

# ZTT Compliance Guidelines

## CHAPTER I. General Provisions

**Article 1.** Jiangsu Zhongtian Technology Co., Ltd. (hereinafter referred to as the “**Company**”) formulates these Compliance Guidelines (hereinafter referred to as “**Guidelines**”) in light of the *World Bank Group Integrity Compliance Guidelines* and other international compliance practices and in alignment with other compliance codes and requirements, combined with the actual situation of the Company, to regulate its business activities, prevent its material compliance risks, improve its internal control, and establish sound compliance management mechanism.

**Article 2.** These Guidelines apply to the operation activities of the Company and its foreign and domestic controlled subsidiaries (hereinafter referred to as “**Subsidiaries**”). The Subsidiaries shall, based on their respective situation, formulate the detailed rules for the implementation of these Guidelines by reference to these Guidelines; the compliance standards set in the detailed compliance implementation rules formulated by each Subsidiary shall be no lower than the provisions of these Guidelines.

**Article 3.** Key terms used herein are defined as follows:

- (1) “**Compliance**” means the adherence to the requirements of applicable laws, international conventions, Compliance Codes of International Organization, regulatory provisions, industrial standards, business practice, ethics and the Company’s articles of association and rules and regulations by the Company and its Subsidiaries in their regular course of business.
- (2) “**Compliance Risks**” refers to the possibility that legal sanction, administrative penalty, significant loss of property or reputation and other adverse effects occurs to the Company and its Subsidiaries or employees due to their Non-compliance Conducts.
- (3) “**Non-compliance Conducts**” refers to corruption, fraud, collusion, coercion, obstruction and other misconducts which the multilateral development banks impose sanctions on, and other non-compliance conducts.
- (4) “**Compliance Management Organizations**”, depending on the entities responsible for the business operations, refers to the Compliance Management Committee, Chief Compliance Officer, Compliance Standard Department and Compliance Officers of the Company; or Compliance Management Leading Group, Compliance Department and Compliance Officer(s) of the Subsidiaries.
- (5) “**Appropriate Compliance Department**”, depending on the entities responsible for the business operations, refers to the Compliance Standard Department of the Company; or the Compliance Department or Compliance Officer(s) of the Subsidiaries.

**Article 4.** These Guidelines are intended to ensure that the Company and its

Subsidiaries comply with the laws and regulations in carrying out its business activities by improving its organizational structure for compliance management, specifically defining the compliance management responsibilities, making sound compliance management mechanism, identifying, preventing, overseeing and coping with the Compliance Risks in third party activities, bidding, contracting, procuring, making payments in cash, giving gifts and entertainments, donating and sponsoring and other key business activities of the Company, and preventing, restraining, and strictly prohibiting corruption, fraud, collusion, coercion, obstruction and other Non-compliance Conducts.

**Article 5.** Activities not addressed in these Guidelines shall be governed by the existing bylaws of the Company; in case of any inconsistency between these Guidelines and any of the existing bylaws, the stricter provision shall prevail.

**Article 6.** The compliance management shall follow the principles of independence, applicability and comprehensiveness, keep pace with the times and be adaptable to the needs of market development and the development of and change in external compliance requirements, and the detailed compliance management rules shall be adapted and improved from time to time according to the requirements in respect of the compliance management.

## **CHAPTER II. Scope of Activities Subject to Compliance Management**

**Article 7.** The compliance management of the Company and its Subsidiaries is mainly over the activities of its employees, third party activities, bidding, contracting, procuring, making payments in cash, giving gifts and entertainments, donating and sponsoring etc.

**Article 8.** The Company and its Subsidiaries shall specifically define the compliance requirements in respect of the activities of their employees and the liabilities for violation of such requirements, establish a background investigation procedure over the employees in the high-risk positions and set forth requirements in respect of compliance training and performance review to ensure that the employees comply with the compliance requirements. The relevant specific provisions are set forth in the Employees' Compliance Code of Conduct.

**Article 9.** The Company and its Subsidiaries shall establish a procedure for due diligence investigation on third parties and set forth requirements in respective compliance audit to ensure that third parties comply with the compliance requirements. The relevant specific provisions are set forth in the Compliance Rules for Due Diligence on Third Parties.

