

# **Zhejiang Dingli Machinery Co., Ltd.**

## **Anti-Corruption and Anti-Bribery Policy**

### **I. General Provisions**

To regulate the internal conduct of Zhejiang Dingli Machinery Co., Ltd. (hereinafter referred to as the 'Company'), protect the Company's reputation and interests, and ensure that the Company's operations comply with relevant laws, regulations, and international business ethics standards, this policy is hereby formulated. The purpose of this policy is to define specific requirements for anti-corruption and anti-bribery, and to prevent, identify, and properly handle potential corruption and bribery incidents.

### **2. Scope of Application**

This policy applies to all employees of the Company (including full-time, part-time, dispatched, and temporary staff), suppliers, contractors, visitors, and other business partners engaging with the Company.

### **3. Definitions**

#### **(1) Corruption:**

Refers to any act of obtaining improper benefits by abusing one's position or authority, including but not limited to accepting bribes, illegal transactions, benefit transfers, and abuse of power.

#### **(2) Bribery:**

Refers to directly or indirectly offering, promising, giving, or accepting anything of value (such as money, gifts, services, positions, etc.) in order to influence decision-making or obtain improper benefits.

#### **(3) Conflict of Interest:**

Refers to situations where an employee's personal interests conflict with their duties in the Company, potentially leading to actions that deviate from the Company's best interests.

### **4. Preventive Measures Against Corruption**

#### **(1) Risk Assessment**

a. Establish a system and constraints for integrity management; conduct integrity risk assessments and inspections; perform a comprehensive anti-corruption risk assessment at least once a year, covering internal operations, external relationships, and legal compliance.

b. Develop specific corrective measures for high-risk behaviors to prevent corruption.

#### **(2) Improvement of Internal Controls**

a. Implement sound processes and systems across key areas including sales and collection, procurement and payment, inventory, fixed asset management, cash flow, guarantees and financing, investment, and R&D.

b. Enforce strict financial control systems to ensure transparency and traceability of all financial flows. Define financial responsibilities, separate incompatible roles (e.g., approval and execution, record-keeping and custody), establish a checks-and-balances mechanism. Improve the financial approval process by clearly defining approval authorities at each level to prevent the unauthorized use of funds. Additionally, conduct regular internal financial audits to promptly identify and rectify any violations, ensuring the effective implementation of financial policies.

### (3)Employee Training

a. Provide anti-corruption and anti-bribery training at least once per year, including warning education, integrity campaigns, onboarding training, assessments, and case studies, aiming to enhance employees' legal awareness and professional ethics. All employees (full-time, part-time, dispatched, and temporary) are covered.

b. Emphasize the importance of self-discipline and promote a 'zero tolerance' culture.

### (4)Transparency in Management

All contracts, procurement, and bidding activities must be open and transparent. Supplier evaluation and selection should be based on product quality, price, reputation, etc., with a public process involving multiple departments to ensure fairness and reasonableness. Public contract signing ceremonies should be held for major projects to enhance transparency and allow for internal and public supervision, thereby upholding the company's image of integrity.

### (5)Compliance Agreements

Require all employees, contractors, and suppliers to sign a 'Code of Business Conduct,' defining respective responsibilities and obligations.

## **5. Identification of Corruption Incidents**

### (1) Indicators of Concern

Possible signs of corruption or bribery include:

a.Unreasonably high expenses or reimbursement claims

b.Frequent gift-giving or entertainment

c.Excessively close relationships with specific suppliers or clients

d.Lack of transparency or justification in decision-making

### (2)Whistleblowing Mechanism

a.The Company has established dedicated whistleblowing channels, including email (info@cndingli.com) and hotline (0572-8681627).

b.Real-name reports are encouraged, while anonymity and confidentiality are strictly protected. Retaliation against whistleblowers is strictly prohibited.

c.Reports should be specific, including time, place, people involved, and a description of the incident. The Company will conduct internal reviews accordingly and take action based on the severity of the situation.

## **6. Handling and Resolution of Corruption Incidents**

### **(1)Preliminary Investigation**

a.Upon receiving a report, the company's Integrity and Self-Discipline Supervision Leading Group is responsible for conducting a preliminary verification of the information's authenticity. At the same time, comprehensive information related to the report must be collected — including the source, specific content, and supporting evidence — to enable a more accurate assessment of its credibility and ensure proper archiving for future reference.

b.Investigations must remain confidential to avoid unnecessary reputational harm.

### **(2)Formal Investigation**

a.If preliminary findings suggest a violation, a formal investigation is launched.

b.Investigators must be independent and impartial. Sufficient evidence (e.g., documents, witness testimony) must be collected to ensure objectivity and accuracy.

### **(3)Disciplinary Measures**

Based on investigation results, the following penalties may apply:

a. Warning for minor violations with immediate correction required

b. Disciplinary action such as bonus deductions or demotion for moderate violations

c. Termination of employment for severe violations

d. Legal action for criminal conduct, referred to the judicial authorities

### **(4)Standard Review and Continuous Improvement**

a.The Company conducts an annual review of its business ethics standards, regularly summarizes lessons learned from past cases, identifies system weaknesses, and improves internal controls accordingly.

b.Additional monitoring and an annual audit on the implementation of business ethics standards are applied to high-risk areas to reduce recurrence.

## **7. Supplementary Provisions**

### **(1)Gifts and Hospitality**

a. Gifts in business interactions should express goodwill and cultural respect but must remain within reasonable value limits.

b. The Company strictly prohibits the use of gifts for improper benefits, maintaining fairness, transparency, and a healthy business environment.

(2) Charitable Donations and Sponsorships

a. Donations must benefit community development and align with the Company's sustainability strategy (e.g., poverty alleviation, education, environmental protection).

b. Donations must comply with national laws and not impair operations. Records must be kept for potential government audits.

c. No donations or sponsorships may be used for undue influence, such as requesting special treatment or business opportunities. It is strictly prohibited to fabricate or exaggerate acts or amounts of donations or sponsorships for misleading publicity. In charitable donations, beneficiaries must not include stakeholders designated by the donor, and no conditions that provide benefits in return to the donor may be attached.

## **8. Final Provisions**

This policy is drafted, interpreted, and revised by the Human Resources Department.