

Business Ethics Code of Conduct

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1. Introduction

This code is formulated by the Company in order to make all employees, managers and Board members of Zhejiang Huayou Cobalt Co., Ltd. and its subsidiaries understand the commercial behavior criteria of the Company, and help all employees solve the problems related to ethics which may occur at work.

This code is unable to cover all ethical situations or problems we may confront at work. The Company encourages all employees to seek for guidance for any ethical or legal issue. If you have any question on the handling method or response to certain situation, you can discuss it with your superior leader. If you are inconvenient to discuss with your own superior leader, the Company also provides other channels for you to express your concern.

This code will be implemented according to the laws of the country where the business entity of the Company locates. Each business entity can formulate and implement the “local rules” according to the actual situations, such as the local policies, regulations, employee manual, code or memorandum satisfying the demands of specific functional department or place. In case this code conflicts with any local rule, policy or criterion, this code shall prevail.

All serving employees shall participate in the training on this code. All new recruits shall receive the training on this code in their induction training, and have their training records retained by the Management Department.

The Company will timely revise this code according to the actual situations, so as to make it more suitable for the actual situations of the Company. If any provision in this code conflicts with mandatory provisions of related laws and regulations and religions, such mandatory provisions shall prevail.

2. Approval, Revision and Exemption

For the fields for which this code requires the employee to obtain written permission before taking any action, the employee shall firstly obtain the approval of the direct superior leader. The superior leader of the applicant shall help to determine which further approvals are required and whether they conform to this code and the policies and regulations of the Company.

The Company can revise or exempt the implementation of any clause of this code, if appropriate.

The Company shall disclose any exemption approved by the director and senior officer in the extent and manner required by laws, regulations or security transaction & listing standards.

The exemption of any clause of this code related to any other employee must obtain the prior written approval of the superior leader of such employee and the President, who will consider such request through consulting with the senior officer and Legal Department.

3. Immediate Report and Anti-Revenge

3.1 General provisions

The Company requires all employees to be able to timely report suspected violations. It is the responsibility of any employee for immediately reporting any behavior which such employee realizes and considers as violating this code, the Company's policy or laws and regulations. The employee shall not deliberately make a false report on violation for whatever reason.

3.2 Reporting approach

3.2.1 Reflect the circumstance to your own superior leader.

3.2.2 If it is inconvenient to report the violation to the superior leader (or your superior leader may involve in any violation), report to the Social Responsibility Office or director of Enterprise Management Department.

3.2.3 Use the Company's ethics hotline or csr@huayou.com to report suspected violating behavior anonymously. All reports will be periodically submitted to the Company for handling.

3.3 Report handling

The receiver shall submit the reports and their handling conditions to the Social Responsibility Office monthly.

3.4 Anti-revenge

Attacking or revenging the whistleblower by any means is strictly prohibited by the Company. If the whistleblower thinks that he might be revenged, he shall contact the Social Responsibility Office of the Company.

4. Conflict of Interests

4.1 Gift, entertainment, and kickback

Gift and entertainment are generally to show the friendly business relations, but they will influence the independent business judgment of the decision maker, thus requiring cautious treatment.

4.1.1 In no case can kickback be given or accepted by any means.

4.1.2 All employees and their family members shall not offer or accept inappropriate gifts (gifts include not only material things, but also services, concession and discount) and commercial entertainment for business reason, unless such gifts and commercial entertainment :

Are the gifts, food and entertainment meeting the local business practice;

Do not have substantive value in relative to the income of receiver;

Will not violate the policy of the receiver's company or the applicable laws.

4.1.3 Regardless of the value, no employee shall accept cash or cash gift;

4.1.4 Normal entertainment conforming to the business practice can be accepted or provided to the others, such as feast, but the expense must be reasonable, must be of no substantive value in relative to the income of receiver, and must not be prohibited by laws or the known business practice of the customer or the supplier.

4.1.5 Before providing any gift, it shall be guaranteed that such behavior will not violate any policy of the receiver's company or the applicable laws.

If more information in this respect needs to be known, please refer to the *Management Measures for Employees Receiving Cash and Gifts* of the Company.

4.2 Take office in the Board of Directors of other company

If an employee takes office in the Board of Directors of other company, he shall undertake the fiduciary responsibility for that company, and such responsibility may



require this employee to put the interests of that company above the interests of Huayou. In order to help such employee avoid commercial relation that may cause conflicting interests, the Company requires such employee to obtain written approval before taking office in the Board of Directors of our current or potential supplier, customer or competitor.