**Article 10.** The Company and its Subsidiaries shall enhance their management and supervision over its bidding activities and follow the procedure for compliance qualification review and the compliance review requirements for projects for which they are bidding to ensure that the bidding activities meet the compliance requirements. The relevant specific provisions are set forth in the Compliance Rules on Bidding.

**Article 11.** The Company and its Subsidiaries shall further regulate their management of contracts, clarifying the departments which are obliged to manage

contracts of the Company, and follow the contract compliance audit requirements to ensure that the all contracts executed by them comply with compliance requirements. The relevant specific provisions are set forth in the Compliance Rules on Contracts.

**Article 12.** The Company and its Subsidiaries shall enhance their management and supervision over their procurements and follow the procedures of the suppliers/potential bidders for compliance qualification review and the compliance review requirements to ensure that their procuring activities follow the compliance requirements. The relevant specific provisions are set forth in the Compliance Rules on Procurement.

**Article 13.** The Company and its Subsidiaries shall specifically define the scope of matters subject to cash payment in the course of settlement of funds, and strictly follow the rules on limits of authorities for approval of cash payment and the relevant procedures and thresholds, and strengthen financial control to ensure that cash payments or the relevant transactions are made legally, truly and reasonably. The relevant specific provisions are set forth in the Compliance Rules on Cash Payment.

**Article 14.** The Company and its Subsidiaries shall follow the fundamental principles and the standards for examination and approval in giving gift and hospitality in the course of their business, and the business hospitality shall be subject to uniform approval authority. Any gift or hospitality shall not be approved, provided or offered that doesn't follow the fundamental principles and standards for approval. The relevant specific provisions are set forth in the Compliance Rules on Gifts and Hospitality.

**Article 15.** The Company and its Subsidiaries shall specifically define the departments which are obliged to oversee the donations and sponsorships and follow the limits of authorities, procedure and standards for compliance approval to ensure about the compliance of donations and sponsorships. The relevant specific provisions are set forth in the Compliance Rules on Donations and Sponsorships.

**Article 16.** The Company and its Subsidiaries shall endeavor to put into effect all of the compliance rules of the Company and satisfactorily carry out their compliance audit activities, promptly find problems and shortcomings in the course of the implementation of their compliance mechanism and try to improve their compliance mechanism. The relevant specific provisions are set forth in the Compliance Rules on Compliance Audit.

**Article 17.** The Company and its Subsidiaries shall, as required by these Guidelines, assess the Compliance Risks, and timely find the potential risks, in each case in their business activities. The relevant specific provisions are set forth in the Compliance Rules on Risk Evaluation.

**Article 18.** The Company and its Subsidiaries shall promptly conduct internal investigation over the misconducts alleged against them in their business activities to ensure that misconducts in their business activities are identified and cleared. The relevant specific provisions are set forth in the Compliance Rules on Internal Investigation.

**Article 19.** The Company and its Subsidiaries shall regularly arrange

compliance training and examination for their employees to ensure that their compliance rules are actually implemented. The relevant specific provisions are set forth in the Compliance Rules on Employees Compliance Training.

### **CHAPTER III. Compliance Management Organizations and Their Major Duties**

**Article 20.** The management level of the Company and its Subsidiaries shall assume the major responsibility for the Integrity Compliance Program.

**Article 21.** The Company and its Subsidiaries shall have Compliance Management Organizations (see Annex 1: Compliance Organization Chart of the Company and its Subsidiaries) responsible for formulating, implementing, and reporting on the compliance rules of the Company and its Subsidiaries (see Annex 2: Compliance Implementation/Reporting Process of the Company and its Subsidiaries).

**Article 22.** The Compliance Management Organizations of the Company are as follows:

- (1) The Company shall have the Compliance Management Committee, which shall be responsible for the overall formulation and implementation of the compliance mechanism of the Company. The Compliance Management Committee shall have one director, one vice-director and several members.
- (2) The Company shall have one Chief Compliance Officer, who shall be responsible for the decision-making, implementation and supervision of compliance management.
- (3) The Compliance Management Committee shall establish and lead a Compliance Standard Department, which is the daily working office of the Compliance Management Committee; the Compliance Standard Department shall have several Compliance Officers, who shall be responsible for the specific compliance management.
- (4) The relevant Business Department shall have at least one Compliance Officer, who shall be responsible for coordinating and implementing the compliance management of such Business Department.

