

Wison Engineering Services Co., Ltd.

Compliance Management Policy

WISON-WESL- RC-MP-002-B-2024

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1. Purpose and Scope

- 1.1 Wison Engineering Services Co., Ltd. (“Wison” or the “Company”) upholds the values of “Honesty is the Primary Quality; Respect Customers; Stress the Importance of Innovation; Harmony and Win-Win Results”, and the aim of “Developing Science and Technology and Benefiting People's Livelihood”. Wison provides excellent services and high-quality products, and creates values for society and makes contributions to a harmonious and beautiful world, in strict accordance with relevant laws and regulations, subject to the harmonious coexistence with its partners, the public and the natural environment.
- 1.2 The "Compliance Management" involved in this Policy refers specifically to the management of corruption, bribery, money laundering, fraud, and any other unethical behavior by the Company, towards which Wison adopts a "zero tolerance" attitude . Wison adheres to the principle of integrity and fair trade to avoid fraud, bribery or corruption, money laundering and unfair competition.
- 1.3 The Policy is applicable to all employees from Wison and its subsidiaries, branches (including all executives and directors) and third-party business partners (“Third Parties”).
- 1.4 All Company employees and the Third Parties are expected and required to conduct business in accordance with this Policy and all applicable laws and regulations, and to defend the reputation of Wison.

2. Document Reference

Any and all documents, laws and regulations referenced in this Policy shall form part of this Policy, including:

- a) *Anti-Unfair Competition Law of the People's Republic of China*—Order of the President No. 10 of the PRC;
- b) *Interim Provisions on Banning Commercial Bribery*—Order of the SAIC No. 60;
- c) *Prevention of Bribery Ordinance of the Hong Kong Special Administrative Region*—Chapter 201;

And other national laws and regulations in the places where the Company conducts business and where the legal jurisdiction of the contract is.

For above dated references, any subsequent amendments (excluding errata) or revisions shall not apply to this policy. For undated references, the latest version shall apply to this policy.

3. Prohibition on Bribery

- 3.1 Wison strictly prohibits its employees and the Third Party from engaging in any form of bribery, including but not limited to offering or receiving improper business hospitality (including gifts, entertainment, third-party travel etc.), kickback, loan and other monetary or non-monetary benefits (e.g. charitable donation, private travel and employment opportunities etc.) in order to conduct or maintain the business and gain unfair business benefits.
- 3.2 Employees must exercise good judgment in providing or receiving the business hospitality. Never offer or accept business hospitality under circumstances that might create even the appearance of impropriety. The Company employees shall provide or receive the business hospitality in full compliance with applicable laws and regulations.
- 3.3 Great caution should be exercised in dealing with government officials. For the purposes of this Policy, the term “government official” includes:
- a) Officers, employees, and other persons working in an official capacity on behalf of any branch of a government (e.g., legislative, executive, judicial, law, military, or public education) at any level (e.g., local, county, provincial, or central) or any department or agency thereof, regardless of seniority;
 - b) Political party officials and candidates for political office;
 - c) Directors, officers and employees of state-owned, state-controlled or state-operated enterprises;
 - d) Officers, employees, and other persons working in an official capacity on behalf of any public international organization, e.g., the United Nations or the World Bank, regardless of seniority;
 - e) Immediate family members of persons mentioned above (e.g. parents, children, spouses and in-laws).
- 3.4 Principles of gift management are as follows:
- a) Providing or receiving cash or cash equivalents is prohibited;
 - b) Illegally providing gifts to government organizations and their officials is prohibited;
 - c) Never request any gift from the suppliers, sub-contractors or partners in an express or implied manner.
- 3.5 Principles of entertainment management are as follows:

- a) Entertainment shall not be offered to obtain competitive advantages, maintain the unfair benefits of the Company or for other unreasonable purposes;
- b) Employees must be present for all entertainment provided;
- c) All forms of adult entertainment are prohibited;
- d) Employees shall refuse to accept too extravagant or too frequent entertainment;
- e) Never request any entertainment from the suppliers, sub-contractors or partners in an express or implied manner.