4.3 Take office and provide consultation in other company

An employee taking office in the supplier, customer or competitor of the Company, or providing consultation for such company will cause conflict of interest. Such employee must obtain written permission before starting such office-holding or consultation which may cause conflict of interest.

4.4 External commercial interests and investments

4.4.1 It is prohibited to hold a large number of shares of the Company's competitor, supplier or customer company, or make other investment in the Company's competitor, supplier or customer company (excluding the investment in secondary securities market);

4.4.2 It is prohibited to sell or lease the properties or assets, to which the employee holds a majority of rights and interests, to the Company;

4.4.3 If an employee owns financial interests in or invests in the external enterprise, and such financial interests or investments will cause conflict of interest to the completion of the responsibilities for the Company, the employee shall obtain the prior written permission.

4.5 Family members and personal intimate relation

4.5.1 If the family member or friend of an employee holds senior management position or financial interests in another company which hopes to do business with our Company, such employee will suffer potential conflict of interest, because such employee will be difficult to maintain objective and fair when participating in or



promoting the businesses between the employee's family member or friend and the Company. Even if such employee is prudent enough to maintain objective, other people will still think such employee is biased.

4.5.2 If it is unavoidable to do business with an employee's family member or friend, such employee must break himself away from any decision-making position related to this business, and fully inform the employee's superior leader of the nature of relation between the employee and such family member or friend; the superior leader will decide the handling method.

4.5.3 Even if the employee is not the decision maker, the employee is not allowed to impose influence on related situation, even to appear as having an influence on the related situation. It is important to guarantee that the employee does not provide any preferential treatment to his friend or family member when doing the business.

4.5.4 If the circumstance involves in block trade which is important to Huayou, a prior written approval provided by the Audit Committee of Huayou may be required.

4.5.5 If the employee and the superior leader have family relation, or have other personal intimate relationship outside the office, the personnel decision may become very complicated. If the employee and his family member or other person to which he has personal intimate relationship have direct or indirect reporting relationship in Huayou, conflict of interest may occur. The employee shall avoid any vertical reporting relationship with his family member or other person to which he has personal intimate relationship. The employee shall inform the Human Resources Department of any such relationship.

4.6 Guidance for avoiding conflict

Although it is difficult to list all circumstances under which conflict of interest may occur, this code provides the guidance for avoiding actual or potential conflict of interest under some circumstances. If you have any question on certain circumstance, please consult your superior leader.



4.6.1 If certain conflict exists between the interests of the employee and the interests of the Company, the employee shall pay full attention to the business of the Company.

4.6.2 The Company prohibits the employees from participating in any activity affecting the work efficiency (except for public benefit activities organized by the Company) or conflicting with or damaging the interests of the Company.

4.6.3 When participating in the external activity irrelevant to Huayou, the employee shall:

- Not involve in conflict of interest;
- Not interfere the job responsibility;
- Not use the influence, resource or facility of Huayou;
- Not influence the reputation of Huayou.

4.6.4 The employee can also refer to the *Regulations on Prohibiting Business Cooperation with Companies Having Family or Friend Relationship or Commercial Interest Relationship with the Leader of the Company*.

5. Abidance by Law

We must abide by the laws of the country where we work and operate, and we shall all understand the laws generally applicable to us. Due to the nature and scope of our business, it is unpractical for this code to include all requirements which may be applicable to each functional department and place of our company. This code only summarizes a part of these legal requirements, while the other parts are described in the local rules; these materials can be consulted from your local enterprise management department. In addition, the employee must participate in the training on the subjects applicable to the employee provided by the Company. Our policy is to periodically audit the applicable laws and regulations, so as to adjust our businesses according to the changes in legal requirements.

5. 1 Anti-monopoly and competition laws

Most countries have issued anti-monopoly or competition laws aiming at promoting and protecting free and fair competition. We must abide by these laws.

Anti- monopoly and competition laws generally cover comprehensive commercial practices, including:

- Exchange or arrangement between competitors, which is generally related to pricing or sales terms;
- Participating in trade association or standard establishment organization;
- Merger and acquisition, joint venture enterprise or other cooperation;
- Boycott and distribution of customer, product or region;
- Exclusive trading arrangement;
- Certain restrictions on the supplier or customer, or tying arrangement with the supplier or customer, and many other practices.

If the employee has any question on our policy, please consult the Legal

Administration Department of the Company.

5.2 Advertisement

Our integrity reputation partially derives from our sincerity which we always maintain in the business publicity activities. In this respect, we must avoid making false statement in any advertisement or publicity of the Company and its product or service.

5.3 Employment and labor laws

We are committed to providing a healthy and safe working environment for the employees. Our policy is that all jobs shall meet all applicable employment and labor laws and regulations, including:

- Abide by all anti-discrimination requirements;
- Create a good working environment where every employee will not be subject to body, sexual, mental, verbal or visual harassment or abuse;
- Abide by all applicable restrictions on the statutory longest working hours of the employees;
- At least pay the minimum wage required by the local law and provide all statutory welfares to the employees;
- Make sure not to use any forced labor, contractual labor or debt-paying labor;
- Abide by the minimum age limit for employment required by local law;
- Implement a health and safety plan consistent with the best practice for our organization type, so as to minimize the quantity of occupational injury and disease.

5.4 Data privacy

We respect the privacy interests of all employees and interested parties in respect of personal information. We are committed to taking appropriate measures to protect the



personal information of the employees from being obtained in an unauthorized manner, and guarantee such information will only be used for legitimate business purpose. When collecting, using and processing the personal information, our policy is to responsibly process such information according to the applicable laws. We require all employees to abide by the *Confidentiality Management Method* of the Company.

5.5 Environmental laws

Huayou is committed to abiding by all applicable environmental laws and regulations. Through applying appropriate management practice and technology, we will spare no effort to provide safe and healthy working space, protect environment, save energy and natural resources, and prevent pollution.

5.5.1 Our operation shall abide by numerous supervision requirements related to the use, storage, discharge, processing and treatment of dangerous chemicals used in manufacturing processes.

5.5.2 We must also abide by certain regulations on dangerous substances contents.

5.5.3 We will continuously monitor the situations of the abidance by these laws, so as to maintain the status of a responsible corporate citizenship in the operation place.

5.5.4 In addition, we will periodically review our practice and regulations, so as to cope with the ever-changing situations and continuously improve our performance.

5.6 Intellectual properties

5.6.1 Intellectual properties include patents, trademark, copyright, trade secret, and other intangible assets created by the brainwork of the creator. The intellectual property owners generally spend plenty of time and money to create, perfect and advocate the intellectual property rights, so that they usually consider these rights as precious assets.

5.6.2 The intellectual properties can be manifested as many forms. The intellectual



properties include: oral explanation of the Company's product development plan; list of customers or employees; proprietary design; information disclosed during the new product demonstration; software source code, etc.

Huayou, as well as our customers, suppliers and other third parties conducting business with us all make heavy investment in the intellectual properties. We respect the intellectual properties of any third party. All of us shall have a basic understanding on the intellectual property laws applicable to our work.

5.6.3 In addition, we must observe the restrictions on the use of intellectual property, which may be included in the contract signed with any third party. Unauthorized use or disclosure of other party's intellectual property may cause us to undertake huge responsibility. Infringing the intellectual property of a third party will also seriously damage our reputation and the relation with such third party. Stealing or illegal use of the intellectual property, proprietary information or confidential information of any person (including our supplier, customer, business partner or competitor) will violate this code.

5.6.4 If the employee masters any confidential or proprietary information of the former employer, the employee shall be responsible for protecting such information, even if the employee does not work for such former employer any more. The employee shall not disclose any information which may be deemed as the business secret of the former employer to Huayou.

If the employee has any question or concern on the intellectual property, please consult the Legal Administration Department of the Company.

5.7 Software

We will use the software developed by other company in our business. Unless we obtain the authorization under applicable software license agreement, we will not copy, resell or transfer the software developed by other company. Using the software without authorization may violate our software use agreement. Unauthorized use of



software may also constitute copyright infringement, which may cause Huayou and the employee involved in such behavior undertake potential civil and criminal liabilities. The Information Management Department will periodically inspect our computers to check whether only authorized and permitted software are installed. The Information Management Department will delete any unlicensed or unsupported software installed by the employee, unless the employee has bought the license.

5.8 Confidential information

5.8.1 Confidential information refers to the information disclosed and required to be confidential by Huayou or its customer, supplier or other third party, which shall only be used for specific commercial purposes. The confidential information can be disclosed by PowerPoint, e-mail or other media. It may be marked as “Confidential”, and may bear no such mark.

5.8.2 The confidential information includes creativity, design, engineering and manufacturing process, drawing, formula, program, business and strategic planning, pricing data, financial information, employee records, list of customers or suppliers, business secret, invention, and patent, etc.

5.8.3 The confidential information is a precious property. As a condition for working in Huayou, we must protect the confidential information of Huayou and its customer, supplier and other party doing business with us.

5.8.4 Improper disclosure of confidential information includes the disclosure through internet website, chat room and message board.