**Article 23.** The Compliance Management Organizations of the Subsidiaries are as follows:

- (1) Each Subsidiary shall have the Compliance Management Leading Group, which shall be responsible for the overall guidance and supervision of compliance management of such Subsidiary. The Compliance Management Leading Group shall have one leader and several members.
- (2) Based on the actual situation of the Subsidiary, the Compliance Management Leading Group shall have the Compliance Department or at least one Compliance Officer, responsible for specific compliance management.

**Article 24.** The Compliance Management Organizations shall be established on the principle of independence, namely:

(1) Organizations and personnel responsible for compliance management shall not simultaneously assume the responsibilities of financial management, marketing, procurement of materials/equipment and labor subcontracting and other duties that may conflict with their compliance responsibilities, so as to ensure about independence, fairness and impartiality in dealing with specific issues;

(2) Inferior Appropriate Compliance Department shall vertically and independently report and communicate with superior Appropriate Compliance Department on major compliance matters through the reporting path of compliance management functions.

**Article 25.** The Compliance Management Committee of the Company shall perform the following duties:

- (1) Determining the guiding principles for compliance management;
- (2) Determining the compliance management guidelines and objectives;
- (3) Approving the compliance management measures, work plan and inspection report;
- (4) Convening a meeting on a quarterly basis, to decide on major compliance management matters; and
- (5) Overseeing the prevention of Compliance Risks of the Company and its Subsidiaries, and putting forward the relevant opinions on improving the management of Compliance Risks of the Company;
- (6) Deliberating and deciding on other compliance management related matters of the Company and its Subsidiaries.

**Article 26.** The Chief Compliance Officer of the Company shall perform the following duties:

- (1) Implementing the requirements of the Compliance Management Committee for the compliance management, and comprehensively carrying out and specifically implementing compliance management work;
- (2) Coordinating the relations between compliance management and various business of the Company, supervising the implementation by various Business Departments of compliance management, and timely solving major issues arising in compliance management;
- (3) Leading the Appropriate Compliance Departments, improving the construction of organizational teams, performing personnel recruitment and training, and supervising the Appropriate Compliance Departments at all levels to carry out their tasks seriously and efficiently;
- (4) Responsibility for establishing a compliance management system and maintaining its consistency and integrity;
- (5) Having access to and clear and explicit support from the board of directors and the Chairman;
- (6) Reporting timely major Compliance Risks to the Compliance Management

Committee;

- (7) Periodically reporting on the compliance management to the Compliance Management Committee;
- (8) Responsibility for the assessment and evaluation of Compliance Officers of the Company; and
- (9) Other compliance management responsibilities set forth in the articles of association or relevant bylaws.

**Article 27.** The Compliance Standard Department of the Company shall perform the following duties:

- (1) Formulating (amending) compliance documents of the Company, and assuming responsibility for the construction and external authentication of compliance system of the Company;
- (2) Organizing and carrying out determination, design, implementation and improvement of compliance requirements;
- (3) Organizing the implementation of compliance examination and assessment;
- (4) Organizing the summary, experience sharing of, and training on compliance management;
- (5) Instructing the compliance management of inferior Appropriate Compliance Department;
- (6) Assuming responsibility for internal and external compliance consulting;
- (7) Assuming responsibility for external compliance-related inquiries, inspections, investigations and rectifications;
- (8) Accepting and investigating reports and complaints, and putting forward rectification and handling opinions; and
- (9) Other compliance management responsibilities set forth in the articles of association or relevant bylaws.

**Article 28.** The Compliance Management Leading Group of its Subsidiaries shall perform the following duties:

- (1) Comprehensively leading the implementation of compliance management;
- (2) Appointing the Compliance Officer(s), being responsible for summarizing the implementation of compliance management and submitting the relevant documents, and actively communicating with the Compliance Standard Department;
- (3) Allocating various requirements of compliance management, combined with the responsibilities of different positions, to the relevant departments, teams and positions by multi-level decomposition;
- (4) Overseeing the prevention of Compliance Risks of the Subsidiaries, and putting forward the relevant opinions on improving the management of Compliance Risks of the Subsidiaries; and

(5) Other compliance management related matters of the Subsidiaries.