3.6 Principles of third-party travel management are as follows:

- a) The travel expenses paid for the Third Party or government officials must have the reasonable and proper business purposes;
- b) Travel invitations to third parties and government officials must be approved in advance;
- c) A formal invitation must be sent to any proposed attendees and their employers from the department for requirement;
- d) Never provide or accept private travel accompanied.

3.7 The requirements for recordkeeping are as follows:

- a) All transactions must be recorded in an accurate, complete and timely manner. It is prohibited to conceal, falsify or manipulate with the financial records, as well as to fabricate, provide or disclose false financial reports
- b) All documents including vouchers and approvals must be kept properly to ensure the completeness and accuracy of the books materials.

Note: For more information on business hospitality, please see the Company's WO-ADGE400402C -Regulations on the Management of Souvenirs, WO-FIGE100404C-Regulation on Expense Payment Management and Appendix A hereto.

4. Sponsorship and Donations

4.1 The company allows reasonable sponsorship and donations. When comes to sponsorship and donations, it should be noted that:

- a) The sponsorship and donations shall be transparent and have legitimate purposes without any negative impacts on Wison. and Any sponsorship and donations shall be prohibited for the purpose of obtaining competitive advantages, improper benefits or other unreasonable purposes;
- b) The sponsorship and donations shall be properly paid, and shall not be paid in cash or to individual account;
- c) The company shall avoid the sponsorship and donation to the organizations with religious discrimination and gender discrimination or to

the organizations supporting the terrorist activities or in violation of international conventions;

- d) The donations shall not be directly or indirectly made to the government officials or to benefit them. Never donate to the charitable institution specified by the government officials.

- 4.2 The President's Office is responsible for the company's sponsorship and donations management and the consolidated planning and proposal of the company's sponsorship and donations, but the implementation should be approved by the Risk Control Department in advance..
- 4.3 The President's Office must get approval of the matters on sponsorship and donation according to the Company's requirements on authorization management. Agreements are required for all sponsorship, in which the amount and purpose of the sponsorship and the anti-bribery clauses shall be specified;
- 4.4 The President's Office shall be responsible for monitoring the performance of the recipients and making timely feedback and report.

5. Third-Party Management

- 5.1 The term "Third Parties" includes any agent, representative, intermediary or other non-Company party, entity or individual, engaged to work with or providing services for the Company. The Company's Third Parties generally includes suppliers, subcontractors, and service providers.
- 5.2 The Company requires all the Third Parties must comply with this Policy and the applicable laws and regulations. They are prohibited from paying or asking for bribery in the name of Wison.
- 5.3 Before cooperating with the Third Party, the department for requirement shall conduct appropriate due diligence. It shall investigate the Third Party's reputation, records of punishment for violation, lawsuits and negative news, as well as the relationship with government officials etc., in addition to checking relevant ability and qualification. The Risk Control Department shall review the due diligence based on regular/irregular compliance risk assessment.
- 5.4 All Third Parties, before conducting business cooperation with Wison, shall carefully read this Policy and sign [Letter of Undertaking of Honest Conduct] (See Appendix C).
- 5.5 The contract signed between the Company and the Third Party must include relevant compliance clauses. In these compliance clauses, the Third Party is

required to comply with the compliance policies, including avoidance of all kinds of fraud, corruption and bribery, and in case of violation, Wison will reserve the right to terminate the Contract and recover the loss arising therefrom.

- 5.6 The department for requirement shall be responsible for monitoring the Third Party's performance to ensure that it complies with this Policy and applicable laws and regulations.

6. Prohibition on Money Laundering

- 6.1 No one or company shall use its relationship with Wison to hide or attempt to hide the sources of illegally obtained funds.
- 6.2 To guard the Company against money laundering risks or being utilized by criminals attempt to money laundering, due diligence on customers and partners shall be conducted before conducting the business. Trading with parties suspected of money laundering is strictly prohibited. In the course of trading, the financial policies shall be fully complied with. No payments should be made to non-trading accounts and abnormal business accounts.

7. Prohibition on Unfair Competition

- 7.1 Wison strictly prohibits anyone from using wrongful or deceptive business practices to gain business advantages.
- 7.2 Examples of unfair competition practices include:
- a) Engaging in trade libel/slander or rumor-mongering, such as maliciously spreading information about a competitor that would ruin or harm its reputation in the industry;
 - b) Participating in collusive tendering to artificially raise or lower the bidding price, or to elbow out competitors;
 - c) Misappropriating, using or disclosing a competitor's trade secret. Trade secret includes but is not limited to management methods, production and marketing strategy, customer lists, supplier information, financial data and other business information, as well as technical information such as technological process, technical know-how, and design drawing;
 - d) False advertising or false representation of services or products, such as exaggerating the capabilities of a product;
 - e) IP infringement.

8. Prohibition on Fraud

- 8.1 Wison strictly prohibits anyone from fraudulent conducts including deception, forgery, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts, collusion, and any other fraudulent behavior.
- 8.2 Wison is committed to preventing, detecting and reporting fraud, including fraudulent financial reporting.

9. Avoid Conflicts of Interest

- 9.1 A conflict of interest arises when an individual's private interests influence, or may appear to influence, the objective exercise of his or her duties to the Company. Employees must seek to avoid any real or perceived conflict between their private interests and their duties to the Company.
- 9.2 When conflict of interest occurs or may occur, employees shall initiatively declare and avoid the conflict to ensure their loyalty to the Company.

Note: For more information on Conflicts of Interest, please see the Company's Regulation, WISON-WESL-RC-MP-005 Conflict of Interest Management Policy.

10. Reporting Violations

- 10.1 Wison encourages all employees and the Third Party to report any real and potential violation of this Policy and other internal regulations. The reporting channels are as follows:
 - a) Email: ethics@wison.com;
 - b) Website: <http://www.wison-engineering.com/site/honesty>.

Note: any questions may be consulted with the Risk Control Department;

- 10.2 Whether reporting in real name or in anonym, Wison will strictly maintain the confidentiality of the whistle-blower's information. Any attack and retaliation on the whistle-blower is strictly prohibited, and when reprisals are discovered, whether by way of obvious or implicit, open or secret salary reduction and demotion, job transfer or dismissal, or any other forms of reprisals, the Company will give severe punishment to those persons who carry out such reprisals.

10.3 The Company will analyze and assess the information reported, and will decide whether to launch the compliance investigation procedures.

10.4 After the investigation is completed, the disposal will be conducted on the violators or persons who fail to take precautionary measures to prevent risks according to WO-HRGE000403C-*Regulations on Employee Behavior, Rewards and Penalty Management*.

11.Responsibilities of Compliance Management and Monitoring

11.1 The Compliance Committee

The members of the Compliance Committee consist of all executive directors of the Company. The Compliance Committee shall be responsible for:

- a) Providing leadership, resources and support for the Company's compliance management;
- b) Monitoring the performance of the Company's compliance management policy.
- c) Organizing the investigation and disposal of the Company's major compliance matters;
- d) Reporting the investigation of the Company's major compliance matters and results of disposal to the Board of Directors.

11.2 The Risk Control Department

The Risk Control Department shall be responsible for:

- a) Organizing to identify the compliance requirements applicable to the Company's domestic and overseas business;
- b) Organizing to identify and assess the major compliance risks in the process of the Company's business; formulating, implementing and continuous improving the compliance system;
- c) Organizing to conduct compliance training on the Company's employees and the third party business partners;
- d) Organizing to review the effectiveness of compliance management;
- e) Organizing to rectify compliance management issues;

11.3 President's Office

The President's Office shall be responsible for:

- a) Establishing and maintaining appropriate systems relating to business hospitality, sponsorship and donation;
- b) Monitoring and reporting to the management the compliance management situation of business hospitality, sponsorship and donation;
- c) Managing and reasonably allocating the gifts handed in by the declarant.