5.9 Responsibility specified by security-related laws

We are committed to providing timely, transparent, consistent and credible information for the public investors according to security-related laws.

5.10 External communication and the Company’s spokesman

In order to guarantee the abidance by security-related laws, we strictly restrict



which personnel can disclose information to the media or financial analyst group. We have appointed the official spokesman of the Company. Unless an employee is appointed as the spokesman of the Company, he shall not discuss or share the information related to Huayou with news media of any form, journalist or any member of financial analyst group. These rules apply to all exchanges (whether in written or oral, formal or informal, and cover the exchanges related to Huayou or its customer, supplier or other cooperative partner). Without the prior express written permission of the Company, no journalist or any member of financial analyst group is allowed to visit any facility of the Company. The employee shall transfer any inquiry directly or indirectly received from any news media or member of financial analyst group to the appropriate Huayou spokesman.

5. 11 Abidance by the regulations on fair information disclosure

We are committed to abiding by the regulations on fair information disclosure. The regulations on fair information disclosure prohibit the selective disclosure of important nonpublic information to any securities holder or any member of financial analyst group. The regulations on fair information disclosure require that, as long as Huayou or any person acting on its behalf discloses important nonpublic information to any securities holder or any member of financial analyst group, we shall immediately disclose such information in public. If an employee has any question on the abidance by the regulations on fair information disclosure, or the employee knows and thinks that any information disclosure may violate this policy, please contact the Security Management Department.

5. 12 Prohibition of “insider” trading

The insider trading law restricts any person holding important nonpublic information from engaging in securities trading and other activities. If we know important nonpublic information related to Huayou (e.g. financial results, customer trading or acquisition, sale or reorganization, or other relevant major company events), we shall not engage in the securities trading of Huayou. Furthermore, we shall not



disclose or “prompt” important nonpublic information to any person who may engage in the securities trading of Huayou (or any other listed securities). Similarly, we shall not arrange any other person to trade the securities of Huayou (or any other listed securities) based on the important nonpublic information. In addition, we shall not engage in the derivative transactions related to the securities of Huayou. At no time shall we trade any interest or asset related to the future price of the securities of Huayou.

5. 13 Anti-corruption laws

Many countries have established laws to prohibit corruption and bribery, such as the Foreign Corrupt Practices Act (FCPA) of the US. Every country where Huayou conducts business has similar law. Violating these laws will cause the Company and all people therein to undertake civil and criminal responsibilities. Winning the market properly means that we must abide by the anti-corruption laws. We require all employees to abide by our anti-corruption policies and regulations.

5. 14 Government officials

5. 14. 1 In order to guarantee the abidance by the laws prohibiting corruption and bribery, we shall not provide anything of value to the government officials in order to obtain or retain the business, win business advantage or improperly influence the decision related to Huayou. We shall not utilize any third party (e.g. agent, counselor or sales representative) to provide anything of value to the government officials in order to obtain or retain the business, win business advantage or improperly influence the decision related to Huayou.

5. 14.2 Government officials include:

- Official or employee elected or appointed by any government department or organization;
- Any person who exercise authorities on behalf of government department or organization with an official capacity;

- Any official or employee of an international public organization (e.g. World Bank or the United Nations);
- Any political party or its any official;
- Any political candidate.

5. 15 Political contribution

Without prior written permission, we shall not use the funds of Huayou to make any political contribution for any political candidate or incumbent in government office. “Political contribution” includes direct or indirect payment, loan, borrowing, deposit, cash gift or any service. It also includes providing subscription, membership, tickets, buying advertising space, and paying costs or employee salary for any employee, candidate or civil servant of any political organization. The employee can spend his own money and time to make any political contribution at his own option and in his own name.

5. 16 Import, export and supply chain safety

Our businesses rely on compliant, efficient and safe international trade. We are operating and dealing with many customers in several countries, so that many different laws, regulations and contract terms restrict the way we do business. We shall all understand and abide by these laws and contract requirements applicable to our work.

As an importer, we are responsible for accurately describing and classifying the products, and accurately marking their values and countries of origin. We must also abide by the import laws, regulations and rules of local customs and other government agencies.

As an exporter, we must abide by any law of the country from which our finished products, parts or technologies are delivered, and the export laws of China (regardless of the country of delivery) . Therefore, we must understand the “export regulations” of



each place of delivery and China, so as to determine the authorization requirements for compliant transaction.

We have promised to the government agencies and customer that we will guarantee the supply chain safety. As a part of this scheme, we must inform our business partner of our supply chain safety practice.