**Article 29.** The Compliance Officer(s) of Compliance Standard Department of the Company shall perform the following duties:

(1) Developing compliance management programs, drafting and implementing compliance management systems and procedures, and evaluating and revising the foregoing;

(2) Directing and supervising the implementation of compliance systems and procedures;

(3) Planning, arranging and coordinating overall compliance management;

(4) Accepting internal and external compliance consultation, and giving feedbacks;

(5) Daily communications and reporting on external compliance audits, inquiries and investigations;

(6) Actively identifying, assessing, monitoring and reporting Compliance Risks and proposing risk preventing and responding schemes;

(7) Conducting regular self-examination and evaluation over the prevention and supervision of Compliance Risks, and preparing reports on compliance work;

(8) Participating in compliance audits, assessments and evaluations, and urging rectifications and on-going improvement of irregularities;

(9) Examining the due diligence investigation by the Business Department of a third party;

(10) Accepting complaints and reports, investigating irregularities, and putting forward suggestions for treating or rectifying them;

(11) Organizing or assisting in compliance trainings; and

(12) Other compliance management.

**Article 30.** The Compliance Officer(s) at the relevant Business Departments of the Company shall perform the following responsibilities in compliance management:

(1) Identifying, collecting and implementing applicable laws, regulations and other requirements;

(2) Carrying out due diligence investigation of a third party;

(3) Implementing the compliance system and procedures of the Company;

(4) Identifying, reporting and preventing Compliance Risks in operating and managing activities;

(5) Conducting compliance investigations and audits; and

(6) Preparing and implementing emergency plans.

**Article 31.** Compliance shall be gradually included in the Company's annual performance evaluation of its Subsidiaries. The Subsidiaries shall enhance their

incentive and assessment mechanism, properly increase the weight of the effect of compliance management and risk control in the performance evaluation, and lead the whole staff to actively complying with the rules through the benefit distribution mechanism and attach equal importance to both process and result.

#### **CHAPTER IV. Appointment, Removal, Training and Evaluation of Compliance Officers**

**Article 32.** Compliance Officers of the Company shall be nominated by the Chief Compliance Officer and appointed to such position upon approval by the general manager of the Company after being reviewed by the Human Resources Department. Compliance Officer(s) of each Subsidiary shall be nominated by the Compliance Management Leading Group of such Subsidiary and appointed to such position upon filing with the superior Appropriate Compliance Department and approval by the general manager of such unit after being reviewed by the Human Resources Department.

**Article 33.** Compliance Officers of the Company shall be removed only with the consent from the Chief Compliance Officer. Compliance officer(s) of the Subsidiaries shall be removed only with the consent from the supervising Appropriate Compliance Department.

**Article 34.** Compliance Officers shall receive professional trainings so as to accurately and comprehensively understand the compliance roles and responsibilities, know relevant laws and other requirements, be familiar with the best compliance management practices and experiences in the industry and be equipped with the specialist knowledge and skills necessary for being competent to carry out compliance management.

**Article 35.** Compliance Standard Department of the Company shall be responsible for the trainings of Compliance Officers and related business personnel of the Company and its Subsidiaries, including formulating training plans, carrying out compliance trainings with the Human Resources Department, making training records, and being subject to regular compliance audits.

**Article 36.** Trainings of Compliance Officers may be conducted by the Compliance Standard Department of the Company or external professionals.

**Article 37.** Compliance Officers shall receive trainings prior to providing trainings to employees.

**Article 38.** Compliance Officers shall take exams after being trained. The exam results shall be recorded in their personal training files and taken into consideration in the annual compliance performance evaluations.

**Article 39.** Evaluation of Compliance Officers shall be independent and comprehensive, the result of which shall be associated with appraisal, appointment and removal, promotion and remuneration. Evaluation shall include but not be limited to participating in compliance trainings on time, strictly implementing compliance management system, actively supporting and assisting the Compliance Management Organizations, and timely reporting Compliance Risks.