11.4 Finance Center

The Finance Center shall be responsible for:

- a) Establishing and maintaining appropriate systems relating to the expenses of business hospitality;
- b) Monitoring and reporting to the management the compliance management situation of business hospitality expenses;
- c) Daily monitoring the affairs of anti-money laundering.

11.5 Human Resources Department

The Human Resources Department shall be responsible for:

- a) Establishing and maintaining relevant system on personnel disciplinary punishment;
- b) Conducting punishment on personnel that violate this Policy based on the decision made by the Company's policies.

11.6 All departments

All departments shall be generally responsible for:

- a) Conducting business according to the requirements under this Policy;
- b) Organizing the Third Party to sign the Letter of Undertaking for Honesty and Integrity (See Appendix C).

12. Fail to Comply with this Policy

12.1 This Policy is mandatory. Any employees who violate this Policy will be punished.

12.2 All employees must actively cooperate with the investigations on suspected violation of this Policy. Failure to cooperate or failure to provide real information may result in punishment on employees.

12.3 Failure to Comply with this Policy May Result in:

- a) A warning or serious warning for minor violations;
- b) Demerit or a termination of the labor contract for serious or repeat violations;
- c) Where an employee is suspected of having committed a crime, the matter will be transferred to the relevant judicial department;
- d) Any illegal or improper gains will be forfeited, and employees shall be liable for any losses borne by the Company in connection with violations of this Policy.

13. Supplementary Provisions

13.1 This Policy is revised by the Risk Control Department. The Anti-Corruption, Anti-Bribery and Anti-Money Laundering Policy shall be abolished at the same time.

Appendix A – Standard for Business Hospitality

	Gifts provided	Entertainment provided
Normal approval	Gifts with an amount of less than RMB 400 / person (including 400) Gifts with a total amount of less than RMB 3000 (including 3000)	Per capita not more than RMB 400 (including drinks) Expenses for single entertainment not more than RMB 3000
Additional approval to be required	Gifts exceeding RMB 400 / person Gifts with a total amount of more than RMB 3000 Gifts with special needs	Per capita more than RMB 400 (including drinks) Expenses for single entertainment of more than RMB 3000
Not allowed	Prohibit on providing cash or cash equivalents Prohibit on illegally providing gifts to government officials Prohibit on luxuriously or too frequently offering gifts	Prohibit on adult entertainment Prohibit on illegally providing entertainment to government officials Prohibit on luxuriously or too frequently offering entertainment

Appendix B – The Anti-corruption Laws

Anti-corruption laws potentially applicable to the Company and/or its business partners include, but are not limited to, the Criminal Law and the Anti-Unfair Competition Law of the People's Republic of China, the Prevention of Bribery Ordinance of the Hong Kong Special Administrative Region, and other national laws and regulations in the places where the Company conducts business and where the legal jurisdiction of the contract is. (the "Anti-Corruption Laws").

While the Anti-Corruption Laws may differ somewhat in the scope of their prohibitions, as a general matter they prohibit offering, promising, authorizing, or giving improper payments to a government official in order to (1) induce them to breach an official duty, (2) influence their official decision-making, (3) improperly obtain or retain business, or (3) otherwise secure an improper advantage for the Company. Certain Anti-Corruption Laws also prohibit offering, promising, authorizing, or giving improper payments to a commercial counterparty in order to induce them to breach a legal or fiduciary duty, improperly influence the counterparty, improperly obtain or retain business, or otherwise secure an improper business advantage for the Company.

I. Improper Payments

The phrase "Improper payments" include the offer, promise, or giving of anything of value. A "thing of value" can include a bribe, kickback, improper rebate or other monetary payment, but it does not need to have monetary value to be an improper payment. Improper payments include anything that offers a benefit to a recipient, including mere promises or potential opportunities. Examples of improper payments include cash, gift or value cards, gifts, meals, entertainment, electronic goods, computers, transportation, travel and lodging expenses, discounts on products or services, employment, internships, offers of future employment or internships, loans with nonmarket interest rates or repayment terms, charitable donations, and personal favors.

