国轩高科
GOTION HIGH-TECH



行为准则

Code of Conduct

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Compliance Everywhere by Everyone

Content

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Preface

Dear colleagues,

The sustainable success of Gotion goes along with the trust of our customers and stakeholders as well as compliant business behavior. To safeguard the trust and protect our company, our employees and our environment, it could not divorce from living integrity and honesty. That includes being familiar with the applicable statutory regulations and internal rules, and complying with them.

The Code of Conduct is the fundamental reference of our actions, it initiates the honest, ethical, responsible and compliant principle and way of conduct, contains relevant and practical examples that offer guidance, assistance and advice in our daily work, and it helps us identify mistakes and respond appropriately.

As the chairman of Gotion High-Tech Co., Ltd., I am convinced that our Code of Conduct is one key to the success of Gotion. We therefore ask you to use the Code of Conduct in your workplace, always being compliant and seek advice if you are in doubt.

Let us join together to make Gotion a responsible company that is a byword not only for excellent products and services, but also for compliance, integrity and sustainability.



Mr. Li Zhen

Chairman of Gotion High-Tech Co., Ltd.

Our Compliance Responsibility

Being compliant is the fundamental factor for a successful enterprise, which is also the decisive factor for its sustainable development, therefore from Board members and managers to each individual member of staff, everyone must act with the ethical manner like honesty and integrity. This also means that the principle of truthful, comprehensive and timely must be observed in day-to-day business.

Our shared goal is to protect the reputation of Gotion and ensure its continuous development. Sustainability requires of us an awareness of our responsibility for the economic, social and ecological impact of our actions. Such conduct also means that we all respect and observe the rules in force in Gotion everywhere and at all times. Our Board members and managers bear a special responsibility in this context: they are role models and prevent the potential non-compliant behavior within the Company, protect their employees and conduct themselves with integrity both within the Company and externally.

Each section in Code of Conduct contains an example and compliance advice to help employees by highlighting potential areas of risk and the way to mitigate the risk, explaining their significance for our Company. The information contained in this Code of Conduct is divided into four main sections:

We continuously make contribution to the society

We insist on compliance and integrity in business

We are a fair market player **We maintain a professional workplace**

Each Gotion employee is obligated to refer Code of Conduct as a binding guideline in day-to-day business. It is supplemented by internal guidelines and provisions in employment contracts. It also goes without saying that we all comply with the national and international statutory provisions. This also means that we never take any part in any behavior or activity that involves fraud, misappropriation, extortion, theft, embezzlement or any other deliberate damage to the assets of our customers or any third party.

Failure to observe Code of Conduct can result in considerable damage, not only to our Company, but also to us as employees and to our business partners and other stakeholders. That is why Code of Conduct is binding on all of us, irrespective of whether our role is that of a staff member, a manager or a Board member. We do not tolerate violations of Code of Conduct. Anyone who violates Code of Conduct must expect consequences, which, depending on the seriousness of the violation, can range from action under labor law to claims for damages under civil law, and may even extend to penalties under criminal law.

To make sure that does not happen, it is up to each and every one of us to familiarize ourselves with Code of Conduct, to integrate Code of Conduct into our own behavior, and to bear Code of Conduct in mind when making decisions. When in doubt, we seek for competent advice in time.

We insist on the principle of integrity

Sticking to the principle of integrity is an important factor in ensuring the successful running and long-term development of a company, it is also the basement for employees to smoothly carry out their daily work. The sustainable development of a company cannot be apart from the integrity and compliant behavior of every employee regard-less their role in the company. In other words, no matter they are board members, managers, or common employees, each of them should act on the basis of the honest personal beliefs, keeping their words and doing the right thing. In the meantime, the ethical, legal and complaint decision can always be formed which is in line with commitment and principle of integrity regardless of any emotional, financial or social pressure that they are facing of.

The brand and reputation are the most important assets to the company, they are also the target that we shall protect together. When we are encountering with grey zone that the policies and standards are uncompleted and unclear, following the principle of integrity can guide us to speak up our concern and confusion. The principle of integrity can also lead us to disclose the risks and violation to ethical standard or company rules when the problems are detected, moreover, to proactively seek for solutions to minimize the potential damage that might be caused to the company.

Compliance requires us to act in accordance with rules, regulations and standards at all times while integrity is the reflection of our inner attitude when facing rules, risks and business values, and our fair and correct behavior based on such inner attitude. Compliance and integrity lead us to be driven by legal and business value and be responsible to the objectivity and compliance of every business decision we make.

Adhering to the principle of integrity can deepen the trust of customers, stakeholders and business partners to the company and establish positive company image. In order to maintain and continuously improve our competitiveness in this rapidly developing and changing market environment, employees of Gotion should repay this trust with compliant behavior and the attitude of integrity at all times.



Our Company Values









We continuously make contribution to the society

Gotion observes and complies with the law and continuously make contribution to the society. Compliance and legality is the top factors that Gotion will go through when making business decisions.

Every employee in Gotion must be aware of his/ her social responsibility, particularly as regards the wellbeing of people and the environment, and ensure that our Company contributes to sustainable development of the society.



Human rights respect and protection

Our Principle

Gotion respects, protects and promotes all enforced regulations which protect human rights and children's rights (hereinafter called human rights) worldwide，such as the International Labour Organization Core Conventions, the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. Gotion rejects all use of child labor and forced or compulsory labor as well as all forms of modern slavery and human trafficking. This applies not only to cooperation within Gotion but also as a matter of course to the conduct of and toward business partners.

My Contribution

As an employee, I can also make my contribution to respecting human rights. I regard human rights as a fundamental guideline and I am concerning and vigilant against human rights abuse happening around me.

If I have concerns regarding human rights abuse in my professional surroundings, I will make my best to prevent it and/or stop it. If necessary, I will inform my direct superior or get in touch with responsible function within the company.

Example and Advice

You are noticed that one supplier does not provide essential personal protective equipment to its employees when producing the products which are ordered by our company. Furthermore, this supplier has the situation of forced labor as well.

Compliance Tips

You should make immediate communication to the supplier in terms of the situation you detected and inform your superior and the units responsible for sustainability in supplier relations. If the situation is true, our Company must examine business relations with this supplier more closely and make corresponding reaction.

Environmental protection and sustainability

Our Principle

Deeply dives in new energy industry, Gotion shoulders the responsibility of implementing the principle of environmental protection and sustainability in the procedure of development, production, product selling and service delivery. Gotion pays close attention to the activities which may pollute the environment, controls the source of pollution, leverages the resources reasonably and implements the overall preventive measures to ensure the sustainable development. Gotion complies with all applicable environmental protection related law and regulation. In the meantime, Gotion does its utmost to optimize the measures of environmental protection in practice, such as continuously evaluates the environmental characteristics of the product and production process, and makes necessary improvement. Principle of environmental protection and sustainability fits not only in Gotion but also stands as the clear request from Gotion to its business partners.

My Contribution

As an employee, I am aware of and firmly follow the environmental protection related rules in the company, understand the importance of environmental protection and actively participate into the work which concerning to the environmental protection in the company. In my work, I use the energy and company resource efficiently and economically. In my field of responsibility, I spare no effort to reduce the negative influence to environment and proactively provide advices for sustainability to the company.

Example and Advice

You notice that there is a leak in a tank and that significant amounts of chemicals are seeping into the ground while walking in the shop floor. You are clear that these chemical leak will cause irreversible impact to the soil.

Compliance Tips

You should immediately inform the responsible unit of environmental protection in the company and consult if there of any measure you could take.

Do not rely on somebody else reporting the leak, environmental protection is the responsibility of every Gotion employee.

Product conformity and product safety

Our Principle

Gotion is responsible for its products, ensures its product quality fulfills all applicable law, regulation, industrial standards and internal process in quality assurance. Therefore, the R&D work of Gotion is requested to fulfill the legal requirement, in this regard, the product risk which may endanger the health, safety, environment and finance of our customer or third parties could be prevented. This is monitored continually and systematically through processes and structures, as well as through product surveillance. We make no compromises on that. We ensure that suitable measures can be taken in good time in the event of any discrepancies.

My Contribution

As an employee, if I notice or have concerns that our products could present a quality issue or a potential risk in my field of responsibility, I will report the matter to my direct superior and to the quality assurance function of the company. I will consult the relevant business unit for any product quality and safety uncertainties even the area it appears is not under my responsible scope.

Example and Advice

You received a complain from a customer and reported technical problems with the sold product to you. However you are not sure the problem is caused by a mistake on the customer part when operating the product or the existing defect of the product.

Compliance Tips

If you are working for the after-sales service, you should clarify the matter with the customer, otherwise you should forward the information to the after-sales team immediately. It is essential to ensure that the company solves a product problem for which it is responsible. Even it is the mistake of the customer when operating the product, the company needs to explain the correct way of operation and thinks of modifying operating instructions or user training.

Donations, sponsorships and charity

Our Principle

The scope of Gotion making donation(contributions on a voluntary basis with no expectation of a consideration in return) and granting sponsorship monies (contributions based on a contractually agreed consideration) contains the support to science and research, education, charitable causes, sports and cultural programs. In the confirmation of the donation recipient, Gotion grants donations only to recognized non-profit organizations or organizations that are authorized by special provisions to accept donation.

In order to avoid conflicts of interest and to ensure standard conduct within Gotion, all donations and sponsorship measures are evaluated and permitted only in the context of the respective local legal framework and in accordance with the applicable internal rules. If necessary, Gotion will conduct business partner due diligence to the potential recipients to ensure the target and the expected social significance are reached through these activities.

My Contribution

As an employee, I understand that the individual donation or sponsorship shall be made on the basis of personal willingness and conducted in the name of the employee. Therefore I will not use any company property for any donation or sponsorship without prior permission. The donation or sponsorship without evaluation and permission is against compliance principle, and will cause potential risk the our company. If I consider a particular sponsorship measure to be worthy of support, I will make initial contact with the relevant departments and proceed the next steps in accordance of company defined standard.