## **CHAPTER V. Compliance Management of Employee Behaviors**

**Article 40.** The compliance management of employee behaviors includes:

- (1) Compliance requirements regarding employee behaviors;
- (2) Compliance background checks of employees with Unusual Compliance Risks;
- (3) Compliance trainings;
- (4) Compliance examinations and evaluations.

**Article 41.** The Appropriate Compliance Department, in concert with the Human Resources Department, shall perform the following responsibilities in the employee compliance management:

- (1) Being in charge of compliance management of employee behaviors, and arranging for new employees to execute employee compliance statements;
- (2) Conducting compliance background checks of newly enrolled employees with Unusual Compliance Risks, and performing related work such as making records, classification, numbering and archiving;
- (3) Organizing compliance trainings and post-training examinations;
- (4) Organizing evaluations of employees' compliance performance.

**Article 42.** The Compliance Officers of the Company and its Subsidiaries shall perform the following responsibilities in the employee compliance management:

- (1) Reviewing regularly the compliance statements executed by employees, implementation of disposition of employees' violations, implementation of compliance background checks of employees with Unusual Compliance Risks, and employees' compliance training records;
- (2) Organizing investigations of employees' violations;
- (3) Formulating compliance training plans.

**Article 43.** For the purpose of these Guidelines, employees with Unusual Compliance Risks shall include:

- (1) middle- and top-level officers of the Company and its Subsidiaries;
- (2) Executive head of a project (or a contract);
- (3) Key personnel in financial department;
- (4) Key personnel in market development department; and
- (5) Key personnel in bidding department, procurement department, and etc.

**Article 44.** After completion of a compliance training, the trainees shall take exams. The exam results shall be recorded in their personal training files and taken into consideration in the annual compliance performance evaluations.

**Article 45.** The Company shall disclose the Integrity Compliance Program which is being currently implemented to all the Employees through public training and all Employees shall obey such rules.

## **CHAPTER VI. Communications of Compliance Efforts**

**Article 46.** At the beginning of each year, the respective Appropriate Compliance Departments of the Company and its Subsidiaries shall organize relevant departments to formulate compliance popularization and implementation plans to promptly and effectively convey the following information to employees and business partners:

- (1) Requirements of senior management and attention they pay to compliance efforts;
- (2) Compliance program;
- (3) Compliance system and procedures;
- (4) Laws, regulations and other requirements that shall be complied with;
- (5) Hotlines, e-mail addresses and mailing addresses for making complaints and reporting;
- (6) E-mail and mailing addresses for compliance consultation.

**Article 47.** Compliance popularization and implementation plans shall take into consideration of the compliance findings during the compliance practices and fully reflect the compliance system and procedures of the Company and its Subsidiaries and the changes in international/national laws and regulations and other requirements.

**Article 48.** A compliance popularization and implementation plan shall include, amongst other things:

- (1) Applicability and details of internal compliance popularization and implementation;
- (2) Applicability (such as third parties, contracting parties, suppliers, joint venture partners and other business partners) and details of external compliance popularization and implementation;
- (3) Manners (such as by way of meetings, employee handbooks, compliance trainings, the Company's newspapers and newsletters, notices issued by the Company, etc.) and details of popularization and implementation; and
- (4) Budget for compliance popularization and implementation.

**Article 49.** The compliance popularization and implementation plan of the Company, once completed, shall be submitted to the Chief Compliance Officer for his/her review and approval before implementation. The compliance popularization and implementation plan of the Subsidiaries shall be submitted to the Compliance Management Leading Group for review and approval before implementation and be filed with the Compliance Standard Department of the Company.

**Article 50.** The Company and its Subsidiaries shall establish their respective

independent compliance reporting and communication channels:

(1)the Company: Compliance Officer of the Company – Compliance Standard Department of the Company – Chief Compliance Officer of the Department – Compliance Committee of the Company; and

(2)Subsidiary: Compliance Officer of the Subsidiary - Compliance Management Leading Group of the Subsidiary - Chief Compliance Officer of the Company - Compliance Committee of the Company.

**Article 51.** The Appropriate Compliance Departments of the Subsidiaries shall report their compliance activities to the Appropriate Compliance Department of the Company on a regular basis.

(1)Routine compliance reporting and communication: the Appropriate Compliance Departments of the Subsidiaries shall submit to the Appropriate Compliance Department of the Company the Monthly Compliance Report (in the form set out in Annex 3) at the beginning of each month and the Annual Compliance Report (in the form set out in Annex 4) at the end of each year.

(2)Reporting and communication on material compliance risks: to be carried out pursuant to the provisions of Chapter VII hereof;

(3)Regular compliance meetings: the Company and its Subsidiaries shall hold at least a regular compliance meeting every quarter attended by the Chief Compliance Officer (if any), compliance officers and heads of the relevant departments, and prepare true and complete minutes of each meeting.

**Article 52.** An occasional compliance meeting shall be convened, upon the occurrence of any of the following events:

(1)Any serious violation of the relevant laws and regulations and other compliance requirements; or

(2)Other matters that may constitute a material compliance risk.

**Article 53.** The minutes of all regular and extraordinary compliance meetings shall be signed by all attendees for confirmation. The meeting minutes of the Subsidiaries shall be filed with the Company.

## **CHAPTER VII. Identification and Reporting of, and Response to Material Compliance Risks**

**Article 54.** The Appropriate Compliance Department shall report the following substantial Compliance Risks to the Chief Compliance Officer within 24 hours following the occurrence thereof:

(1) Any media report on Non-compliance Conducts that has a material effect on the reputation of the Company and its Subsidiaries;

(2) Any challenge, investigation or sanction imposed by any regulatory/international organization or local judicial body;

(3) Any material legal dispute. For the purposes of these Guidelines, the

“material legal dispute” refers to any litigation or arbitration or event giving rise to litigation or arbitration that (i) involves an amount exceeding RMB 10 million and accounting for more than 10 percent of the absolute value of the latest audited net assets of the Company or its relevant Subsidiary; (ii) involves the amount equal to the benchmark amount prescribed in item (i) in aggregate for twelve consecutive months; (iii) might result in a class action or a series of lawsuits; (iv) otherwise affects the material interests in the Company and its Subsidiaries or has significant influence in China and abroad;

(4) Any potential substantial economic losses or material effect on the interest of the Company, such as disqualification from cooperation, huge fines, etc.;

(5) On-going misconduct that must be stopped; and

(6) Other Compliance Risk which is required to be reported.

**Article 55.** Any Compliance Risk must be reported in an independent, confidential and horizontal manner within a certain time limit. Any Compliance Risk that, in the opinion of the Company’s Chief Compliance Officer, might have a material effect on the operation and management of the Company shall be reported to the Compliance Committee immediately.

**Article 56.** Report on material Compliance Risks shall be made in writing, which shall specify:

(1)The time, place and details of the Compliance Risk;

(2)Adverse effect or losses that the Compliance Risk may cause or has caused;

(3)Measures already taken or subsequent measures;

(4)Relevant opinions or suggestions;

(5)The reporting entity or individual, relevant leader and their contact information;  
and

(6)Other matters that are required to be reported.

**Article 57.** In an emergency, report may be made orally or via telephone, facsimile or email, and a written report shall be submitted within 48 hours thereafter.

**Article 58.** No concealment or delay in reporting is permitted in respect of any report on material Compliance Risks, and any personnel who violates such requirement will be held liable.

**Article 59.** Each of the Company and its Subsidiaries shall establish a dedicated crisis response team to manage material Compliance Risks, which team shall be composed of their respective Compliance Officer and relevant department heads. Where necessary, the Compliance Officer of the Company or other members of such crisis response team may take the lead in crisis response as an interim team member of the relevant Subsidiary.

## **CHAPTER VIII. Compliance Consultations, Complaints and Whistleblowing Procedures**

**Article 60.** Any departments and employees, when faced any of the following situations, are obligated to promptly and proactively seek guidance from the Compliance Officer of the same entity which they serve with or the Compliance Officers or the Chief Compliance Officer of the Company:

- (1) Having doubt about ethics or compliance;
- (2) Having no idea about how to act is in line with the code of ethics of the Company and its Subsidiaries under certain special circumstances;
- (3) Being requested by any business partner, client or co-worker to do something that may contradict the code of ethics or breach the compliance policies of the Company and its Subsidiaries, or that is even illegal;
- (4) Being aware of or suspecting that a business partner, client or co-worker acts in contradiction to the code of ethics or in breach of the compliance policies of the Company and its Subsidiaries, or is even illegal; or
- (5) Any other compliance-related issues or circumstances.

