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# ZTT Compliance Rules on Donations and Sponsorships

## CHAPTER I. GENERAL PROVISIONS

**Article 1.** For the purpose of promoting philanthropy, supporting development of local community, creating enterprise culture of Jiangsu Zhongtian Technology Co., Ltd. (hereinafter referred to as the “**Company**”), and ensuring that donations and sponsorships are not in violation of anti-corruption laws and other applicable laws, the Company formulates this Rules in accordance with the relevant Chinese laws, rules, and regulations and laws, rules, and regulations of countries in which the Company operates (collectively “**applicable laws**”), as well as ZTT Compliance Guidelines and other compliance requirements, taking into account the environment in which the Company operates.

**Article 2.** The Rules apply to the operation activities of the Company and its foreign and domestic controlled subsidiaries (hereinafter referred to as “**Subsidiaries**”).

**Article 3.** The Rules apply to all Employees of the Company and its Subsidiaries.

**Article 4.** Key terms used herein are defined as follows:

- (1) “**Compliance**” means the adherence to the requirements of applicable laws, international conventions, Compliance Codes of International Organization, regulatory provisions, industrial standards, business practice, ethics and the Company’s articles of association and rules and regulations by the Company and Subsidiaries in their regular course of business.
- (2) “**Appropriate Compliance Department**”, depending on the entities responsible for the business operations, refers to the Compliance Standard Department of the Company; or the Compliance Department or Compliance Officer(s) of the Subsidiaries.
- (3) “**Donations**” are grants of funds, goods, or services for a charitable purpose. The donation can be made in currency, in kind, or by providing services. Donations shall be associated with legitimate environmental, cultural, educational, welfare, or other non-profit activities.
- (4) “**Sponsorships**” are grants of funds, goods, or services that pay all or part of the cost for commercial activities—such as seminars, conferences, sporting, artistic, or entertainment events—in exchange for commercial interests. Sponsorships are part of the marketing and communication strategy of the Company and its Subsidiaries.
- (5) “**Political Contributions**” are any payment, gift, loan, subscription advance, money deposit given or made to a political party or organization, or to a politician or candidate; and funding, goods, services, or anything of value given or made to political meetings, events or advertising campaigns.

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- (6) “**Political Organizations**” include political parties, political campaigns, politicians, political candidates, or any of their affiliated organizations, like for instance “think tanks” or charitable or non-governmental organizations managed by politicians or associated with a political party.
- (7) “**Government Organizations**” include but not limited to state or local government departments, or the enterprises (e.g. state-owned resources companies or developers) that are owned or controlled by the State.
- (8) A “**Public Official**” should be broadly interpreted and shall include at least the following:
- i. Officials, employees, representatives of governments, and any other person authorized to act under official right;
  - ii. Officials, employees, or representatives of public international organizations;
  - iii. Officials, employees, or representatives of political organizations, or members of royal families, who exercise public authority; and
  - iv. Officials and employees of public enterprises, which are enterprises over which a government or governments exercise, directly or indirectly, a controlling or dominant influence.
- (9) “**International Organizations**” include but not limited to the United Nations, International Monetary Fund (IMF), Organization for Economic Cooperation and Development (OECD); Multilateral Development Banks (“MDBs”) such as the African Development Bank and the World Bank, and the World Trade Organization (WTO).
- (10) “**Private Business Associate**” means a private, commercial business associate such as a current or potential customer, supplier, contractor, or vendor.

## **CHAPTER II. POLITICAL CONTRIBUTIONS PROHIBITED**

**Article 5.** Political Contributions are subject to national laws which vary from country to country. Even when legally permitted in a country, such contributions can be a source of corruption or otherwise perceived as a questionable practice. All Political Contributions on behalf of the Company or Subsidiaries, whether in financial or physical forms and whether made to political organizations, parties, or individual politicians, are entirely prohibited.

**Article 6.** Individual shall only participate in local political processes in his/her name, on his/her own time, at his/her own expense, and consistent with applicable laws

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and regulations, and cannot in any way reference the Company or Subsidiaries or his/her employment with the Company or Subsidiaries.

### **CHAPTER III. DONATIONS AND SPONSORSHIPS REVIEW PROCESS**

**Article 7.** Donations and Sponsorships made on behalf of the Company or Subsidiaries, must be reported to and pre-approved by the Appropriate Compliance Department using the attached Donations and Sponsorships Compliance Pre-Approval Form (see Annex 1 & Annex 2).

**Article 8.** Any Donation or Sponsorship shall conform to the following principles: (a) clearly and unequivocally reflect and promote the Company or Subsidiaries' ethical and social commitments; (b) demonstrate the Company or Subsidiaries' commitment to the community. Whenever possible, Donations must be made "in-kind," i.e., in the form of goods or services. The reasons why an in-kind Donation is not possible must be provided in the Pre-Approval Form whenever a cash Donation is made.

**Article 9.** Recipients should be: (a) not-for-profit institutions; (b) for-profit organizations which are legally established and that are not Political Organizations. Donations or Sponsorships proposed by a Public Official must be reviewed with caution and must never be given, directly or indirectly, to an individual Public Official who is able to influence the awarding of business to the Company or Subsidiaries and without the express prior written approval of the superior Appropriate Compliance Department.

**Article 10.** The Appropriate Compliance Department shall review in advance of any offer or promise of Donation or Sponsorship, information about the proposed recipient, its legitimacy, and purpose (including government affiliations), as well as details regarding the use of the funds and the impetus for the Donation or Sponsorship.