Example and Advice

A local politician asks you for 100,000 RMB's donation in the name of our company for a middle school to purchase a batch of advanced teaching facilities where the politician's daughter is studying in. And you understand that for this reason, the politician's daughter will be granted with the recommendation from the middle school for admission to a famous university.

Compliance Tips

Please turn down the request. Donations may be granted only after going through the required approval process. In this specific case, the donation cannot be approved because the purpose is not compliant, and the potential donation recipient is out of the permitted scope, and will be considered as a sort of bribery to government official.

Lobbying

Our Principle

Politics and legislation exert an influence on the commercial behaviors of a company, meanwhile, the commercial behavior of a company will influent politics and legislation to a certain extent. As a reputable and repaid-developing enterprise, Gotion will possibility have impact on decision-making processes of policy and legislation for the protection of its benefit and development, such as those for legislation plans, through lobbying.

Gotion conducts lobbying centrally and in line with the principles of openness, accountability and responsibility, scrupulously in compliance with laws and regulations of the country, region and industry, including anti-bribery laws. Gotion deals with the interaction with political parties and interest groups on the basis of the principle of neutrality. Dishonestly influencing policymakers and government is not permitted in Gotion.

My Contribution

As an employee, I understand employee's personal political activity shall be conducted in the name of the employee and on the basis the employee's personal resource. I do not attempt to intervene in political decisions on behalf of the Company if I am not authorized to do so. If I am authorized to do so, I observe the relevant internal guidelines in the performance of my duties.

Example and Advice

An acquaintance of yours is a member of the National People's Congress, she updated you that a legislation proposal that is important for Gotion is currently being discussed. You contemplate contacting your acquaintance to explain the interests and influence to Gotion in connection with this proposal.

Compliance Tips

Do not approach your acquaintance about the issue. Lobbying in the Company is exclusively coordinated centrally and conducted openly and transparently. The appropriate point of contact for such lobbying measures is the public relations function.

Equal opportunity and equal treatment

Our Principle

Gotion is committed to offering equal opportunities and treatment to every employee, meanwhile, Gotion encourages and respects the diversity in employees, and does not tolerate any discrimination on grounds of ethnic or national origin, gender, religion, age, sexual orientation, disability, political views, social background or any other characteristics protected by law. In the recruitment process, all decisions are based on job requirements, standards and employees' competence and ethics, so as to eliminate discrimination arising from the above factors. Gotion adheres to the principle of equal pay for equal work, provides employees with wage standards in compliance with the laws and regulations of the countries and regions where they are located, and offers equal opportunities to employees in the topics like benefits and promotions.

My Contribution

As an employee, I identify with the importance of principles of equal opportunity and equal treatment to the protection of employee right, and observe these principles strictly in my field of work.

If I see any contravention of the principles of equal opportunity and equal treatment (disadvantagement, harassment or mobbing in the workplace), I will make the persons involved aware of their misconduct. If I am not in a position to influence the events directly, I will notify the human resources function of the incident or get in touch with any of related function unit in the company.

Example and Advice

You are noticed from a colleague in hiring department that a job applicant was rejected by the business unit because the status of the applicant is married but has not had a child, although she is the best candidate for the advertised job from capability and experience described in her CV.

Compliance Tips

You should illustrate to this colleague that it is a discrimination and advise this colleague to report the case to her superior so that the situation could be clarified and appropriate steps can be taken.

We insist on compliance and integrity in business

Gotion believes the principle of compliance, integrity, transparency and fairness are the foundation of business as well as the key to establish the credibility and trust in practice.

Gotion sets particularly great store by implementing its legal framework, policy, guidelines and corporate values in business operation and communicate clearly to employees.



Prohibition of corruption

Our Principle

Gotion conducts business with integrity and transparency, and uncompromisingly reject corruption in any form. Corruption affects the objectivity and reasonableness of business decisions, limits the fair market competition as well as restricting the development of the society and business. In this regard, corruption must be prohibited to avoid any penalty towards the company and employees.

Gotion draws a clear line between courtesy gift and hospitality and business bribery and corruption, and only permits to grant gift and invitation to business partners within the legal framework and company policies. Meanwhile, any kind of kick-back, facilitation payment, making bribery through third party and fraud is not allowed.

My Contribution

As an employee, I keep myself sensitive to all gifts and invitation from external, and never bribe others and I never accept a bribe, either directly or indirectly.

I take responsibility for informing myself by consulting the internal rules before I give or accept gifts, issue or accept invitations, or offer or receive hospitality. When I encounter with any uncertainties, I will immediately inform and consult with my direct superior and compliance function. If any corruption is detected, I will timely report it to compliance function.

Example and Advice

You are responsible for Sales and would like to surpass this year's revenue target. You are preparing the quotation for a bid from a potential big customer. The relevant decision-maker on the customer side offers to make a favor of your company when evaluating the bidders, in return he requests for an appropriate consideration.

Compliance Tips

This is a corrupt behavior, please turn down the offer and inform your superior and the compliance function immediately.

Gifts, hospitality and invitations

Our Principle

Gotion has clear definition to gifts, hospitality and invitations. The gifts, hospitality and invitation within legal framework and company policies are permitted, however, if the benefits in the form of gifts, hospitality and invitations exceed the rational scope, it possibly be identified as business corruption and will cause serious consequence to the company and involved employees.