The Anti-Corruption Laws prohibit the making of improper payments directly and indirectly through third parties (e.g., agents, representatives, intermediaries).

II. "Obtain or Retain Business"

The phrase "obtain or retain business" as used above has been interpreted broadly, and this Policy prohibits improper payments to secure, perform, or maintain business, as well as improper payments to secure discretionary governmental action in the course of business operations. All payments that may directly or indirectly give the Company an improper business advantage are prohibited.

III. **Books and Records Requirements**

Certain Anti-Corruption Laws (and other applicable laws) require the keeping of books, records, and accounts which in reasonable detail accurately and fairly reflect transactions and the disposition of Company assets. Any unrecorded payment, off-book account, undocumented rebate, or inaccurate record could be improper, regardless of whether the underlying transaction involves a bribe or kickback.

IV. **How the Anti-Corruption Laws Affect the Company**

To aid in developing business relationships, the Company may exchange business hospitality with its customers, potential customers, suppliers, or business partners only if such business hospitality is reasonable in value and directly related to a legitimate business purpose. The provision of business hospitality is strictly regulated by the Company, even if personal funds are used.

Appendix C –Letter of Undertaking of Honest Conduct

Letter of Undertaking of Honest Conduct

To practically strengthen the honest conduct, maintain the fair competition and prevent and stop the commercial bribery, in accordance with relevant national laws and regulations, Code of Business Conduct and Regulations on Honesty and Integrity of Wison Group Holding Limited (" Wison") and other relevant policies, the employees of Wison are prohibited from accepting the commercial bribery or kickbacks from suppliers, contractors and service providers depending on business secrets, intellectual properties and business channels mastered taking advantage of the position, extorting bribes and other unlawful and illegal acts; Wison has adopted an attitude of "zero tolerance" toward commercial bribery, fraud, cheat, unfair competition, etc.

The Covenanter: _____ and its affiliates and their respective owners of rights and interests, directors, management, employees, agents or subcontractors, hereby makes the following commitments:

—、 During the commercial activities, strictly observe business ethics and market rules, create a fair business transaction environment, and will not directly or indirectly provide any tangible or intangible direct or indirect improper benefits to Wison employees or Related Persons, and will not use improper means to obtain commercial contracts, including but not limited to:

1. Do not provide the employees of Wison or Related Persons with cash, negotiable securities, payment voucher, other material objects, valuables, services and other gains.
2. Do not reimburse any expenses that should be paid by employees of Wison or Related Persons.
3. Do not invest or buy shares of the company established by employees of Wison or Related Persons and do not provide the personal loan to the employee of Wison or Related Persons.
4. Do not provide employees of Wison or Related Persons with the convenience for purchasing or decorating the house, weddings and funerals, attending school or working arrangement and going abroad of their spouse or children, travel, etc.

5. Do not provide the employees of Wison or Related Persons with luxury hospitality except the work meals of normal entertainment.
6. Do not provide the convenience to the employees of Wison or Related Persons for seeking improper interests.
7. Do not arrange the employees of Wison or Related Persons to work part-time in the company and get part-time wage and remuneration.
8. In addition to above-mentioned matters, specifically, it shall observe relevant laws and regulations of China and the region of the country where the business is carried out.

Definitions—Related Persons: refers to the relationship between the two parties that has interests and other relationships that may lead to the transfer of interests, including but not limited to: (a) Kinship between natural persons; (b) romantic relationships between natural persons; (c) economic interest relationships, such as loan relationships; (d) related relationships controlled by one party; (e) related relationships that can exert influence on the other party; (f) other interests.

二、 Will not provide, promise, or approve the provision of any money, gift or other valuables directly or indirectly to the following personnel for the purpose of fulfilling or performing the contract or for obtaining an undue advantage:

1. Any government official or employee;
2. Any candidate for any political party or political position;
3. Any employee or official of a public international organization;
4. Companies, enterprises, other organizations and groups and their staff;
5. Related Persons and any other relevant persons of the above persons.

