

CHINT Group Corporation

**For an efficient and workable Integrity and Compliance
Programme**

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

October 2019

Our identity is based on our values

CHINT Group is a world renowned smart energy solution provider.

CHINT Group unswervingly adheres to the culture of people-oriented and value-sharing and the mission of making the electric power safer, more green, more convenient and more efficient.

CHINT Group regards “customer-focus, innovation, modest in learning, integrity, collaboration, responsibility” as its core values and “creating values for customers, seeking career development for employees and taking on responsibilities for the society” as its business philosophy to build the enterprise image of green energy-saving, sustainable innovation, reliability and comprehensiveness, and win-win cooperation.

CHINT Group:

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

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

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

Our pillars

To be strong, workable and efficient, our ICP is built on fundamental pillars ensuring its success.

First Pillar - Our rules reflecting the highest international standards

Our rules are structured through:

- the Code of Integrity, Compliance and Business Conduct (the “Code”), which sets forth principles, rules and procedures,
- the standard operational policies (the “SOP”), adopted at the level of each entity of Chint in application of the Code in order to detail the rules and procedure set forth in the Code, and
- instructions and guidelines, adopted by the management of Chint in compliance and pursuant to the Code and the SOP in order to give practical tools and instruments for the understanding and the implementation of the ICP .

The Code is available under Chint intranet.

Our rules prohibit any Misconduct, carried out directly or indirectly, including but not limited to, family, relatives, friends, trustees or legal entities. Any omission to combat a Misconduct or a risk of Misconduct is prohibited as well.

Misconducts: any behaviour which is considered to be or to lead to Corrupt practice, Fraudulent practice, Collusive practice, Coercive practice or Obstructive practice.

Our rules and our employees

Corruption, bribery, fraud have multiple faces, some of which might be difficult to detect and identify. Even the most honourable actions could hide Misconduct.

Our employees must be fully aware of all situations which may lead to Misconduct.

Corruptive practices

Chint strictly prohibits any form of corruptive practice: bribery, extortion or solicitation, trading in influence and laundering of the proceeds of those practices at all times and in any form in relation to public officials, national, local or international, current or former, to political party officials or candidates, or to managers and decision makers of a third party.

Facilitation Payments

Irrespective of local custom, all facilitation payments or “grease” payments - unofficial payments for the purpose of facilitating or securing the performance of a current government service or action to which the person or company making the payment is already entitled are strictly prohibited, regardless of their value.

Should a facilitation payment be necessary to prevent an imminent and serious threat to the employees’ health, safety or welfare, employees must report immediately to the Compliance Officers.

Sponsorship and donation

Sponsorships are commitments made by Chint as part of its overall communication strategy and the welfare of the local communities, namely to inspire talented individuals to strive for future success. Donations are altruistic contributions designed to strengthen Chint’s reputation and pride.

However, employees must be aware that the donations and sponsorships can be risky since they may imply corruptive practices or be perceived as manoeuvres for the purpose of obtaining benefits. Therefore Chint adopted very strict rules of granting and managing donations and sponsorships with proper tracking, control and recording.

Gifts and Hospitality

Giving or receiving gifts or hospitality is often an important way of maintaining and developing business relationships. All gifts and hospitality must be for a genuine purpose and reasonable.

Lavish, expensive, unwarranted and unreasonable gifts and hospitality, whether they are given or received, are unacceptable as they can be considered as forms of corruptive practice.

Employees can offer or accept occasional hospitalities, meals or entertainment that are reasonable in value and compliant with the applicable laws and Chint’ rules and which are subject to proper tracking, control and recording.

Lobbying Activities

Chint may engage in lobbying activities on subjects that advance Chint’s goals and improve the workplace and life-environment. Employees are committed to conduct them in full compliance with applicable rules and guided by honesty, respect and transparency with lobbyists duly declared and registered as such.