Employees must follow the internal rules when dealing with gifts, hospitality and invitations, the analysis for reasonableness and the prior approval must be obtained. If necessary, employees may consult with compliance function and listen to their recommendations.

My Contribution

As an employee, I familiarize myself with the guidelines on handling gifts, hospitality and invitations, and strictly abide by them. I will timely report to my superior and compliance function for any issue and refer their suggestions.

I check my conduct accordingly to see whether there might be of any influence on my independence and objectivity of making business decision when I receive a compliant gift, hospitality and invitation, if yes, I will also refuse it.

Example and Advice

You are working in purchasing function, a supplier which cooperates with the company for year recently mailed you a valuable watch as birthday gift.

Compliance Tips

You should reject the watch as its value exceeds the reasonable scope. Please inform your superior and contact the supplier to state the reason of rejection and request them to take the gift back in person or send it back with witness of other employees. For the protection of yourself, the written document shall be formed when the supplier takes the gift back or the gift is mailed back to the supplier.

Dealings with officials and holders of political office

Our Principle

Gotion holds great caution in contacts with officials or holders of government office, administrative authorities and other public institutions, and ensures all behaviors are strictly in line with all laws and legislation as well as the relevant internal rules concerning the avoidance of conflicts of interest and corruption. Any individual breach of which may have serious consequences and could cause economical and reputational loss to the company.

Gotion prohibits the unreasonable benefit and "facilitation payments" to public officials and authorities. However, Gotion will fully support to government and authorities when the officials are performing their duties.

My Contribution

As an employee, I am aware and firmly obey the internal rules and guidelines of dealing with public official and authorities, and I familiarize myself with these rules. If I have any questions or uncertainties, my first contact is my supervisor and the relevant departments in the company, and I will further consult with compliance function and legal function when necessary.

Example and Advice

In the fire control acceptance check to the new shop floor of the company, you propose to pay facilitation payment to the responsible public official to shorten the waiting time and ensure the shop floor could be used as planned.

Compliance Tips

This is a wrong behavior, please stop it immediately. Facilitation payment is regarded as the addition payment to public official to accelerate the public service process, and it is deemed as bribery which will cause serious consequence to the company and employees.

Conflicts of interest

Our Principle

Gotion fully respects its employees' personal hobby and private life, however, if there is a conflict between the employee's interest and the company's interest, then a potential conflict of interest might be formed. Conflict of interest may cause corruption and if the employee takes care of the personal interest prior to the company's interest, it will bring damage to the company.

In this regard, every employee of Gotion shall learn and firmly obey the relevant management guidance of the company, carefully identify, foresee and avoid any form of conflict of interest from occurring.

My Contribution

As an employee, I proactively disclose any apparent or actual conflicts of interest to my superior and the appropriate human resources function. We jointly seek a solution that is not detrimental to the company's interests.

Example and Advice

Your boss asks you to inspect the quality of the sample products from several potential suppliers. You discover that one sample is from the company of your good friend. What do you do?

Compliance Tips

Inform your superior of the situation and withdraw from the decision-making process to avoid any appearance of a conflict of interest.

Prohibition of money laundering and terrorism financing

Our Principle

Money laundering and terrorism financing are both illegal behaviors. Money laundering occurs when funds or other assets originating directly or indirectly from criminal offenses are put into circulation in the legal economy, making their source appear legal. Terrorism financing occurs when money or other resources is/are made available to commit criminal acts of terrorism or to support terrorist organizations. Liability for money laundering does not require the person involved to be aware that money is being laundered through the legal transaction concerned or the transfer concerned. Inadvertent involvement in money laundering may already be sufficient grounds for serious penalties for everyone involved.

Gotion carefully checks the identity of customers, business partners and other third parties who wish to do business with Gotion, meanwhile Gotion conducts business solely with reputable partners who operate in line with legal provisions and use resources from legitimate sources. In the meantime, Gotion assigns incoming payments to the corresponding services without delay and post them accordingly to ensure transparent and open cash flows.

My Contribution

As an employee, I take no action whatsoever that may violate money laundering and terrorism financing related legal provisions and company rules. I am vigilant to any suspicious conduct on the part of customers, business partners and other third parties, if there is information providing sufficient grounds for suspicion, I immediately get in touch with the concerned responsible unit in the company.

I abide by all applicable provisions for recording and posting transactions and contracts within my area of responsibility in the accounting system.

Example and Advice

One customer overpaid and asked for the excess amount to be repaid by transferring it to an account held in Switzerland or by paying it in cash instead of via bank transfer to the original business account.

Compliance Tips

Please do not accept request and react readily. Such kind of request requires an explanation that why the amount cannot be repaid in the same way it was originally paid. Please seek for advice from your superior and the concerned responsible unit in the company.

Prohibition of insider trading

Our Principle

Inside information is information of a precise nature that has not been made public and if it were made public, would be likely to have a significant effect on the price of the relevant security or financial instrument. Gotion prohibits the use or disclosure of inside information in the trading of shares, other securities or financial instruments, and also forbids the behaviors of provoking and advising others to conduct the insider trading and illegal disclose the inside information of the company.

