

## Code of Conduct of Fujian Kuncai Material Technology Co., Ltd.

As a responsible global corporate citizen, Fujian Kuncai Material Technology Co., Ltd. (hereinafter "Kuncai") insists on using its own resource and strength to undertake the sustainable responsibility and obligation of the corporation and society consistently, and we act in accordance to our code of conduct .

### 1. General Principles, Laws and Statutes

Kuncai commits to upholding its corporate social responsibility in all business dealings.

In all its business activities and decisions, Kuncai commits to respecting the laws in effect and any other applicable provisions in the countries where it is active. Business partners are to be treated fairly. Contracts are to be upheld, whereby changes in the framework of the business environment are to be taken into consideration.

### 2. Corruption / Anti-Trust Law / Forced Labour / Child Labour

#### a) Corruption

In dealing with business partners (customers, suppliers) and state institutions, the interests of the company and the private interests of employees on both sides are to be kept strictly separate. Actions and (purchasing) decisions are to proceed independent of considerations which do not concern the business at hand and which involve personal interests.

Current anti-corruption criminal law is to be upheld. Among other things, the following is to be observed:

#### Criminal Acts in Dealings with Public Officials

The granting of personal advantages (in particular benefits in kind such as payments and loans, including the giving of smaller gifts over a longer period of time) by Kuncai and their employees to public officials (such as civil servants or public employees) with the objective of gaining advantages for the signing / acceding company or oneself or for third parties, is not permitted.

#### Criminal Acts in Business Dealings

Personal benefits in kind in exchange for a favored position in business dealings may not be offered, promised, granted or approved. Nor may personal benefits be demanded or accepted in dealings with business partners. Kuncai requires from its employees that they will not allow any such benefits to be promised to them.

The management and employees of Kuncai are not allowed in the course of business dealings to offer, promise, demand, give or accept gifts, payments, invitations or services that are provided with the aim of influencing a business relationship in a prohibited way or

with whom there is the risk of jeopardising the professional independence of the business partner. This generally does not apply to gifts and invitations that fall within the bounds of normal business practice with regard to hospitality, convention and courtesy.

Kuncaï can issue a binding policy with regard to the giving and receiving of gifts, invitations to business entertainment and events. This policy can specify exceptions with respect to appropriate gifts of small value and of a symbolic nature, reasonable business meals and reasonable company events as well as those of business partners (customers, suppliers

### **b) Conduct vis-à-vis Competitors (Anti-trust Law)**

Kuncaï respects fair competition and adheres to existing laws that uphold and promote competition, in particular prevailing anti-trust laws as well as laws that regulate competition.

In dealing with competitors, these provisions in particular prohibit collusion and other activities aimed at influencing prices or conditions, dividing up sales territories or customers or using prohibitive means to inhibit free and open competition. Furthermore, these provisions prohibit agreements between customers and suppliers by which customers are to be enjoined in their freedom to autonomously determine their pricing and miscellaneous conditions when reselling (determination of pricing and conditions)

### **c) Forced Labour**

Kuncaï rejects every form of forced labour.

### **d) Child Labour**

Kuncaï respects the regulations of the United Nations, Children's Rights and Business Principle and China Labour law on human rights and children's rights. In particular, the signing / acceding company commits to complying with the Convention concerning the minimum age for admission to employment (Convention No 138 of the International Labour Organization) as well as the Convention concerning the prohibition and immediate action for the elimination of the worst forms of child labour (Convention No 182 of the International Labour Organization). Child labour, means any children engaged in an employment but they are under the age for completing compulsory education or younger than the minimum age stipulated by the local law of that country (the higher age should be applied). In China, the minimum age for admission to employment is the age of 16. Kuncaï is resolutely against the use of child labour in the whole production process. Kuncaï considers the use of child labour as a criminal behavior. If a national regulation concerning child labour provides for stricter measures, these shall have precedence.

## **3. Principles promoting Social Responsibility**

### **a) Human Rights**

Kuncaï respects and supports compliance of internationally- recognized human rights.

**b) Discrimination**

Kuncaï commits, within the scope of prevailing laws and statutes, to opposing all forms of discrimination. This applies in particular to unfair treatment on the basis of gender, race, disability, ethnic or cultural origin, religion or world view, age or sexual orientation.

**c) Health Protection**

Kuncaï guarantees protection of workers in the workplace and workplace health protection within the scope of national provisions. Kuncai supports continuous advancement of this process towards improvement of the working environment.

**d) Fair Working Conditions**

Kuncaï respects its employees' right of association within the bounds of prevailing laws and statutes.

**e) Environmental Protection**

Kuncaï is committed to sustainably upholding the goal of environmental protection for current and future generations. Laws passed for the protection of the environment are to be obeyed. Kuncai supports environmentally-minded actions on the part of its employees.

**f) Company Secrets**

Kuncaï commits its employees to safeguarding trade and company secrets. It is forbidden to divulge confidential information, as well as confidential documents, to third parties without proper authorization or to provide other forms of access to them, unless proper authorization has been granted or it has to do with publicly available information.

**4. Suppliers**

Kuncaï will communicate the basic principles of this Code of Conduct Section to its immediate suppliers, to promote the compliance of the content of the Code of Conduct Section 2 to the best of its ability among its suppliers and to require them to also adhere to Section 3. Kuncai will recommend to its suppliers to in turn call upon their suppliers to follow the content of our Code of Conduct.

**Fujian Kuncai Material Technology Co., Ltd.**

**2015.12.1**

## APPENDIX

### United Nations Global Compact

#### *The Ten Principles*

The Principles of the Global Compact are based on a universal consensus and are derived from ...

- The Universal Declaration of Human Rights
- The International Labour Organization's Declaration on Fundamental Principles and Rights at Work
- The Rio Declaration on Environment and Development ...
- The United Nations Convention Against Corruption

The Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment, and anti-corruption:

#### *Human Rights*

Principle 1: Businesses should support and respect, within their sphere of influence, the protection of internationally proclaimed human rights; and...

Principle 2: Make sure that they are not complicit in human rights abuses.

#### *Labour Standards*

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; ...

Principle 4: The elimination of all forms of forced and compulsory labour;

Principle 5: The effective abolition of child labour; and

Principle 6: The elimination of discrimination in respect of employment and occupation.

#### *Environmental Protection*

Principle 7: Businesses should support a precautionary approach to environmental challenges,

Principle 8: Undertake initiatives to promote greater environmental responsibility; and

Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

#### *Fighting Corruption*

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribe