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INTEGRITY AND COMPLIANCE PROCEDURES MANUAL

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1 INTRODUCTION

Chint Group Corporation (the “**Company**”) puts in place its **Integrity and Compliance Programme** applicable to the Company, all its subsidiaries and sub-subsidiaries (individually the “**Subsidiary**” and collectively the “**Subsidiaries**”), their Employees and Business Partners.

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 Integrity and Compliance Programme 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 CHINT 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 framework of the Chint’s Integrity and Compliance Programme, the Company put in place the Group’s Integrity and Compliance Task Force pursuant to the provisions of the Code, through the establishment of the Compliance department, the definition of the Company’s Board of Supervisors which has been in the past in charge with integrity and compliance issues and benefits from a substantial expertise and experience in this respect and the assignment of certain responsibilities to the ICP Ambassadors who are employed by the departments in charge with the Human Resources, Finances, Supply Chain, Procurement, Quality and Operations Control, Audit and IT.

2 PURPOSE OF THE INTEGRITY AND COMPLIANCE PROCEDURES MANUAL

The purpose of this Integrity and Compliance Procedures Manual (the “**Manual**”) is to define the rules and procedures regarding:

- the functioning of the bodies, members of the Group’s Compliance Task Force, their powers , missions and duties, as well the interaction between them (article 4),
- the actions related to Chint’s Risks Assessment Programme (article 5),
- the management of the Reports and Queries, from the management of the channels of communication, through the investigation procedures to the reporting of their results (article 6),
- the management of the Risks related to the Business Partners (article 7),
- the management of the sanctions and incentives of the Employees (article 8),
- the management of the trainings and communication (article 9),
- the compliance control framework (article 10),
- the management of collective actions (article 11), and
- the management of the relevant recording (article 12).

3 DEFINITIONS

The defined terms in this Manual shall have the meaning set forth in the Code, the Business Partners or the SOP, unless otherwise defined in this Manual.

The following terms shall have the following meaning:

- “Board of Supervisors”** means the Board of Supervisors of the Company.
- “Business Area” or “Risks’ Area”** means, within each Business Line, the main steps of Business Line which is associated with a Risk.
- “Business Lines”** means each of the Subsidiaries’ and Unit’s lines of activities, such as manufacturing, purchasing, selling, EPC projects etc.
- “Business Partners Programme”** means the programme regarding the Business Partners’ Risks’ assessment, due diligence, conditions of contracting and termination of contacts and monitoring together with the relevant approvals, reporting, recording and recording management under the Business Partner’s Code and Business Partners Policy.
- “Business Units”** means a business unit in charge of a Business Line of the Company and each Subsidiary.
- “CHINT Group”** means the Company and its subsidiaries.
- “Compliance Risk” or “Risk”** means a risk resulting from any Misconduct.
The Compliance Risk is different than “*operational risks*” which means risks resulting from the ineffective and/or inefficient use of resources or some event that means the function cannot meet budget or meet some other business or performance goal, as well as the “*financial risks*”, which refer to risks of non payment or insolvency.
- “Countries”** means either the countries where a CHINT Group’s entity operates or the countries where a Business Partner operates.
- “Findings”** means any finding regarding a potential or actual violation of Chint’s Integrity and Compliance Programme, including any Misconduct or suspicion of a Misconduct, through Reporting, compliance investigation or through any other means permitting to get awareness of such violation.
- “Functional department”** means a department of the Company or of a Subsidiary which is in charge with specific missions which are not Business Lines (such as Financial department, Human Resources department, IT department etc.
- “IC”** means integrity and compliance.
- “Queries”** means any question regarding Chint Integrity and Compliance Programme which is not a Reporting.
- “Reporting” or “Report”** means a Whistleblower’s reporting of any fact or circumstance or 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 Official.
“Retaliation”	means any act of discrimination, reprisal, harassment, or vengeance, direct or indirect, recommended, threatened or taken against a Whistleblower by any person because the Whistleblower has made a disclosure pursuant to this Policy.
“Risks Assessment Programme”	refers to the programme as described in article 5 of this Manual.
“Second level Subsidiaries”	means each of the Subsidiaries that the Company directly controls.
“Senior Management”	means the managers as identified in article 5.2 of the Code. “SOP” or “Policy” means the standard operation policies that the Company and the Subsidiaries adopt and amend from time to time in application of the Code and the Business Partners Code.
“Sub-group of CHINT Group”	means the sub-group formed by each of the Second level Subsidiaries and their Subsidiaries.
“Whistleblower(s)”	refers to any Employee who conveys or is proven to be about to convey a concern, allegation or any information regarding potential or actual Misconduct to occur, is occurring or have occurred in CHINT Group, with knowledge or good faith belief that the concern, allegation or information is true.

4 CHINT GROUP’S COMPLIANCE TASK FORCE

4.1 Composition of CHINT Group’s Compliance Task Force

CHINT Group’s 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, and the ICP Ambassadors in the Functional departments in charge with the Human Resources, Finances, Supply Chain, Procurement, Quality and Operations Control, Audit, IT.

4.2 The Compliance department

The Compliance department is organised as a department at level of the Company as an autonomous body with adequate level of autonomy from management, has sufficient resources, and benefit from the necessary authority.

The Compliance department has the powers and the duties as set forth in the Code, the Business Partners Code, the SOPs and this Manual. 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 as well as of the Risks Assessment Programme, subject to the specific powers and responsibilities of the Board of Supervisors set forth in article 4.3 of this Manual.

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

4.2.1 Compliance Officers

4.2.1.1 Compliance Officers

The Compliance Officers are members of the Compliance department. They are independent from and are not accountable to the managers of the Subsidiaries and heads of Functional departments or Units. They report only to the Head of the Compliance Department and the Chief Compliance Officer.

The Board of Directors of the Company is competent for their appointment, dismissal, reward and sanctions, upon the Chief Compliance Officer's proposal.

The Chief Compliance Officer and the Head of the Compliance department carry out compliance due diligence before a Compliance Officer appointment. The Compliance Officers sign a statement on absence of Misconducts prior to their appointment. They sign every year a statement on absence of Misconducts and other breaches of Chint's Integrity and Compliance Programme.

The Compliance Officers make data declaration and statement on Conflict of Interests in accordance with the Avoidance of Conflict of Interests Policy.

The Chief Compliance Officer and the Head of the Compliance department carry out an annual appraisal of the Compliance Officers.

The Audit Committee of the Board of Directors is responsible for keeping the records regarding the personal files of the Compliance Officers.

4.2.1.2 Head of the Compliance department

The Head of the Compliance department manages the activities of the Compliance department, ensures its internal functioning and has the powers set forth in the Code, the SOPs and this Manual.

For the purposes of the Compliance department's management, the Head of the Compliance department:

- Acts as hierarchical supervisor of the Compliance Officers,
- Proposes to the Chief Compliance Officer the appointment, dismissal, reward and sanctions of the Compliance Officers,
- Decides on the assignment of the missions of the Compliance Officers pursuant to the provisions of article 4.2.2 of this Manual,
- Ensures the cooperation with the Board of Supervisors and the ICP Ambassadors.

The Board of Directors of the Company is competent for his / her appointment, dismissal, reward and sanctions, upon the Chief Compliance Officer's proposal.

The Head of Compliance department reports to the Chief Compliance Officer only.

The Chief Compliance Officer and the Audit Committee of the Board of Directors carry out compliance due diligence before the appointment of the Head of the Compliance department. The Head of the Compliance department signs a statement on absence of Misconducts prior to his / her appointment. He / she signs every year a statement on absence of Misconducts and other breaches of Chint's Integrity and Compliance Programme.

The Head of the Compliance department makes data declaration and statement on Conflict of Interests in

accordance with the Avoidance of Conflict of Interests Policy.

The Chief Compliance Officer and the Audit Committee of the Board of Directors carry out an annual appraisal of the Head of the Compliance department.

The Audit Committee of the Board of Directors is responsible for keeping the records regarding the personal file of the Head of the Compliance department.

4.2.2 General mission and specific missions of the Compliance Officers

The Head of the Compliance department designates the Compliance Officers to carry out general mission per Sub-group of CHINT Group and specific missions within the Compliance department for which they are accountable.

4.2.2.1 General mission

Each Sub group of CHINT Group shall have one or more Compliance Officers to assume the overall responsibility and supervision of IC matters of the relevant Sub group of CHINT Group.

The Head of the Compliance department designates Compliance Officers per Sub group of CHINT Group.

The names and the contact details of the relevant Compliance Officers shall be communicated to the Employees of the Sub-group of CHINT Group.

4.2.2.2 Specific missions

The Head of the Compliance department assigns to each Compliance Officer a specific mission, on temporary or on a permanent basis, for which he / she shall be accountable. When more than one Compliance Officer is designated, the Head of the Compliance department shall designate the Compliance Officer who will be responsible for the management of the relevant mission.

The specific missions are namely:

- Mission regarding the actions to be carried out under a SOP,
- Mission regarding the actions under the Risks Assessment Programme,
- Mission regarding the actions related to the channels of communication,
- Mission regarding the actions related to the management of Findings,
- Mission regarding the actions under the Business Partners Programme,
- Missions regarding the actions under the compliance reviews,
- Mission regarding Employee's compliance due diligence and annual appraisal,
- Mission regarding training,
- Mission regarding communication matters,
- Mission regarding recording and custody of recordings and archives.

4.2.3 Internal meetings

The Compliance department and the members of the Inspection Division of the Board of Supervisors shall hold weekly meeting during which each Compliance Officer and member of the Inspection Division of the Board of Supervisors shall report on her / his activities.

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The Head of the Compliance department shall conduct the meeting. If she / he is absent the most senior Compliance Officer shall conduct the meeting.

Summary of the reports and of the discussions is recorded in minutes that the Head of Compliance department or the Compliance Officer who conducted the meeting shall sign.

4.2.4 Cooperation with the Inspection Division of the Board of Supervisors

The Compliance department and the Board of Supervisors shall fully cooperate in order to ensure efficient implementation of Chint's Integrity and Compliance Programme.

In particular, they shall form dedicated teams per each of the specific missions that they are in charge with. Each team shall make a joint report to both the Head of the Compliance department and the President of the board of Supervisors.

4.3 The Board of Supervisors

The Board of Supervisors is an independent body which acts under the responsibility of its President.

The Board of Supervisors has the primary responsibility of the IC issues related to the Corruptive practices.

The Board of Supervisors shall have the powers and responsibilities set forth in the Code, the SOPs related to the Corruptive practices and in this Manual.

4.3.1 Structure and internal functioning regarding IC issues

4.3.1.1 Board of Supervisors' Divisions

The Board of Supervisors has two divisions: Supervision Division and Inspection Division.

The Inspection Division is in charge with the IC matters of the competence of the Board of Supervisors.

4.3.1.2 Members of the Inspection Division

The President of the Board of Supervisors appoints the members of the Inspection Division in charge with the IC matters of the competence of the Board of Supervisors. The rules of this Manual apply only to those members of the Inspection Division.

The Board of Supervisors of the Company is competent for the appointment, dismissal, reward and sanctions regarding the members of the Inspection Division, upon the President of the Board of Supervisors' proposal. They are employed by the Board of Supervisors of the Company and report to the President of the Board of Supervisors only.

They act in any circumstances independently.

The Chief Compliance Officer and the President of the Board of Supervisors carry out compliance due diligence before the appointment of a member of the Inspection Division. The appointed member of the Inspection Division signs a statement on absence of Misconducts prior to his / her appointment. All members of the Inspection Division sign every year a statement on absence of Misconducts and other breaches of Chint's Integrity and Compliance Programme.

The members of the Inspection Division make data declaration and statement on Conflict of Interests in

accordance with the Avoidance of Conflict of Interests Policy.

The Chief Compliance Officer and the President of the Board of Supervisors carry out an annual appraisal of the members of the Inspection Division.

The Audit Committee of the Board of Directors is responsible for keeping the records regarding the personal files of the members of the Inspection Division.

4.3.2 Missions of the members of the Inspection Division

Each Sub group of CHINT Group shall have one member of the Inspection Division to assume the overall responsibility and supervision of IC matters of the relevant Sub group of CHINT Group in respect to any matter regarding Corruptive practices. .

The President of the Board of Supervisors designates the members of the Inspection Division per Sub group of CHINT Group.

The names and the contact details of the relevant members of the Inspection Division shall be communicated to the Employees of the Sub-group of CHINT Group.

In addition to the foregoing general mission, the President of the Board of Supervisors assigns to each member of the Inspection Division a specific mission, on temporary or on a permanent basis, for which he / she shall be accountable. When more than one member of the Inspection Division is designated, the President of the Board of Supervisors shall designate the member of the Inspection Division who will be responsible for the management of the relevant mission.

The specific missions, within the area of the competence of the Board of Supervisors, are namely the following:

- Mission regarding the actions to be carried out under a SOP,
- Mission regarding the actions under the Risks Assessment Programme,
- Mission regarding the actions related to the channels of communication,
- Mission regarding the actions related to the management of Findings,
- Mission regarding the actions under the Business Partners Programme,
- Missions regarding the actions under the compliance reviews,
- Mission regarding Employee's compliance due diligence and annual appraisal,
- Mission regarding training,
- Mission regarding communication matters.

4.4 ICP Ambassadors

The Heads of the Functional departments designate an Employee to act as ICP Ambassadors primarily in charge with the cooperation with the Compliance department and the Board of Supervisors within Chint's Integrity and Compliance Programme.

In particular, the ICP Ambassadors shall namely:

- Provide any information that the Compliance department and the Board of Supervisors may request,
- Inform them on any potential or actual breach of Chint's Integrity and Compliance Programme,

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- Participate in the compliance review, controls and investigations when necessary,
- Include in the internal meetings' agenda of the relevant Functional department items regarding IC matters and invite the Compliance department and the Board of Supervisors' representatives to participate in those meetings,
- Ensure communication to their Employees on IC matters, that the Compliance department and the Board of Supervisors prepare.

4.5 Chief Compliance Officer

The Chief Compliance Officer is designated and removed by the Board of Directors of the Company. He / she reports to the Board of Directors only.

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

The Chief Compliance Officer shall interact and cooperate with the President of the Board of Supervisors.

In all matters involving Corruptive practices, the Chief Compliance Officer and the President of the Board of Supervisors shall jointly take decisions. In case of divergent opinions, they shall submit the matter to the President of the Company's Board of Directors for final decision.

4.6 Interaction and cooperation between the members of CHINT Group's Compliance Task Force

The interaction and cooperation between the members of CHINT Group's 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.

The members of CHINT Group's Compliance Task Force shall hold a monthly meeting to discuss ongoing IC issues.

The Chief Compliance Officer conducts the meeting. If she / he is absent the Head of the Compliance department shall conduct the meeting.

Summary of the reports and of the discussions is recorded in minutes that the Chief Compliance Officer or the Head of Compliance department shall sign.

5 CHINT'S RISKS ASSESSMENT PROGRAMME

5.1 Purpose of Chint's Risks Assessment Programme

The purpose of Chint's Risks Assessment Programme is to:

- Identify the Risks per Business Line, Business Area and Countries,
- Classify and prioritise the Risks, and
- Develop and implement an action plan to prevent, detect and remedy the Risks.

5.2 Methodology of Risks assessment

5.2.1 General principle

For the purpose of the comprehensive building Chint's Risks Assessment Programme, it is divided in three main phases:

- Phase I - Inventory of the Risks per Business Line and Business Area,
- Phase II - Risks' mapping, and
- Phase III – Actions plan.

The Compliance department develops the methodology of Risks Assessment with the assistance of the Board of Supervisors in its area of competence for each phase of Chint's Risks Assessment Programme.

5.2.2 Methodology per each Chint's Risks Assessment Programme's phase and actions

5.2.2.1 Phase I - Inventory of the Risks per Business Line and Business Areas

For the purpose of the Phase I, the Compliance department develops a Risks' inventory tool the purpose of which is, together with each Subsidiary and Unit, to:

- Identify the relevant Business Lines and each of Business Lines' Business Areas,
- Identify the nature of the Risks and their intensity per each Business Area and, globally, per each Business Line, the Risks being those (i) faced in the past and (ii) expected to occur in the future,
- Identify the Risks taking into consideration the factor consisting in the direct or indirect involvement of a third Person: External Risks where the Risks are directly related to or resulting from interactions with third Persons and Internal Risks where the Risks are not directly related to or resulting from interactions with third Persons,
- Identify the Countries - markets of a Business Line and classify them as active markets, priority markets and markets to explore,
- Identify the internal controls put in place on order to mitigate the Risks, their nature, frequency and outcomes in the past.

The intensity of the Risks is ranked as High, Medium, or Low within the following two scales: impact (severity of occurrence) and frequency (probability of occurrence).

Based on that, the Compliance department draws up cartography of the Risks per Business Areas and Business Lines for the relevant Sub-group of CHINT Group.

5.2.2.2 Part II – Risks' mapping

The Compliance department develops the methodology of Risks Assessment with the assistance of the Board of Supervisors in its area of competence develops the Risks' mapping.

For the purposes of the Risks' mapping, the Compliance department:

- Takes into consideration the data collected and analysed during the Phase I,
- Takes into consideration the Country's Risk factor, and
- Apply the method of scoring.

The Country's Risk factor consists of:

- Classification of the Countries which are the markets of the relevant Business Lines, per level of Risks, based on international data such as Transparency International's Corruption Perceptions Index and ranking or statistics of the sanctions of the International Development Banks, the ranking of Sinosure if the ranking refers to Compliance Risks (and not to financial or operational risks) or other statistics

which may be specific for the sector of activity of the relevant Sub-group of CHINT group or a combination of them,

- Classification of the Business Partners of the relevant Business Lines as per their Country of headquarters and Country of main activity.

The method of scoring consists of assigning a specific score per:

- Risk's intensity,
- Country's Risk,
- External and Internal Risks, and
- Risks related to Business Partners identified pursuant to the provisions of article 7.2 of this Manual.

At the end of Phase II, the Compliance department draws up different Risks' maps in view of preparing an actions plan – Phase III and its timeline of application per Business Line and Business Areas through the prioritisation of the Risks.

The Compliance department shall elaborate guidelines for the scoring methodology and the design of the Risks maps.

As a basic principle, the scoring methodology shall imply:

- Scoring per Risks' Area and Business Line based on the identified Risk's level, such level being classified as high, medium or low; the number associated with the relevant level for the purpose of the scoring should be high enough (ex. 100 for high – 60 for medium – 20 for low) in order to permit the fine tuning of the scoring; indeed, the level of a Risk could range between high and medium and the different factors taken into consideration would permit to determine the adequate number associated to the Risks,
- Score per External and Internal Risks based on the identified Risk's level; the classification of the Risks per Internal and External permits to identify the probability of occurrence of Risks and to determine the value of the number associated to the Risks, the External or Internal Risks having different associated numbers depending on which of them is more frequent,
- Scoring per Country Risks based on the identified Risk's level, such level being classified as high, medium or low; the number associated with the relevant level for the purpose of the scoring should be high enough in order to permit the fine tuning of the scoring taking into consideration the precise ranking of a Country; in that respect it is possible to associate a number which is the number of the ranking of the relevant Country in the international source used as a reference,
- Scoring per specific Risks related to Business Partner as per the provisions of article 7.2 of this Manual.

5.2.2.3 Phase III – Actions plan

The purpose of Phase III is to design a specific actions plan for the avoidance or mitigation of the Risks as identified and assessed during Phase I and Phase II.

The actions plan has to contain:

- Regulatory measures – improvement of the Code, the Business Partners Code, the SOPs or underlining instruments,

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- Training measures,
- Communication measures,
- Improvement of existing internal controls, approvals chain, or recording systems or putting in place new internal controls, approvals chain, or recording systems,
- Timeline of application of the identified measures and instruments through the prioritisation of the Risks.

5.3 Review and update of Chint's Risks Assessment Programme

5.3.1 Periodical review

The Risks Assessment is an ongoing process.

The Compliance department, with the support of the Board of Supervisors, in its area of competence, carries out semi-annual review of Chint's Risks Assessment Programme based on the results of the actions undertaken within the compliance control framework pursuant to the provisions of article 10 of this Manual.

The purpose of the periodical review is to:

- Assess Chint's Risks Assessment Programme in the light of the results of the actions undertaken within the compliance control framework,
- Assess Chint's Risks Assessment Programme in the light of the evolution of the integrity and compliance national and international standards and requirements,
- Propose improvements of the measures and instruments.

The Compliance department addresses the results of the review and the amended Chint's Risks Assessment Programme to the Company's Board of Directors for approval and endorsement pursuant to the provisions of article 5.4 of this Manual.

5.3.2 Ad hoc review

The Compliance department, with the support of the Board of Supervisors, in its area of competence, carries out *ad hoc* review of Business Lines and Business Areas which demonstrate a high Risks' profile based on the outcomes of the investigations procedures initiated pursuant to article 6 of this Manual.

At the end of the *ad hoc* review, the Compliance department proposes in its report to the Company's Board of Directors, specific measures to address the issues identified during the review.

5.4 Approval and endorsement of Chint's Risks Assessment Programme

The Compliance department presents Chint's Risks Assessment Programme to the Company's Board of Directors as well the proposals for its amendments further to the reviews set forth in article 5.3 of this Manual.

After the Company's Board of Directors' approval and endorsement of Chint's Risks Assessment Programme and of its amendments, the Company's Board of Directors ensures that sufficient resources are allocated for the purposes of the implementation and fully support all measures that the Compliance department, with the support of the Board of Supervisors, takes for the purpose of its implementation.

The Company's Board of Directors shall also ensure that the Senior Management support all measures of implementation.

5.5 Reporting

The Compliance department reports every six months to the Company's Board of Directors on the results of Chint's Risks Assessment Programme implementation.

6 MANAGEMENT OF FINDINGS

6.1 Management of the communication channels

6.1.1 The communication channels

Pursuant to the Code and the Reports and Queries Policy, CHINT Group establishes three communication channels:

- Direct communication with the Compliance Officers and the Board of Supervisors' members,
- Confidential hotline, and
- Compliance "boxes".

The Compliance department and the Board of Supervisors manage the communication channels in compliance of the principles of confidentiality, security, legality and protection.

The principle of confidentiality means confidentiality of the Reports, the Whistleblowers, and all the documents, interviews and exchanges related to the investigations and their results.

In application of this principle, Employees may make anonymous reports and can request that their names are not publicly disclosed, including if they receive incentives in relation to a Whistleblower's Report.

The principle of security means setting up of the necessary security measures, including IT measures, to protect the unauthorised access to the confidential hotline and to the records.

The principle of legality means full compliance with applicable employment laws, investigation laws, data protection laws and the Confidentiality and Data Protection Policy.

The principle of protection means taking the necessary measures and remedies to ensure protection of the Whistleblowers against Retaliation and other repressive actions pursuant to the provisions of the Reports and Queries Policy.

6.1.2 Direct communication

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

In application of article 4.2.2.1 of this Manual, the list and the contact details of the Compliance Officers and the members of the Board of Supervisors competent per each Sub-group of CHINT Group and relevant Subsidiaries are published in intranet under ● and are distributed to each Employee.

As a matter of principle, the written communications must be done by secured email. If a Compliance Officer or a Board of Supervisors' member receives a written communication through "we chat" or similar channel, then he /she has to advise the sender that this channel is not secured and to the extent possible, to have recourse to secured means of communication.