Gotion handles information pertaining to share performance in accordance with capital market requirements and do not tolerate any insider trading.

My Contribution

As an employee, I do not engage in insider trading nor do I make any such recommendations to any third party or incite any third party to engage in insider trading. Furthermore, I comply with the relevant internal rules and do not divulge inside information to any outside party, including family members unless this is required during the course of normal working process or legal requirement.

If I have access to inside information, I do not purchase or sell any securities or financial instruments based on this information.

Example and Advice

You learn through your work that the news of acquisition of a new business is going to be announced by your company soon. You know that your very good friend is currently considering whether to sell his shares of your company. Since the price of your company's shares will likely rise once acquisition of the new area of business has been announced, you consider telling your friend that he should hold off on selling his shares.

Compliance Tips

Please do not tell or tip your friend off under any circumstances. Since the information of which you are aware is not public, but inside knowledge, you are not permitted under any circumstances to share this knowledge with others. Transmitting this knowledge directly or indirectly would make you liable to prosecution.

Compliance request to business partners

Our Principle

Gotion not only sets high standards to itself but also works to ensure compliance with these standards along the entire value chain. Applying the sustainability requirements, Gotion is aware of its responsibility for the economic, ecological and social impact of its actions. Gotion expects its business partners also address the responsibility they are shouldering particularly in terms of human rights, health and safety at work, environmental protection and combatting corruption which are commonly concerned, in the mean time, to convey these principles and the obligations they entail to their own employees as well as to their business partners.

My Contribution

As an employee, I address the compliance and sustainability requests to business partners in daily work to ensure the compliance in the supply chain. Meanwhile, when I notice any violation or misconduct from the business partner in co-operation, I will contact my superior or the appropriate department and highlight the problem to the supplier seriously.

Example and Advice

You found a young teenager is assigned by the gardening supplier to your company as a porter to carry flower, after confirmation, this porter is just 13 years old.

Compliance Tips

You should stop the work of the porter immediately, inform your superior and the function of sustainability about the situation, serious check of the supplier is mandatory, if necessary, some further measures shall be considered.

We are a fair market player

Gotion is conducting business all over the world and seeking to be excellent in the global marketplace by its outstanding performance and ethical business practices.

Gotion acts as a fair player in the marketplace and ensures the free market competition.



Fair and free competition

Our Principle

As a market participant, Gotion conducts the business solely on the basis of the principle of fair and free competition from time to time, and always follows the legal provision of anti-unfair competition and anti-trust. Gotion resolutely rejects the horizontal agreements or negotiated business practices among competitors for the purpose of eliminating or restricting fair and free competition, meanwhile, the behaviors in following manners are also prohibited: obtaining information and intelligence of competitors in inappropriate way, abusing market dominance such as different treatment to customers without objective reason (discrimination), refusal of supply, imposition of unreasonable buying, selling prices and conditions, and tying unrequested services without objective reason, etc. These behaviors not only seriously damage the good reputation of Gotion, but also may lead to serious fines and other penalties.

My Contribution

As an employee, I avoid making conversations or any other contact with competitors about issues that are important among the competition. Such issues include prices, pricing, business planning, development statuses and delivery times, splitting sales markets, or boycotting of transactions etc., I will also not quest for the mentioned content from the peers in the same industry. If any uncertainty is encountered, I will seek for advice from my superior, legal function and other relevant responsible departments.

Example and Advice

You talk to a competitor's employee at a trade fair. After a while, you notice you are being sounded out for information about your company's future business planning. In return, the employee offers to divulge the same information about his company.

Compliance Tips

Please immediately make it absolutely clear to the competitor's employee that you will not talk to him about such issues. This type of conversation apart from the unauthorized disclosure of business secrets is also a breach of prevailing competition and antitrust legislation and could have drastic consequences for you personally, your company, and both the competitor's employee and his company. Document this conversation and inform your superior, legal function and other relevant responsible departments immediately.

Accounting and financial reporting

Our Principle

Gotion builds and retains the trust of the general public, shareholders and contract partners through obeying the rules and principle of accounting standard and ensuring proper accounting and correct financial reporting. Therefore, Gotion assures the transparency, completeness and correctness in its finance work, and establish the foundation of integrity in it. To that end, Gotion regularly informs all capital market players of its financial position and business developments, also publishes periodic financial statements punctually in accordance with national and international accounting regulations.

My Contribution

As an employees, I ensure that all financial data, business data and other handled data under my responsibility are correctly maintained and able to reflect the real transaction. Meanwhile, I strictly follow the legal request and internal regulation to make necessary retain , archive and maintain to the financial record regularly.

If I have any questions about the correct recording of data, I will contact my superior or the finance function in the company for help. Additionally, if I suspect or detect any non-compliance in financial data recording and internal control process, I will contact the finance function and the compliance function.

Example and Advice

Due to the work plan adjustment, your department urgently needs to purchase a new equipment. However, the budget in your department for the current fiscal year has already been used up, no additional budget for the equipment purchasing. Your department is considering of acquiring the equipment nevertheless and posting the cost in the next fiscal year when your budget is replenished.

Compliance Tips

Please refrain from taking such action. Entries must always be posted accurately. Posting entries inaccurately may have serious consequences for the company or individual employee.

Procurement

Our Principle

Gotion values the spirit of contract, and follows the domestic and international trade law and the company internal purchasing regulation and process to implement the procurement business. Gotion selects its business partners and suppliers on the basis of the objectivity and transparency principle.

When purchasing the product and service, business units of Gotion work firmly with purchasing function, following the purchasing process and avoid any conflict of interest which might to occur in the procedure. When necessary, Gotion will conduct proper business partner due diligence to the business partners and suppliers to ensure the safety and reliability of the entire supply chain and business transaction.

My Contribution

As an employee, I am vigilant and preventing any conflict of interest in the purchasing process. I show no bias in favor of a supplier or service provider without an objective reason or deviating from the fact.

If I detect any non-compliance in the supply chain management and procurement process as well as any misconduct from the business partner or suppliers which is against the purchasing principle or bypassing the purchasing process, I will inform the compliance function immediately.

Example and Advice

It comes to your attention that your supervisor would like to commission a supplier without involving the appropriate purchasing function of the company.

Compliance Tips

Please remind your supervisor to follow the purchasing standard to ensure the company acquires the most cost-effective quotation. In the meantime, any form of performance before contract shall be averted to mitigate the legal and quality assurance risk. Notify the compliance function if necessary.

Export control

Our Principle

Gotion proactively participates into international business, and being aware and follows the applicable export control legislation and customs regulation as well as the rules of exporting goods, service and information to avoid forming business with the individual and enterprises which is clearly listed in the trade sanction list. Furthermore, if there is of any red flags indicating the non-compliance in the transaction that the company is implementing or plan to make, Gotion will hold cautious attitude and engage the relevant responsible function in the company to take measures to mitigate the risks.

My Contribution

As an employee, when making a decision concerning the import or export of products and services, I consciously examine whether the decision may fall under export control. When in doubt, I seek advice from my superior and the department responsible for customs and international trade law.

Example and Advice

You are responsible for oversea sales, and receive an inquiry from a potential customer wishing to place an order with your company to supply products in a country that the United Nations has listed in the sanction list.

Compliance Tips

Please clarify the matter by asking the relevant department about export restrictions that apply to the country to be supplied (e.g. a UN embargo) and do not conclude any contracts until the issue has been fully clarified.

Communication and marketing

Our Principle

Gotion initiates to communicate clearly and consistently with employees, business partners, shareholders, investors, the media and other stakeholders using honest and lawful means. To safeguard the information security and the reputation of the company, all departments and individuals who makes statement on behalf of Gotion shall be authorized and permitted in advance. All employees bear a responsibility to understand and observe the rules and procedures of information disclosure and external communication. Before committing and executing any planned communication or marketing measures, such measures must first be coordinated with the relevant department.

My Contribution

As an employee, I am knowledgeable about the rules of information disclosure and external communication. I do not issue any public statement for the company without clear authorization and permission from the company as it might bring potential risks to the operation and reputation of the company. When I am asked for comments to the company by the media, I will always seek for advice from the public relations function and consult with compliance or legal function if necessary.

Example and Advice

You read a report on the Internet that intentionally smear the product of your company, as an experienced engineer, you clearly know that the points raised are entirely unfounded.

Compliance Tips

Even if you would like to correct the misrepresentation straightaway, contact the relevant department first, because this department is in a position to respond appropriately and comprehensively to such negative report.

Taxes and Tariff

Our Principle

Gotion consciously complies with a raft of different regulations relating to external trade, tax and customs law and handle the issue of tax and tariff with integrity. In business practice, Gotion builds trust with customers, financial authorities and the general public by ensuring the complete submission and recording of the tax information as well as the promptness, transparency and correctness of the tax payment.

Gotion must strengthen the competitiveness to guarantee the successful development of its international business, and in the meantime, shall avoid any potential negative influence to its reputation, especially the misconduct like tax evasion, information cover-up and illegally obtaining tax benefits etc., these behaviors shall be firmly prohibited.

My Contribution

As an employee, when dealing with the issue of taxes and tariff, I ensure that the taxes and tariff to be paid are calculated correctly, promptly and in full, disclosed clearly in reporting, and paid to the appropriate fiscal authorities.

If I have information concerning the infringement of tax and customs regulations in my area of responsibility, I will undertake every action I can to prevent or stop this infringement. If that is not possible, I will report it to my superior or get in touch with the appropriate tax and customs function.

Example and Advice

You are responsible for entering certain business transactions, such as general overheads (maintenance expenses) and production costs, in the statutory financial statements. One project exceeds certain controlling parameters early in the financial year. You therefore receive instructions to make an entry under maintenance expenses even though the transaction unquestionably relates to an investment and must therefore be treated as capitalized production costs.

