

# Anti-bribery and Anti-corruption System of Beijing Enterprises Holdings Limited

## Chapter I General Provisions

**Article 1** To strengthen the governance and internal control of Beijing Enterprises Holdings Limited (hereinafter referred to as BEHL or the Company), prevent fraud, regulate anti-bribery and anti-corruption efforts, and safeguard the legitimate rights and interests of the Company and the shareholders, this System has been formulated in accordance with the Constitution of the *People's Republic of China*, the *Criminal Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China* and relevant laws and regulations, with reference to relevant provisions of the *United Nations Convention against Corruption* and the relevant laws and regulations of the Company's place of registration, and in line with the actual situation of the Company. The Hong Kong headquarters shall consider local market practices when implementing this System.

**Article 2** The Company shall strictly comply with applicable laws and regulations against bribery and corruption, and require all employees to comply with the Company's policies and systems against bribery and corruption. The Company shall always engage in fair competition with relevant counterparts in the industry under the premise of abiding by laws, regulations and ethical codes and not reach any agreement with the suppliers, customers or competitors that violates the competition rules.

**Article 3** The purposes of the Company's anti-bribery and anti-corruption work are to promote the Company's values of honesty, integrity and good faith in work and operation. The Company will regulate the professional conduct of all employees, especially middle-level and senior management personnel and employees in key functions, create an honest, diligent and dedicated working environment, comply with relevant laws and regulations, professional ethics and the Company's internal management system, and prevent acts that damage the interests of the Company and the shareholders to ensure a healthy, stable and sustainable development of the Company.

**Article 4** The System is applicable to the Company and its wholly-owned subsidiaries and holding companies.

## **Chapter II Prohibited Acts**

**Article 5** The term "corruption" used in these provisions refers to the acts of the Company's employees, in their daily operation and management, taking advantage of their positions to seek or intend to seek illegitimate personal interests and infringing upon the Company's legitimate rights and interests or abusing their powers, neglecting their duties, undermining the Company's interests, and other acts that violate laws and regulations.

**Article 6** Employees shall be honest and self-disciplined and not take advantage of their positions to accept bribes from others during the performance of their duties. They shall strictly abide by the rules of fair

competition, operate in good faith, and not bribe others to seek illegitimate benefits. The following behaviors are prohibited:

(1) Taking advantage of their positions and engaging in malpractices for personal gains by directly or indirectly asking for, accepting, and obtaining property, financial benefits, or any other benefits from third-party stakeholders in production and operation activities such as production, procurement, sales, tendering and bidding and infrastructure projects;

(2) Accepting various membership cards, prepaid cards (coupons), shopping cards (coupons) , other negotiable instruments and invitations to meals and banquets or other costly consumption and entertainment activities from third-party stakeholders such as customers, bidders, suppliers and contractors in production and operation activities such as production, procurement, sales, tendering and bidding and infrastructure projects, or other behaviors that might compromise their professional integrity;

(3) Obtaining property, financial benefits or any other benefits from third-party stakeholders at significantly below-the-market prices;

(4) Directly or indirectly giving other parties' property, financial benefits or any other benefits in production and operation activities for the Company's or their own improper gains;

(5) Committing bribery in the name of charitable donations;

(6) Other behaviors that compromise their professional integrity.

**Article 7** Employees shall perform their duties diligently and safeguard the interests of the Company, and shall not unlawfully take into possession or damage the interests of the Company by taking advantage of their position. The following behaviors are prohibited:

(1) Unlawfully taking into possession the Company's property by embezzling, stealing, defrauding or other means;

(2) Misappropriating the Company's funds for personal use or lending to others, or misappropriating the Company's assets;

(3) Using or exploiting the Company's funds such as business entertainment expenses and office expenses in violation of regulations or for reimbursement or payment of expenses that should be personally borne;

(4) Setting up or taking portions from "hidden coffers" (off-the-books accounts) privately in violation of relevant rules and regulations, which include but are not limited to funds derived from misappropriation or withholding of the Company's revenue, funds not included in the accounts of the Company's financial and accounting departments or not included in budget management.

(5) Taking into possession of gifts used in external business activities in violation of relevant rules and regulations;

(6) Colluding with others to provide false materials or information to defraud the Company;

(7) Compromising the Company's interests due to their abuse of power or dereliction of duty;

(8) Other behaviors that unlawfully appropriate or damage the property or interests of the Company.

**Article 8** Employees shall be honest and trustworthy, abide by professional ethics, and fulfill their duty of good faith to the Company. The following behaviors are prohibited:

(1) Violating the duty of good faith to the Company by taking advantage of their position to seek improper gains for themselves or their spouse, children or others, or committing other acts that hurt the interests of the Company;

(2) Engaging in any business activity that may cause conflicts of interest with the Company without the approval of the Company;

(3) Purchasing or selling any kind of securities of the Company traded in financial markets or otherwise or making profit in any form by using non-public information, or providing relevant non-public information to others;

(4) Deliberately providing false or forged materials or committing acts of gross irresponsibility; producing certification documents that are grossly untrue and cause grave consequences;

(5) Violating the Company's confidentiality regulations and information security management regulations, committing infringement

or leakage of trade secrets that result in significant losses to or impacts to the Company's interests;

(6) Seeking personal gains or conveying benefits to others by taking advantage of their position to access and tap business channels, business information, trade secrets, intellectual property rights or other resources of the Company;

(7) Other behaviors that violate laws, regulations and disciplinary procedures.

### **Chapter III Anti-bribery and Anti-corruption Measures**

**Article 9** The Company requires its employees to strictly comply with the *Criminal Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China* and relevant laws and regulations. The Company has zero tolerance for bribery and corruption.

**Article 10** Implementation of anti-bribery and anti-corruption efforts involves specific tasks including:

(1) Carrying out Company-wide publicity on anti-bribery and anti-corruption; leveraging various conduits and means such as the Company's WeChat official account, case presentations and training courses to enhance employees' awareness of integrity and build a strong defense against corruption.

(2) Keeping whistleblowing channels smooth, and accepting and registering complaints filed against bribery and corruption behaviors;

- (3) Organizing the investigation into bribery and corruption cases;
- (4) Putting forward opinions on handling and accountability for bribery and corruption cases;
- (5) Carrying out other work related to anti-bribery and anti-corruption.

#### **Chapter IV Bribery and Corruption Prevention and Control**

**Article 11** The Company shall establish a working mechanism for combating bribery and corruption and fulfill relevant tasks. During that process, it shall seek to understand and guard against signs of bribery and corruption, and study and carry out countermeasures and methods to prevent bribery and corruption. By signing the *Letter of Commitment for Professional Integrity*, a commitment system to prevent bribery in business for personnel in key posts has been implemented.

**Article 12** The Company should understand the characteristics and patterns of corruption and bribery behaviors to effectively prevent them through educational, institutional and supervision and other measures, and pay more attention to deal with signs and tendencies of corruption and bribery.

**Article 13** All departments of the Company should strengthen the management of key personnel, implement anti-corruption and anti-bribery work with great intensity, stop violations of laws and regulations upon spotting them, and report the situation to the relevant departments.

**Article 14** The Company encourages employees and enterprises that it has business contact with to report and expose corruption and bribery.

**Article 15** Each step of whistleblowing such as acceptance to complaints and investigation must be kept strictly confidential. It is strictly prohibited to disclose the name of whistleblowers, their department, the enterprise they work for and other relevant information, and it is strictly prohibited to disclose information concerning a whistleblowing complaint to the target individual or department.

**Article 16** For whistleblowers who file complaints with falsified facts and materials or by other means in an attempt to adversely impact others, damage their reputation or hold them accountable, the Company reserves the right to investigate and proceed legal action against them.

### **Chapter V Supplementary Provisions**

**Article 17** Matters not covered by this System shall be handled in accordance with relevant national laws and regulations and relevant rules and regulations of the Company.

**Article 18** This System shall come into force as of the date of printing and distribution.