The Compliance Officers and the members of the Company's Board of Supervisors who have had a contact with an Employee shall:

- If the contact is through a conversation, draw up minutes of the conversation, and file the minutes in the

records; the minutes shall contain:

- If the communication regards a Report, the date and the hour of the communication, a description of the circumstances of the conversation, the Reported facts and the actual or potential Reported Misconduct or other breach of Chint's Integrity and Compliance Programme, and the name of the Reporting Employee, unless the Employee, duly advised, formally refuses that his/her name be revealed; in such a case, the minutes shall contain a special note regarding the Employee's refusal; the Compliance Officer or the member of the Company's Board of Supervisors shall state his / her name, and shall sign the minutes; if the Reporting Employee wishes so, he/she shall sign the minutes too;
- If the communication regards a Query, the minutes shall contain the date and the hour of the communication, a description of the circumstances of the conversation, the matter of the Query, the responses to the Query and the name of the Employee, unless the Employee, duly advised, formally refuses that his/her name be revealed; in such a case, the minutes shall contain a special note regarding the Employee's refusal; the Compliance Officer or the member of the Company's Board of Supervisors shall state his / her name, and shall sign the minutes; if the Reporting Employee wishes so, he/she shall sign the minutes too;
- If the contact is per email or by other written instrument, file the email or the relevant instrument in the records; in case the communication is through "we chat" or other similar channel, the Compliance Officer or the member of the Company's Board of Supervisors has to download the content and to file it in the records.

6.1.3 Confidential hot line

The Group has established a free of charge **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 Compliance department designates Compliance Officers in charge with the reception of Reports and Queries through the confidential hotline.

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 Compliance Officers in charge with the reception of Reports and Queries shall draw up minutes for each call. The minutes shall contain:

- If the communication regards a Report, the date and the hour of the communication, the Reported facts and the actual or potential Reported Misconduct or other breach of Chint's Integrity and Compliance Programme, and the name of the Reporting Employee, unless the Employee, duly advised, formally refuses that his/her name be revealed; in such a case, the minutes shall contain a special note regarding the Employee's refusal; the Compliance Officer or the member of the Company's Board of Supervisors shall state his / her name, and shall sign the minutes; if the Reporting Employee wishes so, he/she shall sign the minutes too; the Compliance Officer shall not attempt to identify the Whistleblower, if he /she does not want to disclose his/her name.
- If the communication regards a Query, the minutes shall contain the date and the hour of the communication, a description of the circumstances of the conversation, the matter of the Query, the responses to the Query and the name of the Employee, unless the Employee, duly advised, formally refuses that his/her name be revealed; in such a case, the minutes shall contain a special note regarding

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the Employee's refusal; the Compliance Officer or the member of the Company's Board of Supervisors shall state his / her name, and shall sign the minutes; if the Reporting Employee wishes so, he/she shall sign the minutes too;

The Compliance Officers in charge with the reception of Reports and Queries shall file the minutes pursuant to article 12.2 of this Manual.

6.1.4 Compliance "Boxes"

In the premises of each entity of CHINT Group are displayed sealed and locked boxes in metal labelled "**Compliance**" in which any Employee may drop their Reports or Queries.

Only the Compliance Officers in charge with the supervision and the collection of the boxes shall have the right to keep the keys and to use the seal.

In case of absence, the Compliance Officers in charge with the supervision and the collection of the boxes shall authorise other Compliance Officer to keep the keys and use the seals and shall record the authorisation pursuant to the provisions of article 12.2 of this Manual.

The Compliance Department shall check whether the boxes and the seals are not damaged or destroyed and collect every week the content of the boxes.

The Compliance Officers in charge with the supervision and the collection of the boxes shall draw up minutes for each supervisions and collection. The minutes shall contain:

- The date and the hour of the supervision / collection,
- The status of the box when controlled,
- The inventory of the Reports or of the Queries and summary of their content,
- The name and the signature of the Compliance Officer.

The Compliance Officers in charge with the supervision and the collection of the boxes shall record the Reports or the Queries and the minutes pursuant to article 12.2 of this Manual.

6.2 Management of Queries

When a Compliance Officer or a Board of Supervisors' member receives a Query, he / she shall:

- If the Query is in his / her competence, provide clear responses to the Queries with the relevant arguments,
- If the Query is not in his / her competence, he /she shall refer the Query to another Compliance Officer or a Board of Supervisors' member who is competent on the relevant matter.

Any response shall be made in writing or when, due to the circumstances, the response is oral, the Compliance Department or the Board of Supervisors shall confirm in writing the oral response.

The Queries and the Responses are documented as per article 6.1 depending on the communication channels, shared with all Compliance Officers and Supervisory Board' members and recorded.

For the purposes of internal communication and training, the Compliance department and the Board of Supervisors may decide to:

- Publish the Queries and the responses on intranet on no name basis as cases studies, and

- Use the Queries and the responses on no name basis as cases studies during the trainings.

6.3 Management of Findings

6.3.1 The definition of management of Findings

The Findings' management consists of series of actions the purpose of which is, in respect to any Finding, to analyse, to investigate, to report on the conclusions, to propose sanctions and incentive, to propose remediation and follow up measures and to record.

6.3.2 Responsibility for the management of Findings and cooperation between the Compliance department and the Board of Supervisors

Subject to article 6.3.4.2 of this Manual, the Board of Supervisors has the primarily responsibility for the management of the Findings related to Corruptive Practices and the Compliance department shall have the primarily responsibility for the management of the Findings related to any other Misconduct or breach of Chint's Integrity and Compliance Programme.

In all cases, the body who will have the primarily responsibility shall cooperate with the other body of this Manual and the designated working group shall communicate with the Compliance Officers and the Board of Supervisors' members through the whole process.

The Chief Compliance Officer shall have the overall responsibility of the management of Findings.

6.3.3 Phases of the management of Findings

The phases of the management of Findings are the following:

- Forming of working group,
- Investigation protocol,
- Conclusions and reporting of the conclusions,
- Follow up on the proposed measures, and
- Recoding.

6.3.4 Designation of working group

6.3.4.1 General rules

Upon receipt of a Report or of identification of a Finding:

- If the matters refers of Corruptive Practices, the President of the Board of Supervisors shall designate the members of the working group and the head of the working group among the Board of Supervisors members to carry out the investigation pursuant to the provisions of article 6.3.5 of this Manual and shall notify the designation to the Head of the Compliance department; the Head of the Compliance department shall designate the Compliance Officer who shall be also a member of the working group and shall ensure the cooperation between the two bodies,
- If the matters refers of any other matter than Corruptive Practices, the Head of the Compliance department shall designate the members of the working group and the head of the working group among the Compliance officers to carry out the investigation pursuant to the provisions of article 6.3.5 of this

Manual and shall notify the designation to the President of the Board of Supervisors; the President of the Board of Supervisors shall designate the Board of Supervisors' member who shall be a member of the working group and shall ensure the cooperation between the two bodies.

The working group shall work under the direction and the management of the head of the working group.

Depending on the natures of the facts involved in the matter, the working group shall ask the assistance of the concerned Subsidiary / Unit or Functional department.

The working group shall request the assistance of the Legal department to get its advice from legal prospective.

6.3.4.2 Specific rules applicable in the event the Finding concerns an Employee of the Board of Supervisors

In the event a Finding related to a Corruptive Practice concerns an Employee of the Board of Supervisors:

- The Board of Supervisors shall exclude the concerned Employee from any activities of the Board of Supervisors, shall ensure that he / she cannot be a member of the working group, will have no access to any document or information or records archives, and shall request the Company's Human Resources Department to suspend the Employee;
- The Chairman of the Board of Supervisors and the Chief Compliance Officer shall decide which body among the Board of Supervisors or the Compliance department shall be primarily responsible for the process of Finding's management; should the Chairman of the Board of Supervisors and the Chief Compliance Officer do not agree, the President of the Board of Directors of the Company shall take the final decision;

6.3.4.3 Specific rules applicable in the event the Finding concerns a Compliance Officer

In the event a Finding concerns a Compliance Officer, the Head of the Compliance department, or the Chief Compliance Officer, if the Finding concerns the Head of the Compliance department, shall exclude the concerned Compliance Officer from any activities of the Compliance department, shall ensure that he / she will have no access to any document or information or records archives, and shall request the Company's Human Resources Department to suspend the Compliance Officer.

6.3.5 Investigation protocol

The Compliance department and the Board of Supervisors conduct the investigation procedure based on investigation protocol which includes the following actions:

- Preliminary analysis of the information on the Finding received or collected,
- Definition of the scope and objectives of the investigation,
- Collection of evidence,
- Conducting interviews,
- Relation with Whistleblowers and (to the extent appropriate) keeping them informed of the progress and results of the investigation,
- Relation with police and judicial authorities when the Misconduct or another breach of Chint's Integrity and Compliance Programme could be classified as criminal offence.

During the investigation, if the working group considers that the identified Misconduct or another breach of

Chint's Integrity and Compliance Programme can be classified as a criminal offense, the working group shall refer to the Chief Compliance Officer and the President of the Board of Supervisors so that the competent authorities be contacted.

Annex 6.3.5 contains procedural guidelines regarding the investigation conduct.

6.3.6 Termination of the investigation and reporting

6.3.6.1 Termination of the investigation after the preliminary analysis

In the event, the working group concludes after the preliminary analysis that the information submitted is sufficient and that there is no reason to consider that there is a Misconduct or another breach of Chint's Integrity and Compliance Programme, the working group prepares and submits its report to the Head of the Compliance department and the President of the Supervisory Board for review.

The report shall contain:

- Description of the Findings and the channel of their collection,
- The analysis of the Findings and the arguments which led the working group to consider that there is no Misconduct or another breach of Chint's Integrity and Compliance Programme,
- Conclusion and proposal to terminate the investigation procedure.

If the Head of the Compliance department and the President of the Supervisory Board approve the report than the investigation procedure is terminated and the report is recorded pursuant to the provisions of article 12.3 of this Manual.

If the Head of the Compliance department or the President of the Supervisory Board rejects the report, the working group shall continue the investigation procedure.

6.3.6.2 Termination of the investigation at the end of the investigation procedure

At the end of the investigation procedure, the working group prepares and submits its report to the Chief Compliance officer and the President of the Supervisory Board with a copy to the Head of the Compliance department.

The report shall contain:

- Description of the Findings and the channel of their collection,
- The actions undertaken under the investigation protocol and summary of their results,
- Conclusions with proposed sanctions, incentives and remediation actions,
- Analysis of the effectiveness of the applicable provisions of Chint's Integrity and Compliance Programme given the occurrence of the breach of Chint's Integrity and Compliance Programme, subject matter of the investigation, and proposal, as the case may be, for introducing any necessary corrective measures.

To the report are attached all relevant supporting documents.

6.3.7 Decisions on the reports' proposals

The Chief Compliance Officer, based on the report, shall take decision on the proposals.

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If the breach of Chint's Integrity and Compliance Programme concerns Employees of the Company, the Chief Compliance Officer shall submit his / her decisions to the President of the Board of Directors for final approval.

In matters involving Corruptive practices, the provisions of article 4.5 of this Manual shall apply.

6.3.8 Follow up

The Compliance department and the Board of Supervisors, in its area of competence, shall ensure the follow up of the decisions on the reports' proposals with the concerned Units and Functional departments.

They shall make a monthly report to the Chief Compliance Officer and to the President of the Board of Supervisors on the implementation of the decisions and shall propose sanctions and corrective measures in case of their breach.

7 MANAGEMENT OF THE RISKS RELATED TO BUSINESS PARTNERS

7.1 Business Partners Programme

The Compliance department shall manage the Business Partners Programme.

The Board of Supervisors shall be involved in the Business Partners Programme in respect to the Corruptive practices matters.

The Compliance department shall assess every six months the Business Partners Programme's efficiency and shall report to the Chief Compliance Officer on the assessment results and propose corrective measures if necessary.

7.2 Specific issues regarding the Business Partners Risks assessment

As a part of the Business Partners Programme, the Compliance department shall elaborate a specific scoring methodology for the Risks assessment of the Business Partners based on (i) the general principles set forth in the Risks Assessment Programme and (ii) on the assessment of the data collected through the due diligence and the monitoring of a Business Partner.

The scoring methodology shall address, with association of a specific number, the items of the due diligence questionnaire and the scoring shall be adjusted from time to time based on the data collected during the monitoring process.

7.3 Management of the Business Partners data center and of the consistency of the data regarding the Business Partners data

The Compliance department shall manage the Business Partners' data center and shall ensure the consistency of the information in the Business Partners' data center and the information regarding Business Partners in the data base managed by the relevant Units.

For that purpose, the Compliance department shall carry out regular inspections of the Unit's data base.

In case of inconsistency, the Compliance department shall carry out investigation to establish the reasons for the inconsistency and shall take any corrective measures.

The Compliance department shall draw up a report summarizing the results of the investigation, the corrective measures and the follow up actions.

The Compliance department shall control the implementation of the corrective measures.

8 MANAGEMENT OF THE IC MATTERS REGARDING EMPLOYEES

8.1 IC due diligence of Employees

The Compliance department shall carry out, in cooperation with the competent Human Resources department, the due diligence of Employees before their appointment in application of the relevant SOP.

In view of the due diligence findings, the Compliance department may propose specific terms to the form of the Integrity and Compliance statement that an Employee has to make when he / she is hired.

8.2 Annual IC appraisal

The Compliance department shall carry out, in cooperation with the competent Human Resources department, the annual IC appraisal of the Employees.

The Compliance department shall elaborate appraisal methodology taking into consideration the specific Risks per category of Employees.

In view of the results of the annual IC appraisal, the Compliance department may propose any corrective measures necessary to file the gaps indentified during the appraisal process.

If such measures are proposed, the Compliance department shall control their application and the implementation results.

8.3 Incentives

The Compliance department shall propose Employees' incentive in application of the relevant SOP.

The Compliance department shall elaborate a specific award program to distinguish Employees with important or outstanding contributions to the implementation of Chint's Integrity and Compliance Programme.

9 MANAGEMENT OF TRAININGS AND COMMUNICATION

9.1 Training

9.1.1 Training plan

The Compliance department elaborates each year the annual training plan for each Sub-group of CHINT Group.

The annual training plan shall address the following:

- Training modules adjusted to the category of Employees and to the results of the Risks Assessment Programme,
- Identification of the priority areas for training,
- Practical training on the SOPs,
- Case studies, including cases from CHINT Group's data base,
- The means of training delivery (online, classroom, webinar etc),
- The number of training hours,
- The persons who shall deliver the training (internal or external),
- The tests that will be administered to assess the learning of the attendees,
- The required budget.

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The Chief Compliance Officer shall approve the annual training plan and submit it to the Board of Directors for final approval and allocation of the training budget.

9.1.2 Annual IC certification

The Compliance department shall put in place an annual IC certification of the Employees the purpose of which is to assess and certify the level of the Employees' knowledge of Chint's Integrity and Compliance Programme.

The certification body for the Employees, except the Compliance Officers and the members of the Board of Supervisors, shall be the Compliance department.

The certification body of the Compliance Officers and the members of the Board of Supervisors shall be the Company's Audit department or an external organisation competent in IC certification.

For the purpose of the assessment of the level of the Employees' knowledge of Chint's Integrity and Compliance Programme, the Compliance department, with the assistance of the Board of Supervisors, shall elaborate the tests for the annual examination.

The tests shall be specific per category of Employees taking into consideration the training programs that the Employees have followed during the relevant year.

The certification will combine the assessment of the general knowledge of Chint's Integrity and Compliance Programme as well as specific matters per category of Employees. The tests will include theoretical aspects, of the QCM type and practical aspects such as cases to be resolved.

To validate his exam, the candidate must obtain an overall score of at least 75 %. Applicants will receive the results within 10 working days. If successful, a one-year certificate will be issued.

