

# **Zhejiang Huayou Cobalt Co., Ltd**

## **Code of Conduct for Business Ethics**

### **I Summary**

Zhejiang Huayou Cobalt Co., Ltd. (Hereinafter referred to as "Huayou Cobalt", "the Company" or "us") has formulated the Code for the purpose of making all employees, officers and Board Members of the Company and its subsidiaries aware of the Company's standards of business conduct and helping all employees solve ethical problems that may arise in their work.

It is not possible to cover all ethical situations or issues we may face in our work. All employees are encouraged to seek guidance on any ethical or legal issues. If you have questions about how to handle or respond to a situation, discuss the situation with your supervisor. If it's not convenient for you to have a discussion with your supervisor, there are other channels for you to express your doubts.

The Code is implemented in accordance with the laws of the country in which the Company operates. Each business unit may develop and implement "local rules" as appropriate, such as local policies, procedures, employee manuals, guidelines or memorandums that meet the needs of a particular function or location. In the event of conflict between the Code and any local rules or any policies or codes, this Code shall prevail.

All current employees shall be trained in the knowledge of this specification. All new employees shall be trained in the knowledge of this Code during orientation and training records shall be maintained by the School of Management. The Company will timely revise this specification according to the actual situation to make its applicability more in line with the actual situation of the Company. If the provisions of this Code conflict with the mandatory provisions of relevant laws, regulations and religions, the mandatory provisions shall prevail.

### **II Approvals, Amendments and Exemptions**

Areas of this specification where employees are required to obtain prior written permission before taking action shall be approved by their immediate supervisor. The requestor's supervisor helps determine what further approvals are required and whether they comply with

this specification and company policies and procedures.

The Company may amend or waive the implementation of any provision of this Code where appropriate.

The Company will disclose any exemptions approved for Directors and Executives to the extent and in the manner required by laws, regulations, or securities trading listing standards.

Exemptions from any provision of the Code relating to any other employee must be approved in advance in writing by the employee's superior and president, who will consider the request in consultation with senior management and the Legal Department.

### **III Immediate Reporting and Anti-retaliation**

#### 3.1 General

The Company requires all employees to report suspected violations in a timely manner. It is the responsibility of the employee to immediately report any act that is discovered and believed to be in violation of this Code, company policies, or laws and regulations. Do not intentionally misstate violations for any reason.

#### 3.2 Reporting approach

3.2.1 Reflect the situation with their superiors.

3.2.2 If it is not convenient to report the violation to the superior (or your superior may be involved in the violation), report it to the head of the Social Responsibility Office or Enterprise Management Department.

3.2.3 You can use the company ethics hotline or [csr@huayou.com](mailto:csr@huayou.com) Anonymously report suspected violations. All reports will be submitted to the company for processing on a regular basis.

3.2.4 Use the company's ethics hotline or [csr@huayou.com](mailto:csr@huayou.com) to anonymously report suspected violations. All reports will be regularly submitted to the company for handling.

#### 3.3 Report Processing

The recipient should submit the report and the handling status to the Social Responsibility Office on a monthly basis.

#### 3.4 Anti-retaliation

The Company strictly prohibits any form of retaliation against the whistle-blower. If a

whistle-blower feels that he or she may face retaliation, he or she should contact the Company's Social Responsibility Office.

#### **IV Conflicts of Interest**

##### **4.1 Gifts, Hospitality and Rebates**

Gifts and hospitality are generally indicative of friendly business relationships, but they affect the independent business judgment of decision makers and should be treated with caution.

4.1.1 Under no circumstances shall rebates be given or accepted in any form.

4.1.2 All employees and their dependents must not provide or receive inappropriate gifts (gifts refer not only to material items but also to services, offers and discounts) and business hospitality for business reasons unless the gifts and business hospitality:

- Gifts, meals and entertainment that conform to local business practices;
- Has no material value relative to the recipient's income;
- Do not violate the recipient's company policies or applicable laws.

