's honesty, impartiality or reputation.

There is no exception of any kind to be involved in a Corruptive practice.

For the purposes of this Code, the Corruptive practices are defined as follow:

- **Bribery** shall mean the offering, promising, giving, authorizing (active bribery) or accepting (passive bribery) of any undue pecuniary or other advantage (which could be non pecuniary) 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 a private Person, 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,
- **Extortion or Sollicitaion** shall mean the demanding of a Bribe, whether or not coupled with a threat if the demand is refused,
- **Trading in influence** is 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 of proceeds** shall mean the laundering of proceeds of Bribery, Extortion or Solicitation or Trading in influence through the concealing or disguising the illicit origin, source, location, disposition, movement or ownership of property, knowing that such property is the proceeds of crime.

The Corruptive practices are Public sector Corruptions (where the purpose of the Corruptive practice is to obtain an undue advantage from an act or omission of a Public Official in relation with his/her public duties) and Private sector Corruption (where the purpose of the Corruptive 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).

Employees shall make their own full understanding and inherent element of their behaviour the fact that the Group's real success as well as their own success are due to the market competitiveness, high performance; innovation and innovative cutting edge technology and quality of products and services. In no circumstances, the success and the prosperity are due to Corruptive practices.

Employees are responsible for learning how to identify and not commit any form of Corruptive practices' activities. Every Employee must take the necessary steps to ensure that they do not participate in these activities directly or indirectly, avoid any action which might reasonably be expected to create an appearance of any form of Corruptive practice, and duly report any occurrence or suspicion of occurrence of such acts.

The Company adopts the **Anti –Corruption SOP** which further sets forth detailed rules and procedures regarding the Corruptive practices.

### 2.2.2 Facilitation Payments

Facilitation Payments are widespread form of Bribery and is illegal in almost every country, including in China.

Facilitation Payments are prohibited pursuant to this Code.

Requests for Facilitation Payments must be associated to Corruptive practices.

**Facilitation payments** are unofficial, improper, small-value payments made to official to secure or expedite the performance of a routine or necessary action to which the payer of the facilitation payment is legally entitled.

There may be exceptional circumstances in which there is no alternative but to make Facilitation Payment in order to prevent an imminent and serious threat to the Employees' health, safety or welfare. Any payment made under such duress would be considered an extortion payment and would exceptionally be permissible.

The **Anti –Corruption SOP** further sets forth detailed rules and procedures regarding the Facilitation Payments.

### 2.2.3 Donations and Sponsorships

**Sponsorships** are commitments made by the Group as part of its overall communication strategy. It seeks to strengthen the Group's brand and overall reputation, build internal pride or promote the Group as a preferred partner, in addition to inspire talented individuals to strive for future success. Sponsorships must have clear objectives and should be used to assist worthy objectives and projects.

**Donations** (including charity) are altruistic contributions designed to strengthen the Group's reputation and pride.

However, Employees must be aware that the Donations and Sponsorships can be risky at any time. Indeed, they may present risks of Corruptive practices or be perceived as manoeuvres for the purpose of obtaining benefits.

The **Anti –Corruption SOP** further sets forth detailed check lists in respect to Donations and Sponsorships for avoidance of Donations and Sponsorships being considered as Corruptive practices.

For this reason, Employees can make promises for and make Donations and Sponsorships only in compliance with Chint's Integrity and Compliance Programme and in particular with the **Donations and Sponsorships SOP**.

Any act of an Employee without the appropriate authorisation granted in compliance with **Donations and Sponsorships SOP** is strictly prohibited.

In order to avoid any Misconduct, Employees must comply with the following principal requirements:

- No compensation may be claimed as a counterpart of the Donations;
- No Donation may be granted for an interest which is not legitimate;
- No Sponsorship may be made in order to gain an improper business advantage or to place undue influence on a person responsible for a decision, a service or a contract;
- Ensure compliance with applicable law, namely in order to verify the legality of the disclosure or threshold requirements;
- All Donations and Sponsorships must be communicated publicly and effectively

through every means of communication used by the Group.

All Donations and Sponsorships must be governed by a written contract that clearly defines Company or its Subsidiary's contribution, the other participating organisation's contribution and the project's goal, beneficiaries, milestones, timelines and costs.

The Company adopts the **Donations and Sponsorships SOP** which further sets forth detailed rules and procedures regarding donations and sponsorships.

#### **2.2.4 Gifts and Hospitality**

Giving or receiving gifts or hospitality ("**Benefits**") is often an important way of maintaining and developing business relationships.

All Benefits must: i) comply with national law and applicable international instruments, (ii) are limited to reasonable and *bona fide* expenditures made for genuine purpose, (iii) do not improperly affect, or might be perceived as improperly affecting, the recipient's independence of judgment towards the giver, (iv) are not contrary to the known provisions of the recipient's integrity and compliance rules, (v) are neither offered or received too frequently nor at an inappropriate time and are compliant with Chint's Integrity and Compliance Programme.

These Benefits are acceptable if they are meant to help build a business relationship or constitute an expression of business courtesy.

However, lavish, expensive, unwarranted and unreasonable Benefits, whether they are given or received, intended to influence the recipient's objectivity in making a decision to favour the Group, they become inappropriate, are unacceptable as they can be considered as forms of Corruptive practices.

The **Anti –Corruption SOP** further sets forth detailed check lists in respect to Benefits for avoidance of Benefits being considered as Corruptive practices.

Employee can offer, accept or exchange Benefits as long as they comply with the principles mentioned above and:

- Are not illegal, costly, inappropriate in any way, involve gambling, or otherwise violate our values or the standards put forward in Chint's Integrity and Compliance Programme;
- Do not create the impression that they are granted or received, directly or indirectly, in order to influence decisions and obtain or receive favourable business treatment;
- Are given or received in the ordinary course of business. It means they are reasonable in value, appropriate to the occasion, and appropriate to the position and management levels of the provider and recipient;
- Should be accepted in an open and transparent manner and are auditable; and
- Do not raise actual or potential Conflicts of interest.

The Company adopts the **Gifts and Hospitality SOP** the purpose of which is to further set forth detailed rules and procedures regarding the Benefits' management.

Any Benefits given or received are subject to the approvals granted pursuant to **Gifts and Hospitality SOP** and must be recorded completely, accurately and in sufficient detail in the Group's books and records.

#### **2.2.5 Public Officials**

During interactions with Public Official, Employees must know and comply in a rigorous

manner, with the governmental laws, regulations or rules or with Chint's Integrity and Compliance Programme.

In all cases Employees must:

- Interact in a honest, transparent and responsible way;
- Prior to offer anything valuable to government representative at his /her request, an Employee must verify whether this action is not prohibited by the applicable laws and regulations and is fully compliant with Chint's Integrity and Compliance Programme ;
- Not accept insider government information about selection process or information about a competitor's proposal unless the government contracting officer has specifically and lawfully authorized its release.

When referred in this Code to Public Official, reference is made to 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.

#### **2.2.6 Restricting Arrangement with Former Public Officials**

The Group shall not propose or enter into any employment or consultancy or any other remunerated arrangements with former Public Officials or Persons associated or related to them, after the Public Officials' resignation or retirement, where such activities or employment relate directly to the functions held or supervised by them during their tenure or those functions over which they were or continue to be able to exercise material influence.

The Compliance Department shall authorise and determine the period of such prohibition on a case by case basis according to the Integrity and Compliance Procedures Manual, prior to any arrangement with former Public Officials or Persons associated or related to them.

Employees must address to the Compliance Department their demand in order to get the approval and the terms of the potential arrangements with former Public Officials or Persons associated or related to them.

Any proposed engagement with a former Public Official other than as an employee is subject to the Business Partner Policy.

The competent Human Resources Department shall ensure, when a recruitment of employee is proposed, that the relevant checks of the candidate will include check on whether the candidate was or not former Public Official. If that is the case, the competent Human Resources Department shall inform the Compliance Department and no employment may be decided without the Compliance Department' approval.

The Compliance Department shall record the demands and the relevant decisions.

#### **2.2.7 Lobbying Activities**

The Group may engage in lobbying activities on subjects that advance the Group's goals and improve the workplace and life-environment.

Employees are committed to conduct them in full compliance with applicable rules and guided by honesty, respect and transparency.

Any engagement of lobbyist shall require the Chief Compliance Officer's prior approval.

### **2.2.8 Political Contributions**

The Group is committed to the highest standard of ethical conduct in its involvement in the political process.

Political contributions in China, including in his/her personal capacity, are prohibited.

No Employee may make political contribution outside China in his / her personal capacity.

In respect to political contribution outside China, each Employee, when acting on behalf of the Group, must:

- Ensure that the applicable national laws do not prohibit political contributions;
- Comply with all disclosure and communication requirements under the applicable national laws;
- Comply with **Donation and Sponsorship SOP**.

The **Anti –Corruption SOP** further sets forth detailed check lists in respect to political contributions for avoidance of political contributions being considered as Corruptive practices.

### **2.2.9 Conflict of interest**

**Conflict of Interests** arises when the private or personal interests of an individual or of Affiliated Persons diverge from those of the organisation (s) to which the individual belongs and which private or personal interest sufficient to appear to influence the objective exercise of his or her professional duties.

Employees shall carry out their work impartially and fairly and perform their duties properly and shall act in the best interest of the relevant Group's entity and in the Group's interest only and shall avoid any Conflict of Interests, whether perceived or real, in the performance of their professional duties, because a Conflict of Interests can affect their judgment in the performance of his/ her duties and responsibilities.

Conflicts of Interests may be a particular form of Corruptive practice where an individual grants himself/herself an improper advantage by exercising his/her decision-making power to his/her advantage (or to that of a person close to him/her).

A Conflict of interests can occur in many different ways, including these examples:

- Hiring or proposing to hire close relatives of the Employees at all levels and other Affiliated Persons,
- Favouring close relatives of the Employees at all levels and Affiliated Persons as Business Partners;
- Leading work-related decisions being influenced by personal considerations;
- Exercising active key functions in other company or organisation, competitors of the Group;
- Having direct or indirect investments or having any financial or commercial interest of any nature in other company or organisation.

Employee must pursuant to the **Avoidance of Conflict of Interests SOP**:

- Avoid any Conflict of Interests, whether perceived or real, in the performance of their professional duties;

- Disclose any his /her actual or potential Conflict of Interests, or the appearance thereof;
- Report actual or potential Conflict of Interests or the appearance thereof, of other Employee, or of other Person, including Persons acting on behalf of any Group's entity,
- Communicate requirements of this Policy to Business Partners and any related Persons;
- Follow the trainings focused on Conflict of Interests matters;
- Consult the Compliance department in case of any doubt regarding potential or actual Conflict of Interests.

When an Employee has the position of Senior or Middle Manager, he / she is subject to specific declaration and statement (Data declaration and Conflict of Interest statement).

The Group establishes a system of Conflict of Interests' management, recording and monitoring.

The Company adopts the **Avoidance of Conflict of Interests SOP** which sets forth detailed rules and procedures regarding the Conflict of Interests.

### **2.2.10 Fraud and information**

Information is one of the fundamental elements necessary to carry out successful business.

Giving information must avoid any misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a Person to obtain a financial or other benefit or to avoid an obligation. The careful verification under the principle of multiple check of the provided information must be an everyday process and reflex.

Employees cannot solicit or receive or use any information which is undisclosed either publicly or through any lawful mean.

### **2.2.11 Confidentiality of Information**

#### **(a) Group's confidential information**

The Group put in place adequate control measures to prevent any form of inappropriate or unauthorized access to or disclosure of any confidential information belonging to the Group or entrusted to the Group.

The confidentiality of information shall be maintained even after the termination of Employees' employment with the Group.

The Group adopts specific SOP in order to details rules and procedures for the management and the protection of confidential information.

#### **(b) Use of third Person's confidential information**

Employees shall use third Person's confidential information in compliance with the rules and procedures that the third Persons required when they disclose the confidential information to Employees.

The use of confidential information in breach of the law or the third Persons' requirement is forbidden.

Employees shall not use confidential information which a third Person illegally disclosed (such as information not communicated to all bidders in a procurement process).

Such use may be considered as Misconduct and is forbidden.

### **2.2.1 Sustainable Benefits in Local Communities**

The Group's policy is adapted to the specific needs of each community with which it wishes to build lasting and solid relationships.

The Group supports empowering local workers, building the human capital of businesses and communities, mentoring and capacity building. The Group transfers valuable expertise and implement initiatives in order to improve opportunities and develop viable project.

The Group's activity leads us to interact with non-governmental organizations, governments and private sector partners in order to build real sustainable programs in line with our ambitions and projects.

However, any action regarding sustainable benefits in Local Communities must comply with Chint' Integrity and Compliance Programme and no Employee can use such actions in a way which will trigger Misconduct.

## 2.3 FAIR TRADING

### 2.3.1 Anti-Money Laundering and Tax Evasion

The Employees abide by anti-money laundering laws and regulations and comply with all tax laws and regulations in all the jurisdictions in which the Group operates.

**Money laundering** is the process of taking the proceeds of criminal activity and making them appear legitimate. It occurs when the assets generated by unlawful activity (e.g. drug trafficking, smuggling, copyright infringement, piracy and corruption) are hidden in legitimate business dealings in order to disguise the assets' origin.

**Tax evasion** is an illegal practice involving the use of illegal means with the goal to reduce or eliminate their tax liability. It occurs when individuals, corporations or trusts know they have a tax liability and form a dishonest intention not to declare it or to report it through the understatement of income or gains of the overstatement of deductions or losses. The Group is committed to being a responsible and transparent taxpayer, paying the right amount of tax in accordance with the laws and regulations of the countries in which it operates.

Employees must therefore ensure that the business transactions on behalf of the Group do not involve acquiring, using or holding monetary proceeds or property acquired with the proceeds of crime.

### 2.3.2 Trade Compliance and Export Controls

The activities of the Group must be conducted in compliance with all applicable national and international trade compliance regulations where the Group does business.

Trade compliance includes regulations governing the import and export controls as well as economic sanctions, embargoes and restrictive trade practices. The Employees involved in transactions, such as business dealings with a sanctioned country, entity, or Person, must ensure compliance with applicable trade laws.

Products intended for import or export, including equipment, software and technology, must be classified in advance and all required labelling, documentation, licenses and approvals must be completed and obtained in accordance with the requirement.

Employees must use, for customs purposes, only the Group's approved customs agents and report accurate, complete and timely information on import declarations, and provide accurate and complete product descriptions when classifying goods.



### **2.3.3 Anti-Trust and Competition**

Committed to be fair in the Group's business practices in order to comply with anti-trust and competition legislation where we do business is essential and involves not to enter into business arrangements that eliminate or discourage competition or give an improper competitive advantage.

To avoid an appearance of collusion or improper conduct, Employees must never, in public or private, oral or written contracts, discussions, or agreements with an actual or potential competitor, including for the purpose of signalling an actual or potential competitor:

- Fix prices, terms or conditions;
- Boycott suppliers, customers or competitors;
- Enter into agreements or understandings with competitors to divide or allocate customers, markets or territories; or
- Agree with a competitor to coordinate bidding.

If any Business Partner asks an Employee to enter into an illegal or questionable agreement or to share information about Group practices, the Employee must:

- Inform the Business Partner that such discussions may be illegal, resulting in potential criminal penalties;
- Immediately leave the meeting, noting the departure in any meeting minutes or by any other appropriate mean;
- Immediately report to the Compliance Department about the incident, and make a detailed note for the file.

## **2.4 WORK ENVIRONMENT**

### **2.4.1 Mutual Respect and Diversity in the Workplace**

In the performance of the daily activities, the Group maintains a safe working environment and strive to interact with individuals who reflect the broad range of ethnic backgrounds, cultures, religions, political convictions, ages, genders, disabilities and sexual orientations.

Increasing the diversity in the workplace will allow us to be more flexible and effective when working with diverse individuals and responding to a variety of situations. The Group will be able to adapt to changes in our business environment. Embracing those differences strengthen the Group's performance and communication and create a positive work environment where Employees can enjoy work, progress career and develop their full potential.

The Group does not tolerate harassment, discrimination and violence of any kind. Every Employee is treated in all aspects of employment solely on the basis of ability and merit, not on race, colour, national origin, religion, gender, age, sexual orientation, gender identity, marital status, disability, or any other characteristic protected by applicable laws.

### **2.4.2 Personal and Private Information**

Personal data shall be processed in accordance with the law. It is important to note that there is various legislation on the subject, both national but as well as adopted in other jurisdictions such as the EU 2016/679 (General Data Protection Regulation) in effect since May 25<sup>th</sup> 2018. Thus the Group must comply with the various privacy laws and regulation based on their country location but also in the country where the Personal data is processed or located. Thus, Employees are not allowed to:

- Except in the scope of their official functions or if duly authorized, divulgate information undisclosed to any Person inside or outside the company, whether or not they had the knowledge that a prior authorization by the Group was required,
- Use or allow to use undisclosed information for Personal gains, directly or indirectly, or for interests other than the ones of the Group.

It is the responsibility of all Employees to ensure that Personal data is protected, secure and kept confidential, and that such data is retained only for as long as is necessary to fulfil the original treatment objective or to meet the legal and regulatory requirements.

The Compliance Department shall be consulted if there is any doubt about the confidential nature and the treatment of Personal information.

### **2.4.3 Health, Safety and Environment (“HSE”)**

The safety of everyone is the Group’s priority. The Group also aims to protect the environment and to ensure its development in an environmentally responsible and sustainable manner.

The Group ensures that it will integrate HSE considerations into all activities and apply high health, safety and environmental standards in all areas where we conduct business.

The Group will continuously evaluate HSE considerations in order to develop and provide activities that have no undue environmental impact and are safe for the Employees.

### **2.4.4 Security**

If there is any security risk that cannot be properly managed or reasonably mitigated it is necessary to avoid entering into the concerned business.

The Group is committed to protecting Employees, assets and information wherever the Group operates in the course of the business operations or during business travels.

### **2.4.5 Drugs and Alcohol**

The possession, use, distribution and/or sale and purchase alcohol and illegal drugs or other dangerous substances are not acceptable and strictly prohibited at work and while on duty.

Moreover, except as authorized by an executive and always in accordance with applicable laws, Employees are prohibited from consuming or serving alcoholic beverages on the Group’s premises.

## **2.5 ASSETS**

The Group expects everyone to take good care of the Group’s assets. Assets must be conserved and protected from theft, damage and waste, as well as used responsibly, ethically, and only for their legitimate business purposes, nor for improper Personal, illegal, other unauthorized purposes.

### **2.5.1 Insider trading**

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

The “inside information” is generally defined as knowledge held within the Group 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 Group’s 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 depicts unfair practices. The Code reflects this prohibition. Therefore, dealing based on the Group's inside information is strictly not permissible.

Employees must keep sensitive and confidential information and not disclose any false information to manipulate the price of securities. We all have a role in ensuring that inside information is not disclosed to anyone.

### **2.5.2 Intellectual Property**

Intellectual property rights must be protected and any intellectual property infringement must be reported.

Any form of intellectual property created or modified during the course of the Employee's relationship with the Group will remain the exclusive property of the Group, including but not limited to, copyrights, trademarks, designs, names, logos, photos, videos. For any of the foregoing, the intellectual property rights are considered work for hire and vested upon the Group.

Furthermore, any intellectual property developed outside of the Employee's relationship with the Group belongs to the Group if its development arises as a result of the use of confidential information acquired in the course of the Employee's relationship with the Group.

The copying, taking or destroying of any Group's intellectual property upon the cessation of the Employee's relationship with the Group is unlawful.

The use or distribution of the Group's proprietary information can be made for the benefit of the Group, and not for Personal gain.

It is forbidden to take, access, provide access to, or use any of the Group's proprietary information or other intellectual property rights without authorization after leaving the Group.

It is forbidden to provide the Group's proprietary information to a third Person without the proper internal approval and the necessary confidentiality agreement with the third Person.

All issues regarding the Group's proprietary information must be raised with IP Department.

### **2.5.3 Protecting E-Resources. Cyber Security**

All work-related electronic communications must be done through work e-mail addresses. Using non-corporate e-mail addresses to send or receive work related communications is strictly forbidden, except in extraordinary cases, such as technical problems, in which cases specific rules shall apply.

Electronic resources provided to us by the Group remain the exclusive property of the Group and must be used responsibly, appropriately and ethically.

We must never use the Group's electronic resources for the exchange, storage or processing of content that:

- Is prohibited by law or by the Code;
- Promotes or engages in harassment;
- Could be perceived as being racist, defamatory, discriminatory, violent, heinous, sexist or pornographic;
- May tarnish the Group's reputation.

When using electronic resources, the integrity of the Group equipment or systems must not be compromised. Employees must use it appropriately and take all the precautionary measures to avoid compromising, or disclosing private or confidential information.

The Group reserves the right to monitor the use of its electronic resources and to take any appropriate measures to preserve them, specifically review any content exchanged, stored or processed on the Group electronic resources, as permitted by law.

Employees must prevent unauthorized access, accidental loss, disclosure or destruction of the Group's information.

#### **2.5.4 Communication**

The Group communicates in all sorts of ways, including through website, press and social media.

All communications made to the public on behalf of the Company or its Subsidiaries must be accurate, complete, relevant, and not misleading.

## **CHAPTER 3.**

### **ACTIONS TO APPLY AND IMPLEMENT CHINT'S INTEGRITY AND COMPLIANCE PROGRAMME**

#### **3.1 THE ESSENTIAL ACTIONS**

The efficient application and implementation of Chint's Integrity and Compliance Programme and full compliance with applicable laws and regulations are based on three action elements:

- **TO PREVENT:** develop strong culture to prevent occurrences of Misconducts, depending on the circumstances, by taking some incentives measures or refraining from actions which may lead to Misconducts.
- **TO DETECT:** monitor the correct application of Chint's Integrity and Compliance Programme and applicable laws, rules or regulations through investigations, internal controls and other sources in order to identify and remediate all forms of Misconducts.
- **TO RESPOND AND REMEDIATE:** depending on the circumstances, corrective and preventive steps will be taken in response to Misconducts or any violations of the Chint's ICP, as well as of applicable rules and regulations.

#### **3.2 TO PREVENT**

The purpose of the action **TO PREVENT** is to develop and promote strong culture to prevent occurrences of Misconducts or breach of laws.

##### **3.2.1 Information**

The Group ensures awareness of the Chint's Integrity and Compliance Programme and values through numerous communication channels such as on boarding presentations, posters, and during monthly meetings. If necessary, pictograms have specifically been developed in case Employees cannot read or understand any of the languages in which the Code is available.

The Group's intranet's offers useful information and is available in Chinese and in English.

The information available includes:

- All elements of Chint's Integrity and Compliance Programme with related documents and tools;
- Instructions for reporting violations and reporting channels;
- Compliance material/tools;
- Training and educative materials;
- Team contact information;
- Frequently Ask Questions.

All Employees must read the Code and the SOPs.

##### **3.2.2 Training**

The comprehensive knowledge of each Employee of Chint's ICP is essential for its efficient implementation.

The Group organizes adequate training to ensure all internal standards and legislative and regulatory requirements are met and fulfilled. Employees must complete in a timely manner such ethics and compliance training assigned to them based on their roles and responsibilities.

An extensive training program is fully implemented to create appropriate awareness of Chint's ICP and the consequences in a case of Misconduct.

For this purpose, training modules are constantly enhanced and integrated into the learning management system.

All Employees must obtain their annual certification on Chint's Integrity and Compliance Programme delivered by the Compliance Department.

### **3.2.3 Accurate and Comprehensive Record Keeping**

The duty of accurate and comprehensive record keeping applies to any information received from any third Person or made to any third Person regarding the Group's activities and business, including past and ongoing projects and transactions.

Accurate, complete and honest records are essential within the Group so that we can make informed business decision and develop a strategic plan.

All Employees must take appropriate steps to ensure those records are accurate, complete and not misleading. Accordingly, all our records must be prepared and verified in accordance with applicable laws and regulations; the Group's accounting and reporting policies and relevant rules.

These records are the basis of our reports and are necessary to fulfil the Company and the Subsidiary's obligation to provide full and truthful disclosures to any authorized Person such as but not limited to investors, shareholders, Business Partners, regulatory authorities.

The following commitments must be made with respect to the records:

- All records and reports are prepared with care and honesty, and in a timely manner.
- Any sensitive information from the records, reports or any other document must not be shared with or divulged to third Persons;
- Prior to their completion, all transactions are approved in accordance with our applicable policies and in compliance with applicable laws and regulations;
- Every transaction must be justified and fully documented. All documents attached, signed or issued are accurate and truthful;
- Transactions are recorded based on informed judgment and accepted accounting principles of the Group, being specified that any false accounting in our books and records must be immediately reported;
- Management, all appropriate Persons or internal or external auditors should be aware of any transaction, asset, liability, claim, litigation and other financial information. It is formally prohibited to disguise any of these elements; and
- All issues and concerns raised in internal and external audit reports must be resolved in the best way possible.

All records must be maintained for a time period consistent with the Group's document retention policy and applicable law.

The Compliance department shall keep the records on the integrity and compliance related issues as per the relevant SOPs and the **Compliance and Integrity Procedures Manual**.

### 3.2.4 Incentives

The active support by Employees for the implementation of Chint's Integrity and Compliance Programme in addition to their full compliance with its principles and rules is strongly encouraged.

The active support shall include reporting on identified Misconducts or suspicious dealing which might be considered as Misconduct, proposals for improvement of the Code and the SOP or the mechanism of their implementation, proposals for collective actions, and strong diligence of all matters of the day to day activities which might potentially generate Misconduct.

For such active support, the Group puts in place an incentive mechanism to the benefit of the Employees which includes implementing a programme to acknowledge and publicise within the Group's instances of exemplary ethical conduct and special contributions to Chint's Integrity and Compliance Programme such as *ad hoc* communications to note such behaviour, mentions during senior management meetings, or awards.

### 3.2.5 Integrity and compliance due diligence and appraisal of Employees and members of management bodies

#### (a) Integrity and compliance due diligence of Employees

Any Person who shall be engaged as Cadre, as Employee involved in the Procurement process, as Employee involved in information collection and processing, and as Employee involved in business dealings with third Persons, shall be, depending on his /her future position, subject to a due diligence in order to ensure that he / she was not involved or is still not involved in any practice which may be construed as a breach of Chint's Integrity and Compliance Programme.

For the purposes of this provision, **Cadre** shall mean Employees with any decision making position or in a position to influence business results, and **Procurement process** shall mean the process of finding and agreeing to terms, and acquiring or selling goods, services, or works from an external source, namely though public or private tendering or competitive public or private bidding process.

#### (b) Integrity and compliance due diligence of members of management bodies

Any Person, before his / her designation or election as a member of a Board of Directors or a similar management body, shall be subject to a due diligence in order to ensure that he / she was not involved or is still not involved in any practice which may be construed as a breach of Chint's Integrity and Compliance Programme.

No Person who was involved in Misconduct can be designated or elected as member of a Board of Directors or a similar management body.

#### (c) Appraisal of Employees

The yearly appraisal of each Employee includes an appraisal of his / her compliance with Chint's Integrity and Compliance Programme.

The relevant SOP regarding **Cadre Management** and **Employee Performance Appraisal Management** include the yearly integrity and compliance appraisal.

#### (d) Appraisal of members of management bodies

The Supervisory Board of the Company shall carry out the early integrity and compliance appraisal of the members of a Board of Directors or a similar management body according to

## the **Integrity and Compliance Procedures Manual.**

### **3.2.6 Collective Action**

The Group shall make a positive contribution to improve business standards of compliance, transparency, and accountability whenever it operates and in its business community by engaging with business organizations, industry groups, professional associations, and civil society organization, where appropriate, to encourage and assist other companies in developing internal controls, ethics, the Code for the purpose of preventing and detecting Misconduct; disseminating information on Misconduct issues, including regarding relevant developments in international and regional forums, and access to relevant databases; making training, prevention, due diligence, and other compliance tools available.

## **3.3 TO DETECT**

### **3.3.1 Reporting and queries**

#### **(a) Duty to report**

Employees have a duty to be vigilant of circumstances that may indicate illegal or unethical behaviour and act both appropriately and in a timely manner to prevent or detect improper conduct that might lead to a violation of Chint's Integrity and Compliance Programme, including any Misconduct or suspicion of a Misconduct of Employee or of a Business Partner, or of Public Officials or a or a Retaliation.

Employees have the duty to report, in a timely manner and in good faith, to the Compliance Department and the Board of Supervisors any of the above circumstances, including concerns about their own actions, i.e. where an Employee thinks that he or she may have violated Chint's Compliance and Integrity Programme.

#### **(b) Sanctions and Incentives**

Each Employee must be aware that Misconduct or breach of laws as well the failure to report will harm not only the Group but also his / her Personal interest.

Failure to report violations in a timely manner may lead (subject to applicable laws) to disciplinary actions, up to and including employment termination.

Reporting which will lead to detection of Misconduct shall be rewarded in compliance with incentive mechanisms to the benefit of the Employees in force within the entities of the Group.

The Compliance Department and the Board of Supervisors may propose to the competent H&R Department specific incentives to Employees for exemplary ethical conduct and special contributions to Chint's Compliance and Integrity Programme.

#### **(c) Protection of reporting**

The Group is committed to have a Group's culture where Employees feel able and free to raise, including confidentially or in anonymous basis, concerns about the manner in which the Group is conducting its business without fear of retaliation or reprisal. There will be no reprisals against any Employee making such report whether actual or suspected.

Should an Employee feel his / she has experienced retaliation, the Group expects the Employee to report it just as any other violation would be reported.

#### **(d) Queries**

Employees shall feel free to address to the Compliance department and to the Board of Supervisors any question they may have regarding the understanding, the interpretation and



the application of Chint Compliance and Integrity Programme.

In particular, Employees shall address:

- Any hesitation on how to proceed in accordance with Chint's Compliance and Integrity Programme,
- Any concern in connection with Chint's Compliance and Integrity Programme,
- Any circumstance involving Chint's Compliance and Integrity Programme issue, including in foreign jurisdictions for which they seek guidance.

(e) **Channels of communication**

Section 6 of this Code describes the various channels of reporting and addressing queries.

(f) **Reports and Queries Policy**

The Company adopts, in application of this article 3.3.1 **Reports and Queries SOP** the purpose of which is to further set forth detailed rules and procedures regarding the management of the reporting and queries.

The Compliance Department and the Board of Supervisors shall ensure the management of the reporting and queries in accordance with the Integrity and Compliance Procedures Manual, it being specified that the Board of Supervisors is primarily responsible for Reporting and Queries in relation to Corruptive practices.

**3.3.2 Compliance Control Framework**

A compliance control framework defines and organizes internal controls, which are practices and procedures to create business value as well as identify, assess, minimize or mitigate risks which might arise in the performance of the Group's activities.

The framework is organized vertically and horizontally and implies management and oversight.

The Compliance Officers have central role of the management and the oversight of Chint's Integrity and Compliance Programme.

The Compliance Officers interact with all internal bodies in charge to carry out internal controls such as financial, accountant, technical etc. (such as Human Resources, Operations control, Procurement, Supply Chain, Security, Finance or Internal Audit) in close cooperation with the Legal Department.

**3.3.3 Compliance Reviews**

Checks and reports are regularly performed on key performance indicators of integrity set forth in the Code.

Chint's Integrity and Compliance Programme efficiency is assessed by Compliance Department on the basis of this information to evaluate the implementation of Chint's Integrity and Compliance Programme and determine any compliance risks which are not mitigated. This leads to a proactive and integrated approach of diligent oversight on these identified compliance matters.

The Compliance Department shall periodically review Chint's Integrity and Compliance Programme suitability, adequacy and effectiveness in preventing, detecting, investigating and responding to all types of Misconduct and shall report to the Board of Directors of the Company.

The Board of Directors shall make separate monitoring of the performance of Chint's Integrity and Compliance Programme.

In addition to the regular assessment, the Compliance Department shall carry out semi annually an evaluation of the effectiveness of the compliance with Chint's Integrity and Compliance Programme and discuss the risk mitigation measures in place or to be implemented as well as to detect gaps and appropriate adjustments required of Chint's Integrity and Compliance Programme.

The Compliance Department issues an annual report on the implementation of Chint's Integrity and Compliance Programme.

The Compliance and Integrity Procedures Manual sets forth further details regarding the compliance reviews.

### **3.3.4 Compliance Investigations**

Investigations must be perceived as having been thorough, independent with the utmost respect, discretion and privacy. It will be kept confidential to the extent permitted by law.

If compliance investigations discover criminal or otherwise improper activity, the Group shall be required to report such activity to the appropriate government, law enforcement or regulatory authorities.

In the course of the investigation, a fully truthfully and transparently cooperation and commitments are required by everyone involved in the procedure. For this reason, Employees must provide all requested documents and information related to the matter. Failure to provide any information or retain relevant documents can seriously hamper the internal investigation and may lead to disciplinary measures. Anyone who is the subject of an allegation is always deemed innocent unless facts uncovered during the investigation point to the contrary.

The Compliance department and the Board of Supervisors carry out the compliance investigation pursuant to the Compliance and Integrity Procedures Manual.

## **3.4 TO RESPOND AND TO REMEDIATE**

### **3.4.1 Misconducts Investigations**

When Misconduct is detected or reported, the Compliance Department and the Board of Supervisor shall start investigation pursuant to the Compliance and Integrity Procedures Manual and Employees shall fully cooperate and reply in timely manner to all requests from the Compliance Officers.

When Misconduct is identified, the Compliance Department and the Board of Supervisor shall report pursuant to the Compliance and Integrity Procedures Manual and propose adequate remediation measures.

The remediation measures shall include, but not limited to:

- Disciplinary measures;
- Disclosure measures to the concerned authorities or Persons;
- Corrective measure of Chint's Integrity and Compliance Programme and the relevant procedures of implementation in order to prevent further Misconducts and more generally any violation of Chint's Integrity and Compliance Programme;
- Additional training measures.

### **3.4.2 Sanctions**

The Group ensures the discipline and penalty procedures provided by the Code are swift, dispassionate, and is aimed solely to punish the Misconduct. The nature of the sanction is not discriminatory and wrongful and is not linked to quality of work, the position within the Group or his/her work performance.

The sanctions are determined by applicable law and the relevant SOPs and include oral warning, written warning, recording a demerit, recording a great demerit, probation while keeping the position, demotion (downgrading in work position) and termination of the employment agreement.

## **CHAPTER 4. RISK MANAGEMENT AND ASSESSMENT**

The risk management and assessment (the “**RMA**”) is the procedure to identify, prioritize, and assign accountability for managing existing or potential threats related inter alia to Misconducts.

The RMA is organized in accordance with the three lines of defence model.

**At the first level**, the operational managers have ownership, responsibility and accountability for directly assessing, controlling and mitigating risks. The operation managers are the heads of each department or business unit of each entity of the Group who have day-to-day ownership and management over risks and controls and who identify the potential risks. They refer and report in accordance with each specific internal policy and to the Chief Executive Officer / General Manager of the relevant entity, the Compliance Department and the Legal Departments.

**At the second level**, the different components of the internal governance listed below ensure, in accordance to their specific expertise and monitoring authority, that risks and controls are properly managed through the complaints and reporting system. They assess the risk management practices and propose improvements. They have a right of investigation and right to propose and implement sanctions. They ensure the implementation of effective risk assessment and management system.

The components of the governance are the following:

- Compliance Department,
- Legal Departments,
- Department in charge with finance,
- Department in charge with human resources,
- Department in charge with quality
- Department in charge with operational controls.
- Department in charge with IT matters.

**At the third level**, the Audit Department of the Company is responsible for the supervision and audit of the activities at the first and second levels in order to ensure that they are consistent with the risk policy of the Group and are efficient.

Internal auditors accomplish their objectives by bringing a systematic approach to evaluating and improving the effectiveness of risk management, control, and governance processes. They ultimately ensure independence and professionalism within the Group.

In particular, the Audit Department carries out audits of the Compliance Department activities in accordance with their annual audit programme.

## **CHAPTER 5. RESPONSIBILITY: OVERSIGHT AND MANAGEMENT**

### **5.1 OVERSIGHT AND MANAGEMENT OF CHINT'S INTEGRITY AND COMPLIANCE PROGRAMME**

Compliance is a key management responsibility that goes beyond the role-model function of senior management. The Group's managers must exemplify ethical behaviour and compliance with laws and internal policies. Ensuring that business decisions and actions are always in complete accordance with the relevant legal requirements and Chint's Integrity and Compliance Programme is their responsibility.

This involves clear and consistent messages from the top leadership team and engaging middle management in compliance management and communication. The Group encourages communications and recognize exemplary ethics and compliance behaviour; with an emphasis on the fact that everyone is responsible for ethics and compliance.

The management and oversight of Chint's Integrity and Compliance Programme shall be consistent with the principles of the RMA.

### **5.2 THE GROUP'S SENIOR MANAGEMENT**

The Group's senior management's members shall, in addition to their personal conduct serving as an example to all Employees:

- Make Chint's Integrity and Compliance Programme as an essential part of the business strategy and processes of the Group;
- Ensure the development of strong processes to anticipate risks, including new and changing regulations and international standards;
- Monitor regulatory compliance on an ongoing basis and conduct periodic audits of key processes.

The Group's senior management members are the members of the Company's and Subsidiaries' Boards of Directors, the Company's and Subsidiaries' Chief Executive Officers, the Company's and Subsidiaries' Presidents and Vice Presidents (if they are not members of the Board of Directors), the Subsidiaries' General Managers and the Head of departments / business units / productions lines.

In order to achieve an efficient oversight and monitoring of Chint's Integrity and Compliance Programme, the Group's senior management shall:

- a) Include issues under Chint's Integrity and Compliance Programme as a regular agenda item in Board meetings and in the regular management meetings with middle level and other level of management with related discussions appropriately recorded in written minutes;
- b) Oversight the methodology and results of integrity risk assessments;
- c) Approve, new or amended SOPs or amendments of the Code or to the Business Partners Code;
- d) Ensure that Chint's Integrity and Compliance Programme is sufficient to adequately mitigate the risk of Misconduct.

### 5.3 THE GROUP'S INTEGRITY AND COMPLIANCE TASK FORCE

#### 5.3.1 Composition of the Group's Integrity and Compliance Task Force and responsibilities

The Group's Integrity and Compliance Task Force regroups the members of the Compliance Department and the members of the Board of Supervisors working with the support of the members of the Legal Department, the ICP Ambassadors in the departments in charge with the Human Resources, Finances, Supply Chain, Procurement, Quality and Operations Control, Audit, IT and in the business units.

The Compliance Department is organised as a department at level of Chint Group Corporation as an autonomous body with adequate level of autonomy from management, has sufficient resources, and benefit from the necessary authority, and is involved in and responsible for all actions for the implementation, the supervision, the assessment and the improvement of Chint's Integrity and Compliance Programme.

The Board of Supervisors is independent body which shall continue to be involved in all aspect regarding the management of the risks related to the Corruptive practices.

The Integrity and Compliance Procedures Manual allocates the specific responsibilities of the Compliance department and the Board of Supervisors of the Company.

The Compliance department and the Board of Supervisors of the Company shall fully cooperate in this respect in order to ensure effective application of Chint's Integrity and Compliance Programme in compliance with the Integrity and Compliance Procedures Manual.

The ICP Ambassadors ensure the cooperation of their departments with the Compliance department and the Board of Supervisors.

The interaction and cooperation between the members of the Group's Integrity and Compliance Task Force, under the leadership of the Chief Compliance Officer, is an essential instrument for the implementation, the supervision, the assessment and the improvement of Chint's Integrity and Compliance Programme.

#### 5.3.2 Chief Compliance Officer

The Chief Compliance Officer shall have the overall responsibility for Chint's Integrity and Compliance Programme, including the assignment of responsibilities.

He / she is accountable to the Board of Directors only.

The Board of Directors of the Company designates and removes the Chief Compliance Officer.

The Chief Compliance Officer is also acting as General Counsel of the Group.

The Chief Compliance Officer shall regularly report to Board of Directors about Chint's Integrity and Compliance Programme implementation including (among other things):

- (i) progress of implementation;
- (ii) key information about Business Partners;
- (iii) integrity compliance aspects of major transactions, for example mergers and acquisitions;
- (iv) training statistics;
- (v) whistleblower reports, investigations and results.

#### 5.3.3 Compliance Officers

The Compliance Officers are members of the Compliance department and have central role of the management and the oversight of Chint's Integrity and Compliance Programme.

The Compliance Department ensures that each of the Employees and Business Partners comply with the provisions of Chint's Integrity and Compliance Programme.

Each business area of the Group shall have one or more Persons (depending on the number of Employees) to serve as Compliance Officers. Their responsibilities include namely the following activities:

- Promoting awareness within the Group of reputation and ethics-related risk;
- Coordinating ethics and integrity due diligence training and recommending who within the business will receive such training;
- Providing guidance and advice;
- Conducting the annual risk assessment for their respective businesses under the direction of the Integrity and Compliance Policy;
- Providing guidance on performing integrity due diligence and assisting the Group in implementing the recommended mitigating measures, if any;
- Conducting investigations;
- Granting approvals,
- Reporting violations of Chint's Integrity and Compliance Programme etc.

Compliance officers are the Persons to whom any act, matter, fact or circumstance that may relate to provisions of the Code and the SOP or more generally to compliance matters shall be first be reported to.

The Compliance department shall act in close cooperation with the Legal Departments.

The Compliance officers are acting under the supervision of the Chief Compliance Officer and the Head of the Compliance department and report exclusively to them. They must carry out their functions with an adequate level of autonomy, sufficient resources and the authority to effectively implement.

The Head of the Compliance department shall manage the Compliance Department and is primarily responsible for the management and implementation of the Integrity and Compliance Policy.

The Head of the Compliance department shall report directly to the Chief Compliance Officer. He / she liaises with all external bodies (such as regulators, judicial or investigation authorities, financial institutions etc) in relation to any issue related to Integrity and Compliance matters.

**The Integrity and Compliance Procedures Manual** further sets forth detailed rules and procedures regarding inter alia, the functioning, the rights and the actions of the Compliance Officers.

## **CHAPTER 6.**

### **HOW TO COMMUNICATE WITH THE COMPLIANCE DEPARTMENT AND THE COMPANY'S BOARD OF SUPERVISORS**

#### **6.1 COMMUNICATION**

For the purposes of any communication under Chint's Integrity and Compliance Programme, reporting or addressing queries, the Group put in place various ways of communication channels.

Employees may use any of these channels.

All of the channels are confidential and the Compliance Officers and the members of the Company's Board of Supervisors are subject to strict duty of confidentiality. The breach of the duty of confidentiality shall lead to disciplinary sanctions, including the termination of the labour contract of the Compliance Officer or of the member of the Company's Board of Supervisors who commits the breach.

#### **6.2 CHANNELS OF COMMUNICATION**

##### **6.2.1 Direct contract with the Compliances Officers and the members of the Company's Board of Supervisors**

Employees may contact directly the Compliance Officers and the members of the Company's Board of Supervisors.

The list of the Compliance Officers and the members of the Board of Supervisors by area and company with their telephone numbers and email addresses is published in intranet under <http://10.128.10.35/hegui/Pages/default.aspx> and is distributed to each Employee.

##### **6.2.2 Confidential Hotline**

The Group has established a **confidential hotline 021-67777777-880080**. The hotline shall entail round-the-clock confidential service available 24 hours a day and 365 days a year.

The hotline is managed by the Compliance Department.

The Compliance Department may outsource the management of the hotline regarding communication from overseas jurisdiction in order to ensure round-the-clock confidential service available 24 hours a day and 365 days a year. In the event of outsourcing, the number of the hotline shall remain the same.

The hotline is free of charge so that Employees from anywhere in the world may communicate.

Employees are free to give their name or to report anonymously.

The Compliance Department shall not attempt to identify the Whistleblower, if he /she does not want to disclose his/her name.

The Compliance Department, with the support of the IT Department, shall put in place all necessary security measures to protect the unauthorised access to the confidential hotline.

##### **6.2.3 Boxes**

In the premises of each entity of the Group are displayed sealed boxes labelled "**Compliance**" in which any Employee may drop their report or queries.



Employees are free, when they report, to give their name or to file anonymous report.  
The Compliance Department shall collect every week the content of the boxes.