The certification examination will take place at the end of each year, on dates that the Compliance department shall schedule.

Two sessions will be organised: an initial session and a remedial session. The remedial session is organized one (1) week after the publication of the results of the first session.

9.1.3 Learning management system

The Compliance department shall develop with the support of the IT department, a learning management system as online learning software designed to administer, document, track, record and disseminate courses or training programs.

The learning management system shall be capable of:

- The distribution of e-learning courses to general populations or to specific groups. The content of each course can be varied and include: SCORM, video on screen, web links, quizzes, polls, pdf and any other downloadable resource,
- Management of training sessions (physical or virtual), publication of training programs, allocation of resources, scoring, auto-booking and cancellation,
- Reporting on completion rates per user and group credits or certification in order to have evidence of compliance.

9.2 Communication

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The Compliance department shall develop IC communication strategy for the relevant year and submit it to the Company's Board of Directors for approval.

The strategy shall be periodically reviewed and updated and shall:

- Concern both internal and external communication,
- Identify target audiences, with greater attention given to Employees in areas of higher-Risks, and ensure that communications are appropriately tailored,
- Link into the Risk Assessment Programme's results and findings and monitoring of Chint's Integrity and Compliance Programme so that communications can be targeted at specific issues, and in particular share lessons learned from incidents of non-compliance or near-misses,
- Identify the methods and the frequency of communication,
- Involve communications from Senior Management in support of the actions under Chint's Integrity and Compliance Programme.

In terms of internal communication, CHINT Group intranet shall have a dedicated page that the Compliance department, with the support of the Board of Supervisors shall manage.

The Compliance department shall regularly update the information and shall notify to the Employees any update.

In terms of external communication, the Compliance department shall ensure that CHINT Group website contains specific page on IC matters on which shall be published at least:

- The ICP Code and the Business Partners Code,
- Key information about the actions that CHINT Group undertakes in respect to IC matters, including collective actions and initiatives,
- Important achievements of CHINT Group in IC matters,
- Extract from the annual IC report as appropriate.

10 COMPLIANCE CONTROL FRAMEWORK

10.1 The compliance control framework

CHINT Group's compliance control framework defines and organizes the actions in view of the assessment of Chint's Integrity and Compliance Programme and its implementation, in order to identify, assess, minimise or mitigate Risks, to proposes amendments and improvements of Chint's Integrity and Compliance Programme and the relevant measures and controls.

CHINT Group's compliance control framework's actions are the following:

- Compliance review of the internal controls and approval systems,
- Compliance review of the recording systems,
- Review and assessment of Chint's Integrity and Compliance Programme and its implementation,
- Proposals for improvement of Chint's Integrity and Compliance Programme and the instruments and measures necessary to ensure its efficiency.

10.2 Principles applicable to the compliance review process

The compliance review process shall comply with the following principles:

- The review shall be systematic, so that they cover the Business Areas, within a given timeframe on a rolling basis, and shall be prioritised according to Risks, so that higher-Risk Business Lines are reviewed more frequently and more in-depth.
- Sufficient resources shall be allocated for the reviews, including Compliance Officers, members of the Board of Supervisors, the ICP Ambassadors with the full support of Senior Management and the relevant Units and Functional departments;
- The objectives and process of conducting the compliance review shall be clearly defined and communicated in advance to the subject of the review,
- The review shall be informed by appropriate data, which will include both records generated by IC operations and transactional data (for example, examining sample bids or awards of contracts to Business Partners),
- There should be a clear process for agreeing and prioritising remediation actions with the subject of the review, which are to be implemented within a given period of time, and following up with the subject to ensure they are implemented, and escalating any failures to implement agreed actions to senior management as appropriate,
- The review shall take into account relevant developments in the field of IC and evolving international and industry standards,
- The review process shall be recorded and the results together with the proposed remediation actions shall be reported to the Company's Board of Directors and the Senior Management,
- Proper control and monitoring of the remediation actions shall be carried out.

10.3 Frequency of the compliance reviews. Annual report

10.3.1 Frequency of the compliance reviews. Compliance investigations

The Compliance department shall elaborate an annual compliance reviews plan based on the principles set forth in article 10.2 of this Manual.

The plan shall specify the Sub-groups of CHINT Group which will be subject to the semi-annual ordinary review and the entities or Business Lines which will be subject to *ad hoc* (or extraordinary) reviews.

For the purposes of the *ad hoc* reviews, the Compliance department shall carry out compliance investigations based on the principles set forth in article 10.2 of this Manual.

The plan of the reviews and their results shall be discussed with the concerned members of the Senior Management.

10.3.2 Annual IC report

The Compliance department and the Board of Supervisors shall issue an annual IC report.

The annual IC report shall contain key data regarding:

- The implementation and the results of the Risks Assessment Programme,
- The implementation and the results of the Business Partners Programme,
- The Findings and their consequences,

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- The trainings and the annual certification,
- The implementation of the communication strategy,
- The results from the compliances reviews, the gaps identified and the proposed corrective measures.

10.4 Internal controls and approvals systems

As a part of the compliance reviews, the Compliance department shall make an inventory of the internal controls and approvals systems per Sub-group of CHINT Group in respect to IC matters and shall ensure that those systems are consistent and adequate to ensure effective control and mitigation of the Risks.

The consistency implies that there is an interaction between the different systems ensuring a holistic approach to the Risks and their mitigation.

In addition, the Compliance department shall ensure that the concerned internal controls and approvals systems are properly recorded.

Particular attention shall be granted to the organisation and functioning of the OA system and of the SAP& CRM system in order to ensure that (i) the collected data are consistent and permit to have an adequate assessment and control from IC, legal, financial and accounting prospective and (ii) the Compliance department is properly involved in the approval and control process.

Based on the inventory and the analysis of the adequacy and efficiency of the systems, the Compliance department shall propose to the Chief Compliance officer corrective measures, when necessary.

The Chief Compliance Officer shall submit the proposals to the Company's Board of Directors for approval and the Compliance department shall ensure the monitoring of the approved measures.

As a matter of priority, the Compliance department shall proceed with the inventory of the internal controls and approvals systems Chint Electric Sub-group.

10.4.1 The inventory of the internal controls and approvals process (Annex 10.4.1)

- Business Partners Policy
 - o The Compliance Department requests each business unit/Subsidiaries to demand the Business Partner to fill out the due diligence Questionnaire and provide the supporting documents for review and evaluation of the integrity and compliance risks.
 - o A due diligence report will then be produced with a classification of the risk level of the Business Partner by the Compliance Department and will be shared with the legal department and submitted to the Chief Compliance Officer and the head of the Contracting Department with the Compliance comments and the suggestions to avoid or mitigate the risks.
 - o If the contracting department does not agree with the comments issued by the Compliance Department, the President shall make the final decision.
 - o If the President decides to continue the contracting, the specific contract terms proposed to prevent or mitigate the risk proposed by the competent Compliance Officer and the Counsel shall be agreed upon.
 - o During the performance of the contract, continuous monitoring and training will be provided.
- Anti-corruption Policy

- Compliance Department will participate in the investigation which protocol could be found hereinafter in Article 6.3.5.
- Avoidance of Conflicts of Interest Policy
 - After receipt of declaration or disclosure of potential or actual Conflict of Interests, the Compliance Department shall decide whether it is necessary to carry out a further investigation. Based on the findings, the Compliance department, the Board of Supervisors, the competent HR & Operations control department and, as the case may be, the competent Supply Chain Management department, shall decide whether the concerned Group's entity may hire that candidate.
 - In case of divergent opinions of the Compliance department, the Board of Supervisors, the competent HR & Operations control department and, as the case may be, the competent Supply Chain Management department, the Compliance department shall submit the matter to the General manager / Chief Executive Officer of the hiring Chint's entity for final decision.
 - If the Compliance department, the Board of Supervisors, the competent HR & Operations control department and, as the case may be, the competent Supply Chain Management department or, in case of divergence, the General manager / Chief Executive Officer of the hiring Chint's entity, decide to hire the candidate, the Compliance department shall decide on the specific obligations which the candidate's employment agreement shall provide for in order to mitigate the actual or potential Conflict of Interests.
- Reports and Queries Policy
 - When a Report is submitted, the Compliance Department has to determine whether it is a corruption report or not. If the report is corruption related, then they need to shift to the Board of Supervisors to conduct investigation. Otherwise, the compliance office will be responsible for investigation and have a proposal to HR & Operation Control Department for sanction and awards. The Whistleblower shall be informed on the results and conclusions when identified.
 - After reception of the queries, the Compliance Department has to determine whether it is a corruption query or not. If it is corruption related, it will be shifted to the Board of Supervisors to provide clear answers. Otherwise, the compliance office will respond in written.
- Confidentiality and Protection of Personal Data
 - The Group has designed a Data Protection Officer who can be contacted at 021-67777777-880065 for the management and the control on the data collection and protection and no details thereof must not be divulged and used for any purpose other than this for which the information was provided.
- Gifts and Hospitality Policy
 - Employees can accept gifts only when they meet the requirements of Gift and Hospitality Policy. If valued RMB 1,000 above, they have to submit application and get the approval of compliance department prior to the acceptance.
 - In any event, the cumulative annual value of all Gifts an Employee may receive from any one Gift donor cannot exceed 1000 Yuans unless the Employee discloses the proposal of Gift to the Compliance department through the Compliance and Reports and Queries Policy and gets the written approval of the Compliance department for proposed gifts in advance.

- In any event, the Employee must obtain a prior and written autorisation from the Compliance departement to accept a third Person's offer of travel.
 - Employees may offer Gifts to third Persons for legitimate business purposes when they meet the requirements of Gift and Hospitality Policy. If valued RMB 1,000 above,they have to submit application and get the approval of compliance department prior to the acceptance.
 - The payment of any travel and / or accomodation expenses for Public Officials / Foreign Public Officials requires the prior approval of the Compliance Department.
 - Employees must submit the "Gift & Hospitality Application Form"through the Gifts and Hospitality line of the OA system prior to offering or accepting Benefit and the Compliance department decides whther to approve.
 - For any Gift that is truly difficult to refuse, such as unclaimed Gift, Gift transferred by others, Gift that is easy to deteriorate and difficult to return for any reason, the Employee shall report to the Compliance Department immediately upon receipt and shall, within 7 working days thereafter, fill out the "Registration and Handling of Benefits Form" and hand over the gold and silver jewelries, high-end handicrafts, valuable coupons, and high-end durable goods.
- Donation and Sponsorships Policy
- The Donations and Sponsorships budget will be established annually.
 - In the relevant year, whenever there is demand for donations and sponsorships, the applicant shall fulfill the Approval Form and submit to the Compliance Department and Financial Department.
 - After receipt of the application, the Complianc Department shall carry out an adequate due diligence and make a review based on the due diligence report with Financial Department.
 - After the review, the Compliance Department and the Financial Department shall codetermine to approve or not.
 - If the application is approved, there shall be a written contract clearly defining Company or its Subsidiary's contribution, the other participating organisation's contribution and the project's goal, beneficiaries, milestones, timelines and costs.
 - All the granted Donation or Sponsorship must be communicated publicly and effectively by the Group and be disclosed as a note to the annual financial statements of the Group.
- Contract Management Policy
- Compliance Department will share with the legal department and submit to the Chief Compliance Officer and the head of the Contracting Department the comments on integrity and compliance risks and the suggestions to avoid or mitigate the risks.
 - If the contracting department does not agree with the comments and suggestions issued by the Compliance Department, the President shall make the final decision.
 - If the President decides to continue the contracting, the specific contract terms proposed to prevent or mitigate the risk proposed by the competent Compliance Officer and the Counsel shall be agreed upon.
 - During the performance of the contract, continuous monitoring and training will be provided.

- Business Trip Management Policy
 - When the travel expenses exceed the reimbursement standard, the applicant fills in the reimbursement form and initiates an approval process in OA system for reimbursement.
 - After the approval of the department leader, the finance department shall review the authenticity of the invoice and the compliance department shall review the description.
 - When both departments make the approval, the payment will finally be made.
- Expenditure Control Management Policy
 - The Compliance Department is responsible for the approvals of expenditures when those expenditures have to be incurred under and are subject to Compliance Department's review and approvals in relation with the Chint's Compliance and Integrity Policy Chint's Compliance and Integrity Programme and namely under the Gifts and Hospitality Policy.
 - The applicant initiates an application.
 - After the department leader's review and approval, the finance department shall review the authenticity of the invoice and the compliance department shall review the use of fees.
 - When both departments make the approval, the payment will finally be made.
- Management of Funding Approval Policy
 - The Compliance Department is responsible for reviewing the compliance of all payments in accordance with Chint's Compliance and Integrity Policy.
- Equipment Purchasing Management Policy
 - If it requires tendering, the Compliance Department will participate in the bid opening meeting as a member of the tendering team and supervise the tendering work;
 - The Supply Chain Management Department prepares a set of inquiry documents containing Integrity and Compliance Questionnaire and Undertaking.
 - The Supply Chain Management Department then submit the Inquiry Document Review Form to or choose to initiate a general process in the OA system to all members of the tendering work group and the Legal Affairs Department, the Compliance Department and the board of supervisors for review and approval.
 - Compliance officer assigned by the Group will be responsible for the afterwards clarification and evaluation of integrity and compliance risks of the candidates of the suppliers.
- Purchasing Management Policy
 - The Compliance Department will review the DD questionnaire and Business Partner's Integrity and Compliance Undertakings in the bidding documents before choosing a business partner.
 - In case of breaches by a supplier of Chint's Compliance and Integrity Policy, Business Partner's Code of Conduct and Business Partner Policy, the relevant Unit shall report to the Compliance Department.
 - The Compliance Department shall carry out investigation and, in conjunction with the Legal Department and Supply Chain Management Department, shall propose the relevant measures to

the CEO of the Company, including the termination of the supplier's contract and its ineligibility as a Company's supplier.

- Tendering Management Policy

- Before the bid opening of major bidding projects, a bid evaluation team will be formed including the compliance department to participate in the bid evaluation meeting.
- The Compliance Department will review the DD questionnaire and Business Partner's Integrity and Compliance Undertakings in the bidding documents.
- In case of breaches under Chint's Compliance and Integrity Policy, the relevant Unit shall report to the Compliance Department.
- The Compliance Department shall carry out investigation and, in conjunction with the Legal Department, the HR & Operation Control Department and the Supply Chain Management Department, shall propose the relevant measures to the President of Chint Electric, including the termination of the bidding contract and the bidder's ineligibility for biddings.

- Supplier Management Policy

- The compliance department shall, with the support of supplier management personnel, perform due diligence on suppliers invited to register in the SRM system according to Business Partner Policy and record the results accordingly.
- In case of breaches by a supplier of Chint's Compliance and Integrity Programme and in particular the Business Partners Code of Conduct and the Business Partners' Policy, the relevant Unit shall report to the Compliance Department.
- The Compliance Department shall carry out investigation pursuant to the Integrity and Compliance Procedures Manual and shall propose the relevant measures against the supplier, including the termination of the supplier's contract and its ineligibility as a Company's supplier.

- Management of Employee Reward and Sanctions Policy

- The Compliance Department and the Board of Supervisors may propose to the H&R and Operation Control Department specific incentives for exemplary ethical conduct and special contributions to Chint's Compliance and Integrity Policy of employees.
- The Compliance Department and the Board of Supervisors shall carry out investigation when a breach of Chint's Compliance and Integrity Policy is reported or discovered and propose sanctions to the HR& Operation Control Department.
- The Compliance Department and as the case may be, the Board of Supervisors shall decide whether the sanction imposed shall be subject to a disclosure to all employees.

- Employee Performance Appraisal Management Policy

- The Compliance Department should evaluate employees once a year, mainly to evaluate employees' implementation and compliance with Chint's Compliance and Integrity Policy, as well as conduct behavior evaluation on the Chint Corporation's Reports and Queries Policy.
- The Compliance Department shall carry out the compliance appraisal and shall provide the results to the relevant HR department, the relevant finance department, to the head of the department of the evaluated employee as well as the President of the Company and the General Manager of the relevant Subsidiary.

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- Cadre Management Policy

- The Compliance Department shall organize cadre training twice a year.
- The Compliance Department shall evaluate the appointment and promotion of cadres, and be responsible for making recommendations for the appointment, removal, reward and punishment of cadres to the H&R and the operation management department according to Chint's Compliance and Integrity Policy.
- The compliance department, the H&R, the Supervisory Board, and the audit department regularly evaluate the performance of cadres and perform accountability for incompetent cadres.

10.5 Compliance reviews and audits

The Compliance department and the Company's Audit department shall coordinate their actions in terms of planning and content of audits and compliance review so that audits and compliance reviews be carried out in parallel.

In such a case, the two departments shall issue a common report on IC matters.

10.6 IC monitoring of the Company's Board of Directors

The Company's Board of Directors shall carry out IC monitoring through :

- The reports that the Compliance department and the Board of Supervisors submit to it in application with the Code, the SOP and this Manual,
- The reports that the Chief Compliance Officer submit on six month basis and which contain key elements regarding:
 - Progress of implementation of Chint's Integrity and Compliance Programme,
 - Key information about Business Partners,
 - Integrity compliance aspects of major transactions, such as EPC projects;
 - Training statistics;
 - Whistleblower reports, investigations and results.

The Board of Directors may require any additional reporting or data which would enable it to carry out efficient IC monitoring.

11 MANAGEMENT OF COLLECTIVE ACTIONS

The Code provides for that CHINT Group shall participate in or initiate collective actions in order to make a positive contribution to improve business standards of compliance, transparency, and accountability whenever it operates.

The Compliance department shall:

- Detect any national or international forum dedicated on compliance and integrity matters and shall propose to the Chief Compliance Officer a selection of forum in which CHINT Group may participate or may provide a sponsorship,
- Initiate contacts with business organisations, industry groups, professional associations, civil society organisation, international organisations in order to organise common events dedicated on compliance

and integrity matters, subject to the Chief Compliance Officer's prior approval,

- Establish contacts with the compliance departments of other Chinese or international groups in view of exchanges and mutual assistance in respect to integrity and compliance matters.

12 MANAGEMENT OF THE RECORDING SYSTEMS

12.1 Categories of recording systems in relation to IC matters

CHINT Group has currently in place different recording systems in relation to IC matters which can be divided in different categories:

- General recording systems that are fully dedicated to IC matters and that are managed by the Compliance department,
- Specific recording systems that are concerned by IC matters and that are managed by Functional departments or Units, and
- Business approval and recording systems that that are concerned by IC matters and that are managed by Functional departments or Units.

12.2 General recording systems fully dedicated to IC matters

The general recording systems fully dedicated to IC matters are:

- The recording of the actions under the Risks Assessment Programme,
- The recording of the actions under the Findings management,
- The recording of actions under the Business Partners Programme,
- The recording of actions under the compliance control framework,
- The recording of actions regarding training and annual certification,
- The recording of actions regarding communication, and
- The recording of collective actions.

The Compliance department shall have the primarily responsibility for the management, updating and custody and protection of the systems.

The Compliance department shall request the assistance of the IT department to set up specific data bases for each of the systems and to ensure their security to avoid any damage, destruction or unauthorised access.

12.3 Specific recording systems concerned by IC matters

The Compliance department shall have access to the specific recording systems concerned by IC matters that are managed by Functional departments or Units in order to carry out compliance investigations and verification of the consistency of the data with the data recorded in the systems that the Compliance department manages as set forth in article 12.2 of the Manual.

The specific systems are namely:

- The Employees' data systems managed by the competent Human Resources department,
- The information system regarding bids and tenders,
- The information systems regarding data of past transactions and projects etc.

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In case of inconsistency, the Compliance department shall carry out investigation to establish the reasons for the inconsistency and shall take any corrective measures.

The Compliance department shall draw up a report summarizing the results of the investigation, the corrective measures and the follow up actions.

The Compliance department shall control the implementation of the corrective measures.

12.4 Business approval and recording systems concerned by IC matters

In respect to those systems, the provisions of article 10.4 and of article 12.3 shall apply *mutatis mutandis*.

Annex 6.3.5

Procedural guidelines regarding the investigation conduct

An investigation is the process of planning and conducting appropriate lines of inquiry to obtain the evidence required to objectively determine the factual basis of allegations.

This will include: (i) interviewing people with relevant information and recording their testimony; (ii) obtaining documents and other evidence; (iii) conducting financial and IT analysis (iv) evaluating information and evidence; and (v) reporting and making recommendations.

During an investigation, all investigation subjects have a right to: a presumption of innocence throughout the investigation; a professional, impartial and thorough investigation; and due care in the handling and sharing of confidential information during the conduct of the investigation.

All Findings will be investigated within a reasonable timeframe.

The investigation involves persons having a sufficient level of expertise/knowledge with regard to the Findings.

Investigative findings shall be based on facts and related analysis, which may include reasonable inferences.

These findings should follow an objective assessment of all information, including inculpatory and exculpatory evidence, gathered in the course of the investigation.

Investigations follow prescribed steps to objectively investigate allegations and to establish the facts while ensuring procedural fairness.

Once these issues are adequately addressed and evidence is seized and fully secured, the individual must be notified in writing that he or she is the subject of an on-going investigation. The notification will take place no later than at the beginning of his or her interview as the subject of the investigation.

All persons interviewed will:

- Have the interview(s) scheduled at a reasonable place and time and be provided with the details of the individual(s) conducting the investigation interview;
- Be treated with fairness and given an explanation of the investigation process;
- Have the assistance of an interpreter during an interview, if required,
- Investigation subjects may request to be accompanied to their interview by an observer; such observer shall be designated by the competent Human Resources department. The observer must agree to respect the confidentiality of the investigation and sign a confidentiality statement. The observer may not interrupt, prevent or delay the interview, and is not allowed to speak during the interview. If the investigator considers the presence of the observer to be disruptive, the observer may be asked to leave and the interview will proceed without the observer.
- To the extent possible, interviews conducted by two persons;

The investigation subject is entitled to:

- Be advised in writing of the nature of the allegations and his or her role in the investigation no later than at the time of interview; and
- Be given the opportunity to explain his or her actions and to provide any documents or information that may be relevant to the factual determination of the matter, along with the names and details of any

witnesses who may have relevant information.

Situations may prevent advance notification of the subject prior to his or her interview. Such situations include, but are not limited to, the following:

- The evidence (documentary, electronic, physical, or witness statements) related to the allegation(s) has not been secured (i.e. preserved, collected and recorded) and might be tampered with; or
- Other safety or security issues exist that would threaten the investigation (e.g. retaliation against the complainant, informant or witness, flight of the subject).

In the event that in the course of the investigation additional allegations are raised against the investigation subject, the investigators will inform the subject of these new allegations.

Investigation subjects shall not interfere with the investigation and shall abstain from withholding, destroying or tampering with evidence, and from influencing, coaching or intimidating the complainant and/or witnesses. Any such actions will be investigated by the Compliance department and appropriate action will be taken, which may include a recommendation for consideration of disciplinary action or recommendation for referral to national authorities for criminal investigation.

Investigation participants (subjects and observers) shall refrain from discussing or disclosing the investigation or their testimony to anyone except the investigators. In no case should an investigation participant discuss with the investigation subject and/or complainant and/or other investigation participant the nature of the evidence requested or provided or testimony given to investigators.

The investigator shall conclude the interview by reminding the person to refrain from talking about the issue with co-workers and give them some parameters for what to do if they are contacted by outside parties.

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Annex 10.4.1

The chart/ form of the relevant policies