Political Contributions

Chint considers that contributions in political activity is very risky since they may lead or risk to lead to corruptive practices

Therefore, as a matter of principle, Chint prohibits any form of contribution or participation in political activities, subject to requirements of China law. .

Governmental Officials

During interactions with government officials, national or international, employees must interact in a honest, transparent and responsible way; prior to propose anything valuable to government officials at his /her request, an employee must verify whether this action is fully compliant with the ICP and not accept inside government information about selection process nor information about a competitor's proposal unless the government contracting officer has specifically and lawfully authorized its release.

Restricting Arrangement with Former Governmental Officials

For a period of time determined by the Compliance Officers, employees shall not propose or enter into, on behalf of Chint, any employment or consultancy or any other remunerated arrangements with former government officials, individuals or entities related to them with who Chint was in contact in its activities.

Conflict of interest

Employees must avoid any conflicts of interest, whether perceived or real, in the performance of their professional duties. The priority is to serve in the most effective way the sole interests of Chint. Personal interests, or the interests of related parties shall be financial, professional and/or personal and must not unduly influenced our professional judgment and actions in relation to our duties and obligations towards Chint. Employees shall not take part in, or to appear to take part in, or exert influence on any decision that may put secondary interests in conflict with the best interest of Chint.

Fraud and information

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

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

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

Anti-Money Laundering and Tax Evasion

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

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

An adequate "Know Your Customer" procedures set forth the rules and procedure permitting to detect and avoid any involvement in such practices.

Trade Compliance and Export Controls

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

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

Anti-Trust and Competition

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

Our rules and our business partners

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

Chint expects further that its Business Partners adopt robust and effective Integrity and Compliance rules equivalent to Chint's ICP.

In addition to the requirements for fair high quality business, Chint builds its relationship with the Business Partners through the following rules:

- Due diligence review and procurement process for the selection,
- Entry into clear written contract, including compliance and integrity clause by reference to Chint's ICP,
- Strong internal approval process for the selection and the contracting,
- Monitoring of the Business Partner namely through the obligation to report on the use of the funds paid by Chint, with supporting documents and more generally to report any circumstance which may be considered as a Misconduct or may lead to Misconduct,
- Participation of the Business Partners' employees in the training organised by Chint,
- Suspension or termination of the contract or of the entire business relationship with the Business Partner in case of a Misconduct or attempt to commit Misconduct.

The Business Partners shall fully cooperate with Chint to permit the effective application of those rules.

Second Pillar - Our Risk Management and Assessment

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

The risk management and assessment is organized in accordance with the three lines of defence model in order to allow indentifying, assessing, apprehending, mitigating and preventing the risks, including the integrity and compliance risks.

At the first level, the operational managers have ownership, responsibility and accountability for directly assessing, controlling and mitigating risks. They refer and report in accordance with each specific internal policy and to the Chief Exceptive Officer / General Manager of the relevant entity, the Compliance Department and the Legal Departments.

At the second level, the Compliance Department, the Legal Department and the functional department (such as Human Resources, Finance, Supply Chain, Procurement, Quality and Operations Control etc) ensure, in accordance to their specific expertise and monitoring authority, that risks and controls are properly managed. They assess, investigate and propose improvements and sanctions.

At the third level, the internal Audit Department carries out overall assessment and management of the risks and ensure overall consistency with the risks policy of the 1 and 2 levels.

Third Pillar - Our ICP Task Force

Our ICP Task Force regroups the members of the Compliance Department working with the support of the members of the Legal Department, the members of the Board of Supervisors and our ICP Ambassadors in the departments in charge with the Human Resources, Finances, Supply Chain, Procurement, Quality and Operations Control Audit, IT.

The Compliance Department is organised as a department at level of Chint Group Corporation with adequate level of autonomy and resources to act in full independence and is involved in and responsible for all actions for the implementation, the supervision, the assessment and the improvement of our ICP.

Each Compliance Officer is in charge with an entity of Chint group and is the primary contact of employees in the relevant entity.

The Compliance Department reports to the Chief Compliance Officer and General Counsel who reports to the Board of Directors of Chint Group Corporation only.

Our ICP Ambassadors ensure the cooperation of their departments with the Compliance Officers.

The interaction and cooperation between the members of the ICP Task Force, under the leadership of the Compliance Officers is an essential instrument for the implementation, the supervision, the assessment and the improvement of our ICP.

Our actions

The efficiency and effectiveness of the ICP are based on specific practical actions.

Our actions to prevent

Information

The Group ensures awareness of the Chint's ICP and values through numerous communication channels. The ICP and all supporting tools and instruments are published on the Chint's intranet on dedicated space and all employees have access to the intranet.

Each employee receives practical informative sheets which contain the main elements of our ICP.

All materials are also available in the Compliance Department.

Training

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

Employees must complete in a timely manner such ethics and compliance training assigned to them based on their roles and responsibilities.

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

All employees must obtain their annual certification on Chint's ICP delivered by the Compliance Department. The certification is granted based on participation in the trainings with required hours and on successfully completion of the annual tests.

The ICP certification shall be one of the important elements of the annual appraisal of the employees.

Accurate and Comprehensive Record Keeping

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

Accurate, complete and honest records are essential within Chint so that we can make informed business decision and develop a strategic plan, to detect, track and monitor any feature which may read to Misconduct..

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

Incentives

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

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

For such active support, the Group puts in place an incentive mechanism to the benefit of the employees.

Collective actions

Chint shall make a positive contribution to improve business standards of compliance, transparency, and accountability whenever it operates and in its business community by engaging with business organizations, industry groups, professional associations, and civil society organization.

Our actions to detect

Duty to report

The employees have a duty to be vigilant of circumstances that may indicate illegal or unethical behaviour and act both appropriately and in a timely manner to prevent or detect improper conduct, including any Misconduct or suspicion of Misconduct.

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

Failing to report is a breach of the essential obligations of the employees and triggers

sanctions.

Chint puts in place various channels of reporting: complaints and report procedure, hot line, face to face meeting, dedicated boxes.

Employees must not hesitate to discuss with Compliance Officer any suspicion or doubt regarding behaviours which may be classified as Misconduct. In particular, employees must feel free to report:

- any concern in connection with Chint's ICP,
- any hesitation on how to proceed in accordance with Chint's ICP,
- any request by another employee, government officials or Business Partner that might lead to a violation of Chint's ICP,
- any perceived or suspected practice of another employee, government officials or Business Partner that might lead to a violation of Chint's ICP,
- any question or circumstance involving Chint's ICP's issue.

All channels are strictly confidential.

Employees may report on name basis or anonymously. Chint put in place all measure to protect reporting employees against retaliation or reprisal.

Compliance controls of the application of the ICP

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

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

In this framework, the Compliance Department proceed with compliance reviews and compliance investigations.

Compliance Reviews

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

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

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

The Compliance Department issues an annual report on the implementation of Chint's ICP.

Compliance investigations

The Compliance Department carries out regular investigation for the purpose to verify the application of the ICP. In the course of the investigation, a fully truthfully and transparently cooperation and commitments are required by everyone involved in the procedure.

For this reason, employees must provide all requested documents and information related to

the matter. Failure to provide any information or retain relevant documents can seriously hamper the internal investigation and may lead to disciplinary measures.

Our actions to respond and to remedy

When Misconduct is detected or reported, the Compliance Department shall start investigation and employees shall fully cooperate and reply in timely manner to all requests from the Compliance Officers.

When Misconduct is identified, the Chief Compliance Officer shall report to the Board of Directors of the Company and propose adequate remediation measures.

The remediation measures shall include, but not limited to:

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

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

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

**LET’S WORK ALL TOGETHER TO PROTECT AND ENHANCE OUR BUSINESS
OUR SUCCESS IS DUE TO OUR COMMON EFFORTS**