### **CHAPTER IV. EMPLOYEES' PRIVATE DONATIONS AND SPONSORSHIPS**

**Article 11.** The Rules do not prohibit Employees to make Donations or Sponsorships in their private capacity with their own funds. All Employees should note, however, that they or the Company or its Subsidiaries could be held liable under applicable anti-corruption laws or other applicable laws, and Employees could be subject to discipline from the Company or Subsidiaries, if these Donations or Contributions are made with a corrupt or improper intent to obtain or retain business or to secure an improper benefit or advantage.

**Article 12.** Employees are not required to complete the Donations and Sponsorships Compliance Pre-Approval Form for such private Donations or Sponsorships, but before making the Donation or Sponsorship should consider the following questions:

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1. Is the Donation or Sponsorship made under the request or suggest of a Public Official or Private Business Associate?
  2. Is the Donation or Sponsorship made to an entity or individual affiliated with a Public Official, Government Organization, or Private Business Associate with whom the Company or Subsidiaries conducts business?
  3. Is the Donation or Sponsorship in effect a Political Contribution, in whole or in part?
  4. Will the Donation or Sponsorship influence the Company or Subsidiaries' ability to obtain or maintain business with a Public Official, Government Organization, or Private Business Associate?

If the answer to any of these questions is "Yes," then the Employee should seek guidance and suggestion from the Appropriate Compliance Department before making the Donation or Sponsorship.

## **CHAPTER V. COMPLIANCE VERIFICATION, RECORDS AND DOCUMENTATION MANAGEMENT**

**Article 13.** Sufficient supporting documents must be retained for all Donations and Sponsorships. These documents must be accurately recorded in the appropriate accounting and financial records. It is forbidden to create any false, misleading, or fraudulent records, including (but not limited to) for the purpose of concealing the purpose or nature of the Donation or Sponsorship.

**Article 14.** The Appropriate Compliance Department must take reasonable steps to independently verify that the requested Donation or Sponsorship did, in fact, occur.

**Article 15.** Employees are prohibited from making or causing to be made false, misleading, incomplete, inaccurate, or artificial entries in the Company's or Subsidiaries' books and records.

**Article 16.** Employees must retain copies of all Forms and documents they create and submit, in accordance with the Company's or Subsidiaries' document management policies.

## **CHAPTER VI. DISCIPLINE**

**Article 17.** Failure to comply with the Rules will be grounds for disciplinary action, up to and including termination of employment, consistent with the relevant Company's or Subsidiaries' rules and any applicable laws.

**Article 18.** Employees violating anti-corruption laws or other applicable laws risk prosecution by relevant investigating authorities which may result in a personal fine and/or imprisonment.

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## **CHAPTER VII. SUPPLEMENTARY PROVISIONS**

**Article 19.** Any questions concerning the rules should be addressed to the Appropriate Compliance Department.

**Article 20.** The Compliance Standard Department, on behalf of the Company, exercises the supervision on the implementation of this Rules in its departments, and it has the ultimate right to instruct and interpret the implementation of this Rules.

Annex 1: Donations and Sponsorships Compliance Pre-Approval Form

Annex 2: Donations and Sponsorships Compliance Pre-Approval Chart

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**ANNEX 1: Donations and Sponsorships Compliance Pre-Approval Form**

**DONATIONS AND SPONSORSHIPS  
COMPLIANCE PRE-APPROVAL FORM**

Use this form to obtain prior approval for any donations or sponsorships.

<u>THE DONATION OR SPONSORSHIP</u>	
Description (including the date when the donation or sponsorship is to be made ):	
Cost:	Converted in to RMB:
If the donation or sponsorship is to be made in cash or cash equivalent, please explain why an in-kind donation or sponsorship was not possible:	
How and from whom did we learn of the donation or sponsorship opportunity?	
Purpose / reasons of the donation or sponsorship:	
Recipient of the Donation or Sponsorship	
Name, Telephone and E-mail Address:	
Title or Position:	
Employer:	
If it has been approved in advance, but the final recipient is inconsistent with the recipient filled in the application form submitted for approval, please explain here.	

OTHER KEY DETAILS

Is the recipient of the donation or sponsorship owned by, controlled by, or affiliated with a Public Official? **Yes / No**

Is the recipient of the donation or sponsorship owned by, controlled by, or affiliated with a relative, friend, or associate of a Public Official? **Yes / No**

Is the recipient of the donation or sponsorship owned by, controlled by, or affiliated with a Political Organization? **Yes / No**

Is the recipient of the donation or sponsorship a non-profit organization or a non-political organization established by law for profit? **Yes / No**

Is the purpose and usage of this donation legal? **Yes / No**

Is the recipient's employer in business dealings with the Company or its Subsidiaries (such as contracts, applications, bids, approvals, etc.)? **Yes / No**

Has such donation sponsorship been provided to the same object in the past 12 months? **Yes / No**

*If Yes, please provide full details (use a second page if necessary):*

***(Please refer to ZTT Compliance Rules on Donations and Sponsorship for above information. If you do not know, you must consult with the Appropriate Compliance Department (as defined in the same Rules).)***

YOUR DETAILS

Signature:	Name:	Date:
Telephone Number:	Email Address:	
Business Unit:	Location:	

APPROVAL DETAILS

Supervisor of Business Unit:	Comments:	Signature:	Approval Date:
Appropriate Compliance Department:	Comments:	Signature:	Approval Date:

Remember to: (1) send a copy of all completed forms to the Appropriate Compliance Department prior to promising to offer, or making the Donation or Sponsorship; and (2) ensure that you keep the original copy form for your own record.

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**ANNEX 2: Donations and Sponsorships Compliance Pre-Approval Chart**