4.1.3 All employees must not accept cash or cash gifts, regardless of value;

4.1.4 Hospitality that is normal and commercially acceptable, such as meals, etc., may be accepted or provided to others, provided that the expense is reasonable, has no material value relative to the recipient's income, and is not prohibited by law or by business practices of known customers or suppliers.

4.1.5 Before giving a gift, you must ensure that it does not violate any recipient company policy or applicable law.

If you need more information on this, please refer to the Company's Management Measures for Employee Receiving Gift.

##### **4.2 Directors of other companies**

If an employee serves on a Board of Directors of another company, he or she is subject to fiduciary duties to that company, which may require the employee to put the company's interests ahead of those of Huayou. To help the employee avoid business relationships that could create a conflict of interest, the Company requires the employee to obtain written approval prior to serving on the Board of Directors of our current or potential suppliers, customers, or competitors.

#### 4.3 Engaging in or advising other companies

A conflict of interest arises when an employee simultaneously works for or consults with a supplier, customer or competitor of the Company. Such employees must obtain written permission prior to commencing employment or consultation that may give rise to a conflict of interest.

#### 4.4 External business interests and investments

- 4.4.1 It is prohibited to hold a large number of shares in or make other investments in competitors, suppliers or client companies of the Company (except for secondary securities market investments);
- 4.4.2 It is prohibited to sell or lease property or assets in which it holds a large interest to the Company;
- 4.4.3 An employee shall obtain prior written permission to own a financial interest or make an investment in an external entity that would create a conflict of interest in fulfilling the Company's responsibilities.

#### 4.5 Family and personal intimacy

- 4.5.1 An employee has a potential conflict of interest if a relative or friend holds a senior management position or financial interest in another company that wishes to do business with our company. Because the employee is involved in facilitating the business of the employee's relatives or friends with the Company, it is difficult to maintain objectivity and impartiality. Even if employees are careful enough to be objective, others will still feel biased.
- 4.5.2 If it is not possible to avoid doing business with a relative or friend, the employee must remove himself or herself from any decision-making positions related to the transaction and fully inform the employee's superior of the nature of the employee's relationship with the relative or friend, who will decide what to do.
- 4.5.3 Even if the employee is not a decision maker, the employee must not influence, or even appear to influence the situation. It is important to ensure that transactions are conducted in a manner that does not give any preferential treatment to friends or family members.
- 4.5.4 If the circumstances involve significant block transactions with Huayou, prior written approval may be required from the Audit Committee.
- 4.5.5 Personnel decisions can be complicated if an employee is related to a supervisor

or has other personal relationships outside the office. Conflicts of interest may arise when an employee has a direct or indirect reporting relationship with a relative or person close to the employee in Huayou. Employees seek to avoid any such vertical reporting relationships with relatives or close personal associates. Employees should inform Human Resources of any such relationships.

#### 4.6 Guidance on avoiding conflict

Although it is difficult to list all situations where conflicts of interest may arise, the Code of Conduct provides guidance on avoiding actual or potential conflicts of interest in certain situations. Ask your supervisor if you have any questions about a situation.

- 4.6.1 If there is a conflict of interest between the interests of employees and those of the Company, employees should focus their attention entirely on the Company's business.
- 4.6.2 The Company prohibits employees from participating in activities that affect the work effect (except for public welfare activities organized by the Company), as well as activities that conflict with the Company's interests and harm the Company's interests.
- 4.6.3 When participating in external activities unrelated to Huayou, employees shall:
  - No conflict of interest involved;
  - Do not interfere with work responsibilities;
  - Do not use Huayou's influence, resources or facilities;
  - Do not affect Huayou's reputation.
- 4.6.4 Employees can also refer to the Regulations on Prohibiting Business Cooperation with Relatives, Friends, or Business Interests of Company Cadres.

## **V Compliance with Laws**

We must comply with the laws of the country where we work and operate, and each of us needs to have a basic understanding of the laws that apply to us. Due to the nature and scope of our business, it is not realistic to include in this specification all requirements that may apply to each of our functions and locations. Some of these legal requirements are outlined in this specification, others are described in the local rules, and these materials are available from your local business administration. In addition, employees must participate when the Company provides training on topics applicable to employees. It is our policy to periodically

review applicable laws and regulations to adjust our business to changes in legal requirements.

### 5.1 Anti-monopoly and competition laws

Most countries have antimonopoly or competition laws aimed at promoting and protecting free and fair competition. We must abide by these laws.

Anti-monopoly and competition laws generally cover a wide range of business practices, including:

- Communications or arrangements between competitors, usually related to pricing or terms of sale;
- Participation in trade associations or standard-setting bodies;
- Mergers and acquisitions, and joint ventures or other partnerships;
- Boycotts and allocations by customers, products or regions;
- Exclusive trading arrangements;
- Certain restrictions on suppliers or customers or tying agreements with suppliers or customers; And many others.

If employees have any questions about our policies, please consult the Company's Legal Management Department.

### 5.2 Advertisement

Our reputation for integrity stems in part from the fact that we are always truthful in our business communications. In this regard, we must avoid making false statements in advertisements or propaganda for companies and products or services.

### 5.3 Employment and Labor Laws

We are committed to providing a healthy and safe working environment for our employees. Our policy is that all work complies with all applicable employment and labor laws and regulations, including:

- Comply with all anti-discrimination requirements;
- Create a good working environment where every employee is not subjected to physical, sexual, psychological, verbal or visual harassment or abuse;
- Comply with all applicable restrictions regarding the statutory maximum working hours of employees;
- Pay at least the minimum wage required by local law and provide all statutory

benefits to employees;

- Ensure that no forced, indentured or debt-served labor is used;
- Comply with the minimum age limit for employment under local laws;
- Implement a health and safety program that is consistent with the best practices of our organization type to minimize the number of occupational injuries and illnesses.

#### 5.4 Data privacy

We respect the privacy interests of all employees and stakeholders with respect to personal information. We are committed to taking appropriate measures to protect employees' personal information from unauthorized access and use it only for legitimate business purposes. When collecting, using, and processing personal information, our policy is to responsibly process that information in accordance with applicable law. We require all employees to comply with the Company's Confidentiality Management Measures.

#### 5.5 Environmental law

Huayou is committed to complying with all applicable environmental laws and regulations. By applying appropriate management practices and techniques, we strive to provide a safe and healthy workplace, protect the environment, conserve energy and natural resources, and prevent pollution.

5.5.1 Our operations are subject to numerous regulatory requirements related to the use, storage, discharge and disposal of hazardous chemicals used in manufacturing.

5.5.2 We must also comply with certain hazardous substance content regulations.

5.5.3 We constantly monitor our compliance with these laws to maintain our status as responsible corporate citizens in the places where we operate.

5.5.4 In addition, we regularly review our practices and procedures to respond to changing circumstances and continually improve our performance.

#### 5.6 Intellectual property rights

5.6.1 Intellectual property rights include patents, trademarks, copyrights, trade secrets and intangible assets created through the brainwork of creators. Intellectual property owners typically spend a significant amount of time and money creating, perfecting and asserting intellectual property rights, and thus typically treat these rights as valuable assets.

5.6.2 Intellectual property rights can take many forms, which include oral explanation

of the company's product development plan; List of customers or employees; Proprietary design; Information disclosed during a new product demonstration; Software source code, etc.

Huayou and our customers, suppliers and other third parties with whom we do business make significant investments in intellectual property rights. We respect the intellectual property rights of third parties. All of us should have a basic understanding of the laws applicable to our work.