6. Accurate Accounts and Records

As a responsibility for the shareholders, it is required that the writing of accounts and records must conform to Chinese accounting standards and the established accounting policies of the Company. The accounts and records shall not include any false, incomplete or misleading journalizing or record. In addition, Huayou shall not establish any undisclosed or unrecorded company fund for any purpose. Payment without appropriate supporting document or approval is strictly prohibited. All documents proving the transaction must be complete and accurate, and be disposed in time. Auditor shall be employed to guarantee the accounts and records meet the applicable accounting standards. All employees are required to provide accurate information for internal and external auditors.

7. Use and Protection of Huayou's Assets

7.1 Assets of Huayou

Each employee shall be responsible for protecting the assets of Huayou. Without proper authorization, we shall not occupy, embezzle, lend, sell, or donate any asset of Huayou.

7.1.1 All assets, including plants, equipment, facilities, office system and office supplies, can only be used for the business of Huayou or be used with the authorization of the related management.

7.1.2 Huayou's confidential information:

- The employees must abide by the information safety systems of the Company, shall not disclose the confidential information of the Company without authorization, shall not use such information for any purpose other than the business of Huayou, and shall undertake confidentiality obligation to the confidential information.
- The employee shall avoid unintentional disclosure of Huayou's confidential



information, shall not discuss Huayou's confidential information with any unauthorized person, and shall not talk about Huayou's confidential information with unauthorized person in any occasion, such as airport, railway station and other public places. When talking with family members or friends, the employee shall also avoid speaking of Huayou's confidential information.

7.1.3 Huayou's intellectual property: all rights and interests of the scientific achievements obtained by the employees engaging in management, technology, product planning, scientific research, training and education, and other related work belong to Huayou. If related scientific achievement is created, the employee shall report to Huayou.

7.1.4 In case an employee leaves Huayou for whatever reason, he must hand over all assets of Huayou in his possession to the Company, including but not limited to documents and any medium containing the confidential information of Huayou, and shall not disclose or use the confidential information of Huayou. After the employee leaving the Company, Huayou will still own the intellectual property created by that employee during his employment. The employee who leaves the Company cannot take away any asset, document, technology or other confidential information of Huayou.

7.1.5 The information communication system of Huayou includes the connection with external network. Huayou has the right to monitor the information system, so as to guarantee the safety of information communication system.

- The employee can only use the information communication system of Huayou for the business of Huayou or any other purpose authorized by the related management.
- Do not visit the website irrelevant to the work without authorization.
- Each employee shall be responsible for guaranteeing that Huayou's information communication system is used for proper purpose, and shall not influence his



own or the others' work efficiency due to improper use of Huayou's information communication system.

7.2 Huayou funds

All employees shall be responsible for all Huayou funds under their control. Huayou funds shall not be controlled by agent or contractor. Huayou funds shall not be used for any personal purpose or be deposited into personal account or any account other than the company account.

7.3 Facility safety

In order to guarantee the employee safety and protect our assets, the Company has established facility safety policies and regulations, and implemented admission rules. The employee must abide by all policies and regulations implemented in any facility he works or visits.

7.4 Prohibit using Huayou assets to help terrorists

It is prohibited to use any Huayou funds to help any accused terrorist or terrorist activity.

8. Other Criteria

8.1 Supplier selection

Suppliers make great contribution to the success of the Company. In order to create an environment under which the supplier hopes to cooperate with us, we must make them believe that we will treat them in a legal and ethical manner. The policy of the Company is to purchase products according to demand, quality, environment, service, price, terms and conditions. The agreements signed with the supplier include sales restrictions, provided that such restrictions have been specially reviewed and approved by the Legal Management Department of the Company and comply with the applicable antimonopoly laws.

8.2 Government contract

Our policy is to abide by all laws and regulations applicable to the government contract, and strictly observe all terms and conditions of any contract signed with any government entity. The Legal Management Department of the Company must review and approve all contract signed with any government entity.

8.3 Enterprise record retention

All employees shall abide by the requirements for enterprise record retention.

8.4 Punishment measures

Matters contained in this code are essential to Huayou, our shareholders and business partners. Only the employees abide by this code could the business be carried out according to the specified value and ethical standards. All employees, managers and Board members are required to abide by these rules when performing their duties. If an employee fails to abide by this code, any local rule, or any other applicable policy or guiding principle, or the employee does not report any criminal or unethical behavior found, we may take appropriate correction and disciplinary punishment measures. The punishment measures for violation include various



punishments up to dismissal, and we have the discretion to decide whether such punishment will be imposed. Moreover, if the Company suffers any loss, the responsible person or entity shall be required to compensate such loss.

31 December 2021