**Article 61.** Any department, employee or business partner, if becoming aware of any breach or suspected breach of the compliance policies of the Company and its Subsidiaries, the relevant laws and regulations and other requirements, regardless of whether such breach is serious, shall promptly make a complaint or report to the Appropriate Compliance Department or the higher Appropriate Compliance Department or through the following channels (anonymously):

- (1) Consultation and Reporting Hotline: 13773643437;
- (2) Consultation and Reporting E-mail address: xuyaqin@chinaztt.com.

The Company and its Subsidiaries shall keep the identity and personal information of the whistleblower strictly confidential. All reports shall be made in a confidential, independent and secure environment.

**Article 62.** The Appropriate Compliance Department shall register all compliance consultations, complaints, and reports, and fill in the Compliance Consultation Report Registration and Records (Annex 5) and Complaint and Report Registration and Records (Annex 6).

**Article 63.** The Appropriate Compliance Department encourages the consulting, complaining and reporting of non-compliance misconduct, and shall also take measures in accordance with Compliance Rules against the misconduct occurred during the process of consultation, complaint or reports. It shall inform the person making consultation, complaint or report of the fact if such consultation, complaint or report fall outside the scope of acceptance.

**Article 64.** The Appropriate Compliance Department shall give feedbacks after making report to and seeking instructions from the higher Appropriate Compliance Department with respect to any material or complicated consultations, complaints or reports.

**Article 65.** The Appropriate Compliance Department shall verify each complaint and report, require the relevant person to immediately suspend its misconduct in case

of compliance defect or breach, and file an application for investigation which shall be carried out by a special investigation team.

## **CHAPTER IX. Compliance Audit**

**Article 66.** The Company shall dispatch the Compliance Officer to conduct cross-audit of compliance (such as across regions and entities) towards its Subsidiaries on an annual basis.

**Article 67.** The compliance audit may be conducted concurrently with the implementation of the annual internal financial audit plan of the Company. The compliance audit shall focus on the implementation of compliance management process and financial control. In the examination of trainings provided to and performance of duties by the Compliance Officers, the concerned Compliance Officer shall recuse himself/herself according to the relevant rules.

**Article 68.** Upon the completion of compliance audit, a written compliance audit report shall be issued and submitted to the Chief Compliance Officer of the Company for review and signature.

**Article 69.** The Appropriate Compliance Department of the Company shall give opinion on how to deal with those violations identified during the compliance audit, and shall make a report to its supervisor. Any breach of laws and disciplines shall be submitted to the supervision department of the Company or the relevant Subsidiary, as the case may be, to pursue liability and impose punishment.

## **CHAPTER X. Compliance Record and Document Management**

**Article 70.** All records in relation to Compliance activities must be kept accurately and completely.

**Article 71.** The department handling compliance cases and the Appropriate Compliance Department shall respectively maintain all compliance records and documents within the scope of their authority for long term. Such records and documents relating to any material Compliance issues, complaints and reports shall be sealed as confidential information and properly maintained at a secure place.

**Article 72.** In case of any material Compliance Risks, compliance complaints and reports involving civil or criminal cases, all the relevant records, reports and documents shall be maintained for long term according to the relevant rules.

## **CHAPTER XI. Confidentiality and Protection**

**Article 73.** In respect of the following information, the relevant personnel shall strictly comply with the confidentiality provisions of the Company and its Subsidiaries. Failure to do so will be deemed as a material violation:

- (1) any undisclosed information, reports and records in relation to material Compliance Risks;

- (2) the identity of whistleblowers;
- (3) The details of complaints and reports and the information, reports and records relating to subsequent investigations.

**Article 74.** Any entity or individual may not prevent or hinder a whistleblower from making complaints and reports of compliance violations, or retaliate against a whistleblower and his/her relatives or fictitious whistleblower.

**Article 75.** Any entity or individual may not jeopardize the interests of any personnel based on any of their following actions, including degrading the performance assessment, limiting their opportunities to accept assignment or promotion and other unfair treatment:

- (1) Dealing with compliance violations identified through compliance consultation, reporting and complaints;
- (2) Reporting Compliance Risk or suspected violations; or
- (3) Assisting or participating in compliance investigations.

Individuals who take part in Non-compliance Conducts but proactively report or confess shall be given a lighter or mitigated punishment depending on the severity of their conducts.

## **CHAPTER XII. Implementation and Supervision of Compliance System**

**Article 76.** The Compliance System of the Company may be implemented step by step on a trial basis. The Compliance Standard Department shall make a general plan for the implementation of the Compliance System, and shall prepare and submit an implementation scheme to the Chief Compliance Officer for approval.

**Article 77.** The implementation scheme of the Compliance System shall set out the specified steps, requirements and responsibilities in respect of compliance practices under the compliance system.

**Article 78.** Each Appropriate Compliance Department shall promptly gather feedback and suggestions during the implementation of the Compliance System, and shall at the end of each step summarize practical experience and identify questions and shortages with reference to the objectives of that step and propose the direction and principal measures of improvement for the next step.

**Article 79.** Each Appropriate Compliance Department shall analyze the suitability and effectiveness of the Compliance system and procedures and make amendment or supplement to the Compliance system if necessary.

**Article 80.** The Company and its Subsidiaries shall strictly implement the Compliance System of the Company to ensure the independence, rationality and effectiveness of compliance management.

## **CHAPTER XIII. Miscellaneous**

**Article 81.** The Compliance Standard Department of the Company reserves the right to interpret these Guidelines.

**Article 82.** These Guidelines shall come into force with effect from the date of issuance.



**Annex 1:**

**Compliance Organization Chart of the Company**



**Compliance Organization Chart of Subsidiaries**



**Annex 2:**

**Compliance Implementation/Reporting Process of the Company and its Subsidiaries**



**Annex 3:**

**Monthly Compliance Report**

**Such reports shall include but not be limited to:**

1. Records and statistics of compliance matters in the current month (including category, business activity and amount of value affected and other overall information);
2. Compliance risks (if any) in the compliance records, and descriptions of or suggestions for solutions;
3. Compliance risks (if any) identified in the course of compliance audit or other practices, and descriptions of or suggestions for solutions;
4. Popularization and implementation of and training in compliance program;  
and
5. Other compliance matters which shall be reported.

**Annex 4:**

**Annual Compliance Report**

**Such reports shall include but not be limited to:**

1. Compliance activities and achievements in the current year.
2. Compliance Risks (if any) identified in compliance activities.
  - (i) Reporting of material compliance risk events identified, and descriptions of or suggestions for solutions (together with relevant written reports and the meeting minutes of crisis response team);

(ii) Complaints and reports of non-compliance received.

Case No.	Description of complaints and reports	Facts as preliminarily verified	Evidence collected	Progress and result of investigation	Evidence and investigation record (if any appendix, please specify)

(iii) The non-compliance events identified in the course of compliance audit, and suggestions for solutions;

Case No.	Description of violation	Key responsible person	Effect / Consequence	Rules and policies pursuant to which sanctioning of confirmed violations is determined	Evidence and investigation record (if any appendix, please specify)	Suggestion for solutions	Remedy and corrective actions

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(iv) Identification and response to other Compliance Risks;

Compliance Risk			
Cause which may trigger risk			
Consequences of risk			
Level of risk (please tick the appropriate box)	Material	Major	Immaterial
Responsible position			
Responses and contingency plan			

3. Popularization and implementation of and training in compliance program.
4. Exemplary behaviors and efforts in compliance practices.
5. Other compliance matters which shall be reported.
6. Difficulties, problems and suggestions associated with compliance practices.
7. Important issues and plans about Compliance for the next year

**Annex 5:**

**Compliance Consultation Registration and Records**

Case No.	Date (yyyy/mm/dd )	Questioner	Description of issues asked	Person responsible for case	Response	Remark



**Annex 6:**

**Complaint and Report Registration and Records**

Case No.	Date (yyyy/mm/dd)	Whistleblower	Description of complaint and report	Estimated Consequence/Effect		Person responsible for case	Follow-up actions	Remark
				Intangible (reputation, market and sanction)	Tangible (revenue, fine, damages)			