Compliance Tips

Please post the entry in line with legal requirements. All business transactions must be correctly reported pursuant to commercial law and tax regulations because these accounting records form the basis for tax returns. Accounting errors could therefore result in incorrect tax returns and lead to serious consequences under tax and customs law for the Company and the employees responsible.

We maintain a professional workplace

Gotion places high value on the protection of the occupational health and safety of every employee.

The principle of protection and security also applies to employee and customer data as well as company-specific know-how and company assets.



Occupational safety and healthcare

Our Principle

Gotion pays great attention to the occupational safety and takes care of employees' health. Additionally, Gotion is committed to its responsibility to be in line with the national regulations where the company locates as well as the internal policies related to the occupational health and safety. Sticking to the principle of people-oriented, Gotion is concerned about the interests of employees, keeps improving the awareness of risk prevention in occupational safety and health and advocates the management concept of joint development between the company and employees to establish an effective occupational health and safety management system. Gotion regularly assesses the risk of health and safety in workplace, formulates and implements various measures and plans to prevent hazards and promote health, so as to continuously improve employees' working environment and conditions, actively safeguard and promote their physical and mental health, and enhance work efficiency and job satisfaction. At the same time, illegal items such as drug and any other form of threats, violence, etc., are strictly prohibited in the workplace.

My Contribution

As an employee, I understand and firmly abide by the occupational health and safety rules of the company, and take necessary measures under legal and compliant framework within the scope of my duty to ensure the safety of myself and other colleagues in the workplace. I make an active and voluntary contribution to maintaining and promoting my health by voluntarily participating in preventive healthcare and health promotion activities outside of the work. Additionally, I promptly identify, handle and report any unsafe working conditions and other safety issues which have existed or may exist in the working environment to the function of safety and environmental protection.

Example and Advice

You noticed that a machine in the shop floor has a technical fault. You have no qualification of fixing a machine, however, you would like to try to repair it by your years of working experience.

Compliance Tips

Any unqualified repairing or self-repair of machine without operation permission is not allowed, it not only puts employees at risk, but also may cause further damage to the machine. Therefore, please take the machine out of operation and make sure the "out of order" sign is clearly displayed. Meanwhile, please notify the appropriate department to repair the machine in time.

Handling company assets

Our Principle

Gotion's company assets may only be used for business purposes and within the framework of internal policy and regulation. Any form of misappropriate use of company assets for personal gain or other illegal purpose is strictly forbidden. Employees must respect and protect all tangible and intangible company assets and understand that the company assets cannot be abused, distorted or disclosed without authorization, it may lead to the adverse consequences to the company such as information leakage, waste of resources, and even cause operational risks under serious situations.

My Contribution

As an employee, I adhere to the company's rules and exercise care when handling company assets. In my work, I am able to clearly identify and protect company assets from theft, loss, damage, misuse or waste. When in doubt, I will consult the specific company assets management function.

Example and Advice

The amateur photographer club you joined is planning a weekend trip to take photos. You are considering whether you could borrow a car secretly for club trip from the company fleet that you are managing.

Compliance Tips

This is not a compliant behavior, as the company employee who is responsible for fleet management, you cannot give a vehicle free of charge for private use, nor can such a vehicle be made available to third parties. This is regarded as misuse of company asset.

Security and protection of information, know-how and intellectual property

Our Principle

Gotion strictly abides by the relevant provisions of laws and regulations on commercial information security and intellectual property protection, and has established a functional and secure information security protection system within the company to prevent any loss to the company from information leakage from causing damage to the company, meanwhile to respect and protect the information, knowledge and intellectual property of third parties.

Intellectual property such as company trade secrets and patents are of enormous commercial value. Every employee is expected to handle and protect them cautiously and properly like preventing unauthorized access to information, thereby reducing the risk of disclosure, loss or misappropriation of important information, know-how and intellectual property.

My Contribution

As an employee, I handle all company information with care. Only share company information with specific parties outside the company when it is absolutely necessary, authorized by the company and following the complete and correct procedures, and I pay attention to the security and confidentiality of the measures when sharing the information. I agree with the importance of protecting the company's intellectual property, and properly keep all kinds of information that I come into contact within business activities in actual work to prevent it from being leaked or lost. I am obliged to respect and protect the information, know-how and intellectual property of third parties when contact with external parties.

Example and Advice

You are involved in the development of a new product for the company. Due to the meeting time adjustment, the project progress meeting will be held while you are on the way to the meeting site, which means you need to participate into the meeting online on the train, additionally, you need to use the company's laptop (the relevant materials for the meeting is stored in it) to present and demonstrate the progress of the development to the meeting attendees.

Compliance Tips

Research and development information belongs to the company's confidential information. It is prohibited to browse, edit, and talk about such company's confidential information in public places such as trains and planes. It will bring the risk of information leakage and cause serious losses to the company. Therefore, you should explain the situation to the meeting organizer and change the meeting time.

IT Security

Our Principle

Gotion attaches great importance to information technology (IT) security, electronic data processing (EDP) security, network security and IT asset use security, and strictly abides by relevant laws, regulations and internal policies of the company to process company information. Meanwhile, Gotion continuously improves the network security management system, formulates network security management strategies and configures network security controlling measures to ensure the legal and stable operation of the company's network. Moreover, to continue to optimize the management system of the company IT assets and implement necessary management measures for the proper use of IT assets.

My Contribution

As an employee, I familiarize myself with the applicable IT security regulations and abide by these requirements strictly to ensure compliant and legal use of these company network resources and IT assets. In my daily work, I operate the hardware equipment by following standard and use the software with caution. In case of any uncertainty or unusual circumstances detected, I will seek for help from the company's information security management function.

Example and Advice

You attend an external conference and apply to obtain the conference documents from the organizer. The organizer provides you a USB stick to transfer the documents however You only have the company's laptop with you.

Compliance Tips

Please only use the data carriers or system which is distributed by the company for data exchange, and never connect any data storage device that has not been evaluated or checked by the company's information security function to company computers. In this regard, please ask the conference organizer to send the document via E-mail. Furthermore, please do not open any suspicious or unknown E-mails or attachments to avoid malware or viruses from entering the company network or IT assets.

Personal information and privacy protection

Our Principle

Gotion strictly abides by the laws and regulations on the protection of personal information and privacy, and collects, processes, uses and stores the information of employees, former employees, customers, suppliers and other affected parties in accordance with legal provisions and for reasonable business purpose. At the same time, Gotion follows the internal regulations and the confidentiality agreement with customers and business partners to properly store and handle all personal information and privacy information.

My Contribution

As an employee, I abide by the company's policies and regulations on personal information and privacy security protection. I ensure all those company information are managed in confidentiality. If I become aware of any improper disclosure or improper acceptance of personal information and privacy, I will make report to company as soon as possible.

Example and Advice

Your company organizes a seminar of the new energy industry which is of the participation of external personnel, and you are responsible for notifying all the participants and collecting the necessary personal information of the participants. A colleague has approached you and requested you to share one participant's phone number, upon questioning, the colleague declared that he wanted to establish a personal connection with the participant.

Compliance Tips

Please do not provide the requested personal information to the colleague. In general, data may only be used for the defined purposes. In this regard, except in special circumstances, any processing of personal information outside the regulations and defined purpose should notify the information subject and obtain their consent. If necessary, please also consult your supervisor or the data protection unit in the company.

Support

If needed, points of contact could provide support in dealing with the Code of Conduct.



Employee representation

Gotion guarantees employees' rights to freedom of association and collective bargaining. Professional dealings with employee representatives that do not allow either privilege or discrimination are part of our corporate culture.



Compliance consultation and whistleblower system

The first point of contact for any questions or uncertainties regarding the Code of Conduct is your superior or the compliance function, every employee can get in touch with the compliance function by sending e-mail to the general compliance consulting e-mail address at compliance@gotion.com.cn

If there is of suspicion of a violation of the Code of Conduct or a regulatory violation at workplace, you can use the Whistleblower System of Gotion to report this – either giving your name or making an anonymous report. Regulatory violations significantly harm the reputation or the financial interests of the company, therefore employees are encouraged to make report on the basis of concrete evidence or existing reasonable suspicion.

The Whistleblower System of Gotion is the main internal point of contact for reporting regulatory violations in relation to Gotion. The system is founded on standardized, swift processes and the confidential and professional processing of information by internal experts. The fair and transparent procedure under the Whistleblower System of Gotion makes sure that the company, the persons implicated and the whistleblowers are protected.

Abuse of the Whistleblower System of Gotion is not tolerated: anyone deliberately abusing the system commits a serious regulatory violation and faces disciplinary sanctions. Equally, retaliation or discrimination against whistleblowers are not tolerated, consequently, a serious regulatory violation and disciplinary sanctions will be imposed to these misconducts. With regard to the persons Implicated, the presumption of innocence applies for as long as a regulatory violation is not proven.

Consequently, an investigation will only be initiated if there is reasonable suspicion of a regulatory violation.



Access the Whistleblower System through the following channels



Address for making face-to-face whistleblower report or writing a letter

Compliance Management Center, Gotion High-Tech Co., Ltd., No.566 Huayuan Road, Baohe District, Hefei, Anhui, China



Number of hotline for making whistleblower report

0551-6210 0065

*Note: please contact the hotline by office hours during working days: Monday to Friday, 8:30 a.m. to 5:30 p.m.



E-mail address for making whistleblower report

jubao@gotion.com.cn

Self-test for decision guidance

If at any time I am unsure whether my behavior complies with the principles set out in our Code of Conduct, I should ask myself the following questions:

1. Did I take all relevant matters into consideration and weigh them properly?(content test)
2. Am I confident that my decision is within the constraints of legal and company requirements? (legality and compliance test)
3. Do I stand by my decision when it is revealed? (supervisor test)
4. Am I in favor of all such cases being decided the same way company-wide?(universality test)
5. Do I still think my decision is right when my company has to justify it in public?(public test)
6. Would I accept my own decision if I were affected? (involvement test)

If my answer to these questions are all “yes”, my behavior is very likely to be compliant with our principles. If questions remain unanswered or if I have any doubts, I should get in touch with any of the points of contact listed in this chapter.



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Compliance Everywhere by Everyone

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