5.6.3 In addition, restrictions on the use of intellectual property rights that may be included in our contracts with third parties must be observed. Unauthorized use or disclosure of others' intellectual property rights may place significant liability on us. Infringement of third party intellectual property can also seriously damage our reputation and relationships with third parties. The theft or unlawful use of intellectual property, proprietary or confidential information of any person, including our suppliers, customers, business partners or competitors, violates this Code.

5.6.4 If the employee has confidential or proprietary information belonging to the former employer, the employee is responsible for protecting that information even if the employee no longer works for the former employer. Employees are not allowed to disclose to Huayou any information deemed to be trade secrets of former employers.

If employees have any questions or concerns about intellectual property rights, please consult the Company's Legal Management Department.

## 5.7 Software

We use software developed by other companies in our business. We may not copy, resell, or transfer software developed by another company unless we are authorized under the applicable software license agreement. Unauthorized use of the software may violate the agreement that allows us to use the software. Unauthorized use of software may also constitute copyright infringement, which may expose Huayou and its employees involved in the act to potential civil and criminal liability. Information Management regularly checks our computers to verify that only authorized and licensed software is installed. Information Management Department will remove any unlicensed or unsupported software installed by the employee unless the employee pays for a license.

## 5.8 Confidential Information



- 5.8.1 Confidential Information refers to information disclosed by Huayou or its customers, suppliers or other third parties that is required to be confidential and used only for specific business purposes. Confidential information can be disclosed through different media, such as presentations and emails. It may or may not be marked as Confidential.
- 5.8.2 Confidential information includes ideas, designs, engineering and manufacturing processes, drawings, formulas, procedures, business and strategic plans, pricing data, financial information, employee records, customer or supplier lists, trade secrets, inventions and patents.
- 5.8.3 Confidential information is an asset. As a condition of our work at Huayou, we must protect the confidential information of Huayou and its customers, suppliers and other parties with whom we do business.
- 5.8.4 Improper disclosure of confidential information includes through live-streaming platforms, Internet sites, chat rooms and message boards.

## 5.9 Responsibilities under securities laws

We are committed to providing timely, transparent, consistent and credible information to the investing public in accordance with securities laws.

## 5.10 External communications and company spokespersons

To ensure compliance with securities laws, we strictly restrict who can disclose information to the media or to groups of financial analysts. We have appointed an official spokesman for the Company. Unless an employee is designated as a spokesman for the Company, he or she shall not discuss Huayou or share information about Huayou with any form of news media or journalists or any member of the financial analyst community. These rules apply to all communications (whether written, oral, formal or informal, and cover communications about Huayou or its customers, suppliers or other partners). Members of the press and financial analyst community are not permitted to visit any of the Company's facilities without the Company's express prior written permission. Employees should forward any inquiries received, directly or indirectly, from members of any news media or financial analyst community to the appropriate Huayou spokesperson.

## 5.11 Compliance with fair disclosure regulations

We are committed to complying with fair disclosure regulations. Fair disclosure regulations prohibit the selective disclosure of material non-public information to any securities holder or to any member of the group of financial analysts. The Fair Disclosure Regulation requires us

to disclose material non-public information immediately and publicly whenever Huayou or anyone acting on its behalf discloses such information to securities holders or members of the group of financial analysts. If an employee has questions about compliance with the the Fair Disclosure Regulation or if the employee knows and believes that any information disclosure may violate this policy, please contact the Securities Management Department.

#### 5.12 Prohibition of "insider" trading

Insider trading laws restrict anyone with material non-public information from engaging in securities trading and other activities. Trading in Huayou Securities is prohibited if we have knowledge of material non-public information about Huayou (e.g., financial results, client transactions or significant corporate events such as acquisitions, sales or reorganizations). In addition, we shall not disclose or "prompt" important non-public information to any person who may be engaged in trading in Huayou Securities (or any other listed securities). Similarly, we may not arrange for any other person to trade Huayou Securities (or any other listed securities) for us based on material non-public information. In addition, we are not allowed to engage in derivative transactions of Huayou Securities. At no time may we trade any equity or assets related to the future price of Huayou Securities.

#### 5.13 Anti-Corruption Laws

Huayou is based on good faith and should uphold the highest standards of integrity in all business dealings. Pursue a zero-tolerance policy towards all forms of bribery, corruption, extortion and corruption.

The Company also takes corresponding investigation and sanctions measures:

- An adequate and effective monitoring plan;
- Proper investigation of suspected violations;
- Appropriate sanctions and preventive action plans for identified/confirmed violations;
- Implement adequate and effective processes to protect workers/employees from refusing to do anything that does not meet the 'highest standards of integrity

Policy matters and refusal to express/voluntarily say your decision are punished.

Many countries legislate against corruption and bribery. For example, the U.S. Foreign Corrupt Practices Act (FCPA). Every country where Huayou operates has similar laws. Violating these laws imposes civil and criminal liability on all of us and our companies.

Winning the market in a legitimate way means we must comply with anti-corruption laws. We require all employees to comply with our anti-corruption policies and procedures.

#### 5.14 Government official

5.14.1 To ensure compliance with laws prohibiting corruption and bribery, we do not offer anything of value to government officials to obtain or retain business, gain a business advantage, or improperly influence decisions about Huayou. We cannot use third parties (such as agents, consultants or business representatives) to provide anything of value to government officials in order to obtain or retain business, gain a business advantage or improperly influence decisions about Huayou.

5.14.2 Government officials include:

- Elected or appointed officers or employees of any government department or agency;
- Any person acting in an official capacity on behalf of a government department or agency;
- Any official or employee of a public international organization (such as the World Bank or the United Nations);
- Any political party or any of its officials;
- Any candidate for political office.

#### 5.15 Political Donations

We are not allowed to use Huayou's funds to make any political donations to any political candidates or government office holders without prior written permission. "Political Contribution" includes a direct or indirect payment, loan, borrowing, deposit or gift of cash or any service. It also includes providing subscriptions, membership, tickets, purchase of advertising space, payment of fees or employee remuneration to employees of political organizations, candidates or public officials. Employees can use their money to make any political donation of their choice at their own time and in their own name.

#### 5.16 Import, export and supply chain security

Our business relies on compliant, efficient and secure international trade. Because we operate in several countries and deal with many customers, there are many different laws, regulations and contractual terms that govern how we trade. All of us need to understand and comply with these legal and contractual requirements applicable to our work.

As importers, we are responsible for accurately describing and classifying the product and for accurately stating its value and country of origin. We must also comply with import laws, regulations and procedures of local customs and other government agencies.

As exporters, we must comply with any laws of the country from which our finished goods, components or technology are shipped and with the export laws of China, regardless of the country of shipment. Therefore, we must enforce local and Chinese "export regulations" for each shipment to determine authorization requirements for compliant transactions.

We have made commitments to government agencies and customers to ensure the security of our supply chain. As part of this initiative, business partners must be informed of our supply chain security practices.

#### 5.17 Anti-Money Laundering

The Company strictly complies with applicable anti-money laundering laws, resolutely prohibits financial support for terrorist or other illegal and criminal activities and takes active and effective measures to prevent money laundering risks. We explicitly require employees to be strictly prohibited from participating in the planning and implementation of any money laundering activities, from overstating the amount of money and from intentionally evading tax obligations. At the same time, we encourage employees to fully understand our customers through legal background checks to minimize the Company's risks and ensure that our business activities are always legal and compliant.

## **VI Accurate Accounts and Records**

Responsibility to shareholders requires that accounts and records be prepared in accordance with Chinese Accounting Standards and established company accounting policies. The accounts and records shall not contain any false, incomplete or misleading entries or records. In addition, Huayou shall not establish any undisclosed or unrecorded corporate funds for any purpose. Payments without proper documentation and approval are strictly prohibited. All documentation supporting transactions must be complete, accurate and processed in a timely manner. Engaging auditors to ensure that the accounts and records comply with applicable accounting standards. All employees are required to provide accurate information to internal and external auditors.

## **VII Use and Protection of Huayou's Assets**

## 7.1 Huayou Assets

Every employee has the responsibility to protect Huayou's assets. Without proper authorization, we must not possess, embezzle, lend, sell, or donate any Huayou's assets.

7.1.1 Assets such as factories, equipment, facilities, office systems and office supplies can only be used for Huayou's business or authorized by relevant management.

### 7.1.2 Huayou Confidential Information:

- Employees must abide by the Company's information security policies, and shall not disclose the Company's confidential information without authorization, nor use it outside of Huayou's business, and shall assume confidentiality obligations for confidential information.
- Employees should avoid inadvertently disclosing Huayou's confidential information. Do not discuss Huayou's confidential information with any unauthorized personnel. Do not discuss Huayou's confidential information with any unauthorized personnel, such as airports, train stations and other public places. When talking to family or friends, you should also avoid discussing Huayou's confidential information.

7.1.3 Huayou Intellectual Property Rights: All rights and interests of scientific research achievements obtained by employees engaged in management, technology, product planning, scientific research, training and teaching or other work belong to Huayou. If relevant scientific research results are generated, employees shall report to Huayou.

7.1.4 Employees who leave Huayou for any reason must hand over their Huayou property to the Company, including but not limited to documents and any media containing Huayou's confidential information, and shall not disclose or use Huayou's confidential information. After the departure of the employee, Huayou will continue to own the intellectual property rights created by the employee during the employment period. Employees shall not take away any assets, documents, technology and other confidential information of Huayou Company after leaving the Company.

7.1.5 Huayou information and communication system, including connection with external network. Huayou has the right to monitor its information system to ensure the security of the information and communication system.

- Employees can only use Huayou Information Communication System for

Huayou business or for the purpose authorized by relevant management.

- Unauthorized access to non-work-related websites is prohibited.
- Each employee is responsible for ensuring the proper use of Huayou Information Communication System. Do not use Huayou's information and communication system improperly to affect the work efficiency of yourself or others.

## 7.2 Huayou Funds

All employees are responsible for all Huayou funds under their control. Agents and contractors are not allowed to control Huayou funds. Huayou funds shall not be used for any personal purpose or deposited into personal or non-company accounts.

## 7.3 Facility Security

To ensure the safety of employees and protect our property, the Company has established facility safety policies and procedures and implemented access principles. Employees must comply with the policies and procedures in place at any facility they work or visit.

## 7.4 Prohibit the use of Huayou's assets to help terrorists

It is prohibited to use any Huayou assets to assist any alleged terrorist or terrorist activities.

# VIII Other Standards

## 8.1 Select suppliers

Suppliers have contributed significantly to the company's success. To create an environment in which suppliers want to work with us, they must be convinced that we treat them legally and ethically. The company's policy is to purchase products according to needs, quality, environment, service, price, terms and conditions. Sales restrictions are included in the agreement with the supplier, provided they have been specifically reviewed and approved by the Company's legal management to comply with applicable antitrust laws.

## 8.2 Government contracts

It is our policy to comply with all laws and regulations applicable to government contracts and to strictly comply with all conditions and terms of any contract with any government entity. Legal Management Department must review and approve all contracts with any government entity.

## 8.3 Enterprise Record Retention

All employees are required to comply with corporate record-keeping requirements.

#### 8.4 Penalties

The matters covered by this Code are critical to Huayou, our shareholders and business partners. All employees must comply with this Code to conduct business in accordance with the prescribed values and ethical standards. All employees, officers and board members are required to comply with these rules in the performance of their duties. If an employee fails to comply with this Code, any local rules or any other applicable policies or guidelines, or fails to report criminal or unethical conduct, we may take appropriate corrective and disciplinary action. Penalties for non-compliance include up to termination and are at our sole discretion. In addition, if the company suffers losses, the responsible person or entity shall be required to compensate.