三、 Will not accept any form of bribery, including but not limited to improper business hospitality (including gifts, entertainment, third-party travel etc.), kickback, loan and other monetary or non-monetary benefits (e.g. charitable donation, private travel and employment opportunities etc.) for the purpose of fulfilling or performing the contract or for obtaining an undue advantage.

四、 No conflict of interest shall exist in business activities with Wison without Wison's permission, and if a conflict of interest occurs, it shall be reported to Wison when it is known or should be known, and appropriate measures shall be taken to eliminate or control the conflict of interest so as to avoid causing any

damage to Wison. Conflicts of interest referred to in this Article include but are not limited to:

1. In the cooperation with Wison, the relevant personnel of the Covenanter (including but not limited to shareholders, actual controllers, directors, supervisors, senior managers, employees under the contract/order) and relevant personnel of Wison (including but not limited to employees in the procurement, finance, contract/order projects) are mutually Related Persons;
2. When participating in the bidding of Wison's projects, participating in the bidding of the same project at the same time with an associated company with which there is a relationship of interest;
3. Wison employees and their Related Persons shall not be permitted to hold, or hold through a third party on behalf of them, equity interests in the Covenanter and its Related Persons .

五、 All books, records and accounts of the Covenanter shall accurately and fairly reflect the business activities related to Wison. If the relevant financial records are inaccurate, or in case of any suspicion of illegal acts such as bribery or fraud reimbursement, Wison has the right to conduct audits and investigations in respect of the relevant business activities, and the Covenanter shall actively co-operate with Wison in investigating dishonest commercial behaviors, and shall not conceal, refuse to provide information or provide false information.

六、 Without the written consent of Wison, do not mention the evaluation and information related to the honest and clear conduct of the employee of Wison.

七、 Report channels: In case of finding that the employee of Wison violates the honest conduct, please e-mail to 【 report2compliance@wison.com or ethics@wison.com 】 to report it.

八、 In the event of any breach by the Covenanter of any one or more of the covenants of this Undertaking, Wison shall have the right, at its sole option, to take one or more of the following measures:

1. Wison has the right to immediately and unilaterally terminate the relevant co-operative relationship with the Covenanter, including but not limited to immediately terminating the contract with the Covenanter and placing the Covenanter on Wison's blacklist, and the Covenanter shall not have the right to claim that Wison has breached the contract;

2. Without prejudice to any other rights or remedies provided for in this Undertaking or under applicable law, in respect of a single breach of contract, the Covenanter shall pay Wison a lump sum of thirty per cent (30%) of the amount of the relevant business contract or order (the contractual amount including the amount that has actually been paid + the amount that has not yet been paid) or RMB one million as liquidated damages, whichever is the higher; and if the above liquidated damages cannot compensate for Wison's losses, the Covenanter shall continue to compensate for Wison's remaining losses. Wison's loss shall be calculated based on the economic loss and loss of goodwill suffered by Wison as a result of the breach of contract. Wison shall also be entitled to compensation for legal fees, arbitration fees and other related expenses;
3. Suspend settlement or payment of all outstanding and/or unpaid amounts between the Covenanter and Wison/Wison's other Affiliates until such time as the remedies selected by Wison have been fully complied with;
4. Wison shall also be entitled to deduct directly from the Covenanter's accounts receivable and/or security deposit (if any) for the above liquidated damages or compensation;
5. In case of being suspected of committing crime, the covenanter will be handed over to the judicial organs and prosecuted for the criminal liability.

Any dispute, dispute or claim arising out of or relating to this Undertaking shall be subject to the jurisdiction of the People's court of the place where Wison is domiciled in accordance with the laws of the People's Republic of China.

The Undertaking comes into effect from the date of signing.

Covenanter: (seal)

Legal representative:

or authorized principal:

Date: