**ZTT Compliance Rules on Bidding**

1. **General Provisions**
	* 1. Pursuant to the relevant laws, rules and regulations of China and other counties in which the Jiangsu Zhongtian Technology Co., Ltd (the **“Company**”) operates (collectively “**Applicable Laws**”) and the Compliance Guidelines, the Employees’ Compliance Code of Conduct and other compliance rules and requirements of the Company (“**ZTT Compliance Rules**”), taking into account of the actual business environment in which the Company operates, these Rules are formulated to further improve bidding compliance management of the Company.
		2. These Rules apply to the bidding activities of the Company and its foreign and domestic controlled subsidiaries (hereinafter referred to as the “**Subsidiaries**”). The Subsidiaries shall, based on their respective situation, further draw up specific rules to implement these Rules.
		3. Definitions
2. “**Compliance”** means the adherence to the requirements of the Applicable Laws, international conventions, Compliance Codes of International Organization, regulatory provisions, industrial standards, business practice, ethics and the Company’s articles of association and rules and regulations by the Company and the Subsidiaries in their regular course of business.
3. “**Third Party”** refers to all entities such as agents, advisers and other intermediaries, consultants, representatives, distributors, contractors, subcontractors and suppliers, consortia, joint venture partners and other kind of third parties who have business relationships with the Companies or any Subsidiaries, or has sought to obtain orders or permits (whether an individual, partnership, corporation or unincorporated entity) from the Company or the Subsidiaries in any forms or under any titles.
4. “**Affiliated Enterprise/ Affiliated individual**”, refers to legal persons or individuals who directly or indirectly control, or are directly or indirectly controlled by the tenderee, or have significant relationship with the tenderee.
5. “**Compliance Risks”** refers to the possible negative impacts caused by legal sanctions, administrative penalties, monetary or reputational losses on the Company, the Subsidiaries or their employees as a result of their non-compliance conducts.
6. “**Bidding Department**” refers to the departments in charge of the marketing and bidding of the Company and the Subsidiaries, e.g. the business center of the Company, the bidding department of ZTT International Limited, etc.
7. “**Appropriate Compliance Department**”, depending on the level of entities, refers to the Compliance Standard Department of the Company; Or the Compliance Department or Compliance Officers of the Subsidiaries.
8. “**Bidding**” refers to the market development activities conducted by the Company and the Subsidiaries, including the collection of bidding information, the purchase of bidding documents, the review of bidding submissions, etc.
9. “**Government Organizations**” include but not limited to state or local government departments, or enterprises (e.g. state-owned resources companies or developers) owned or controlled by the State.
10. “**International Organizations”** include but not limited to the United Nations (“**UN**”), International Monetary Fund (**“IMF”**), Organization for Economic Cooperation and Development (“**OECD**”); Multilateral Development Banks (“**MDBs**”) such as the African Development Bank and the World Bank, and the World Trade Organization (“**WTO**”).
11. “**Coordinated Actor**” refers to a bidder who have been acting in concert during the bidding process, either as affiliated or non-affiliated parties。
12. “**Affiliated Relationship**” refers to the relationship between a controlling shareholder, actual controller, director, supervisor or senior management officer, or other persons able to exert significant influence of a bidder with another bidding participants under the direct or indirect control thereof.
13. “**Public Official**” includes but not limited to:
	1. Officials, employees, representatives of governments, and any other person authorized to exercise public authority;
	2. Officials, employees, or representatives of public international organizations;
	3. Officials, employees, or representatives of political organizations, or members of royal families, who exercise public authority; and
	4. Officials and employees of public enterprises, which are enterprises over which a government or governments exercise, directly or indirectly, a controlling or dominant influence.
14. “**Conflict of Interests**” refers to the scenarios in which the individuals participating in the bidding or the Company and its Subsidiaries themselves have direct or indirect personal stake with the tenderee or other participants of the bidding, includes but not limited to:
15. The participant of the bidding has held positions in the tenderee or other bidding participants, or has relatively close relationships with such persons who have held positions in the tenderee or other participants of the bidding.
16. The participant of the bidding has economic interests, e.g. holding the stocks/bonds, on the tenderee, or other participants of the bidding.
17. The Company or Subsidiaries themselves have a relationship with the tenderee and other bidding participants at the level of equity, business, or economy that may interfere with the fairness of bidding activities.
18. Other scenarios in which the objective judgement of a bidding participant may be interfered with.
	* 1. All employees participating in the bidding process shall strictly abide by relevant rules on confidentiality drawn up by the Company and the Subsidiaries, and shall not disclose any confidential information in relation to bidding.
		2. These *Rules* shall be implemented concurrently with the currently effective rules of the Company and the Subsidiaries. After the implementation of these Rules, all other existing rules of the Company and the Subsidiaries would continue to be effective. If any inconsistencies arises, these Rules shall govern.
19. **Administrative Departments and Responsibilities**
	* 1. The Company and the Subsidiaries shall arrange for a compliance office specifically in charge of the Bidding Department or directly appoint a compliance officer in the Bidding Department, whose responsibilities would include the ministering of pre-qualification compliance review and handling of bidding-related matters. The Appropriate Compliance Departments of the Company or the Subsidiaries shall also guide, supervise and review the bidding procedures of the Bidding Department pursuant to ZTT Compliance Rules.
		2. The Bidding Department shall, with the assistance of the Compliance Officer, implement and enforce the ZTT Compliance Rules in its bidding activities to ensure compliance. Its responsibilities include, but are not limited to:
20. Collecting, screening and managing information about relevant bidding-related compliance risk, and submit bidding qualification report through compliance officer of the Bidding Department;
21. Organizing relevant review regarding bidding project;
22. Taking reasonable monitoring measures, coordinate bidding arrangements between the Company and the Subsidiaries, to prevent the Company and the Subsidiaries from competing for the same package of the same project simultaneously;
23. Compiling relevant compliance management documents relevant to the bidding, and implementing record-filing requirements for bidding.
24. Setting up a blacklist for tenderee and updating the list in a timely manner;
25. Undertaking other responsibilities pursuant to the compliance rules and regulations of the Company and the Subsidiaries.
	* 1. The Company and the Subsidiaries’ Appropriate Compliance Department shall guide, supervise and inspect the whole bidding procedures. It’s responsibility includes but not limited to:
26. Arranging for the draft, revision and implementation of plans for bidding compliance;
27. Organizing and coordinating the pre-qualification compliance review, and evaluating the bidding department’s performance on bidding compliance;
28. Reviewing compliance risk and undertaking the approving, record-filing and reporting of relevant bidding project;
29. Identifying any indicators of conflict of interests between the Company, its Subsidiaries or the bidding staffs with the tenderee or other participants of the bidding;
30. Investigating red flags of bidding compliance violation during the bidding procedure, and sending substantiated cases to relevant department for further disposition;
31. Regularly reviewing project bidding supervisory files, and ensure the effectiveness and reliability of the pre-qualification compliance review;
32. Undertaking other responsibilities pursuant to ZTT Compliance Rules.
33. **Pre-Qualification Compliance Review**
	* 1. The Company and the Subsidiaries’ Appropriate Compliance Department are responsible for conducting pre-qualification compliance review for the tenderee. The Company and Subsidiaries’ Bidding Department is responsible for collecting relevant information relating to pre-qualification compliance review, and prepare relevant documents for compliance review (**See Annex 3, Explanation on Pre-Qualification Compliance Review**). After being executed by the Compliance Officer of the Bidding Department, the aforesaid documents would be submitted to the Appropriate Compliance Department. Only after successful completion of the pre-qualification compliance review by the Appropriate Compliance Department, may the Bidding Department participate in the bidding (**See Annex 2, Process Chart for Pre-qualification Compliance Review**).
		2. The scope of pre-qualification compliance review includes but not limited to :
34. Whether a third party has been involved in the Company and Subsidiaries’ binding project；
35. Whether or not the bidding projects relate to government or international organizations;
36. the business environment of the country or region where the tenderee or the bidding project is located (See list of counties or regions with high compliance risk drawn up by the Company)
37. the legal environment of the country or region where the bidding project resides and relevant compulsory statute regarding the bidding project;
38. whether or not there are special requirements in the introductory documents for the bidding, criteria for bidding evaluation or other bidding documents;
39. The tenderee’s background, including ultimate beneficiary, directors, senior management, etc.
40. Information relating to the project referrer;
41. Whether there is risk of the Company or the Subsidiaries being viewed as a Coordinated Actors with other bidding competitors;
42. The tenderee’s credibility and integrity, specifically including: (i) the tenderee’s compliance information in the databases of international organizations, the relevant local government, and the Company; (ii) the tenderee’s history of settled, unsettled, and potential litigation cases in the past decade; (iii) the tenderee’s relationships with the local government and relevant International Organizations; (iv) whether the tenderee has been charged or investigated for fraud, corruption, collusion, or similar misconduct; and (v) the market reputation of the tenderee.
	* 1. According to the information collected from the pre-qualification compliance review, the Appropriate Compliance Department shall undertake a compliance risk assessment and classification (**See Annex 1, Risk Class List and Approval Form)**. The Bidding Department shall conduct compliance risks management based on the above classification pursuant to Article 12 of these Rules. Relevant risks are categorized as follows:
43. Significant compliance risks underlying the bidding projects or relating to the tenderee, based on which it’s certain no business may be conducted, shall be listed in this particular category. Such risk includes but not limited to:
44. the tenderee or the tenderee’s parent company, affiliated enterprise or person has been put into black list by the United Nations, international organization and local government;
45. tenderee and tenderee’s parent company, affiliated enterprise or person has been listed by United Nations or other international organizations as terrorist organization or has in any way supported terrorist activities;
46. Tenderee and tenderee’s parent company, affiliated enterprise’s current shareholder, director, senior management officer or tenderee’s affiliated individual currently is internationally or locally wanted on a criminal conviction.
47. Other risks that are of similar nature.
48. When it is suspected that the bidding project and the tenderee may involve significant illegal conduct, and conduct business with them may result in legal sanctions, regulatory penalty, severe economic loss and reputational damages and other negative impacts, such risk shall be listed as Risk Class One. Such risk includes but limited to:
49. Any current shareholder or senior management of the tenderee, its parent entity, or any affiliated entity is or has been internationally or locally wanted on a criminal conviction in the past decade;
50. The tenderee, its current shareholder or senior management, parent entity, affiliated person or entity, is involved in, suspected of, or charged for any illegal conduct (e.g. corruption, fraud, monopoly, collusion, tax evasion, money laundering)The tenderee, its parent entity, affiliated company, is listed on the blacklist or debarred list of the Company);
51. The tenderee, the public officials of the tenderee’s nation, the host nation of the project, or other government organizations or international organizations designates or strongly recommends to engage any third party to participate in the project bidding;
52. Other risks that are of similar nature.
53. Even though the bidding project and tenderee do not involve any significant illegal conducts, but conducting business with it is likely to cause legal sanction, regulatory penalty, great economic loss and reputational loss, as well as other negative impacts, then the risk involved shall be listed as Risk Class two. Such risk includes but not limited to:
54. Any third party assists in the bidding process or otherwise acts on behalf of the Company and the Subsidiaries;
55. The country or region where the tenderee is located is listed on the current year’s list of high-risk country or region released by the Company;
56. The tenderee, its parent entity, affiliated person or entity is related to or affiliated with a Public Official;
57. There is a significant amount of up-front payment required by the tenderee, and it is clear for the Company and the Subsidiaries that the amount required is out of its capacity;
58. Other risks that are of similar nature.
59. Risk Class Three. Compliance risks involved in bidding projects regarding possible legal sanctions, regulatory penalty, significant economic losses and reputational losses as well as other negative impact, which are not as dangerous as the special, first and second class risk, shall be listed as Risk Class Three.
	* 1. After the Appropriate Compliance Department classifies compliance risks, based on the aforesaid classification, the Company and the Subsidiaries shall conduct risk management accordingly (**See Annex 4, Process Chart for Bidding Compliance Review)**：
60. For projects involving special level of compliance risks, the Company and the Subsidiaries shall not participate in its bidding；
61. For projects involving Risk Class One, the Company and the Subsidiaries’ Appropriate Compliance Department generally should not participate in its bidding. Such bidding project shall be first reported to the Company's Compliance Standards Department by the Compliance Officer of the Bidding Department. Only after approval by the Company's Compliance Standard Department, may the Compliance Standard Department report the project to the Chief Compliance Officer and the Vice General Manager of the Bidding Department. Only upon the approval by both the Vice General Manager and the Chief Compliance Officer may the Bidding Department proceed with the bidding for this project;
62. For Projects involving Risk Class Two, before the Company and Subsidiaries proceed with the bidding of the project, the Compliance Officer of the Bidding Department shall first report such project to the Company's Compliance Standards Department. Only upon approval by The Company Compliance Standards Department may the Bidding Department proceed with the bidding for this project;
63. For Projects involving Risk Class Three, before the Company proceed with the bidding of the project, the Compliance Officer of the Bidding Department’s approval must first be obtained, and the project shall be filed with the Compliance Standard Department of the Company. Before the Bidding Department of the Subsidiaries proceed with the bidding, the approval by the Compliance Officer of the department must first be obtained, and the project must be filed with the Compliance Management Leading Group of the Subsidiaries.
	* 1. The Compliance Officer of the Bidding Department of the Company and the Subsidiaries are required to submit pre-qualification compliance review documents to the Appropriate Compliance Department at the stage of bidding project registration. If a bidding project fails to complete the required pre-qualification compliance review procedures specified in Articles 9 to 11 of these Rules, or fails to go through the procedures stipulated in Article 12 of these Rules, the bidding for such project shall immediately stop. If participation of any bidding project would expose the Company or the Subsidiaries of the risk of violating these Rules or ZTT Compliance Rules, even if all other requirements for the project has been satisfied, the bidding for the project shall not proceed.
		2. The Bidding Departments of the Company and the Subsidiaries should base on the results of the pre-qualification compliance review to put relevant tenderees with special/first level of compliance risk to a blacklist. The Company and the Subsidiaries shall timely update the blacklist. When the tenderee has no special or first level risk anymore, upon the approval of the Chief Compliance Officer of the Company and the Compliance Standard department, the Bidding Department may take such tenderee out of the blacklist.
64. **Supervision on Bid Compliance**
	* 1. Supervision on bidding compliance shall conform to the principles of fair competition and good faith.
		2. The following behaviors are prohibited in the Bidding:
65. Making any misrepresentations in the bidding procedures, such as exaggerating or fabricating past experiences to meet tenderee’s requirements;
66. Joining together with any potential competing bidders to collude, threaten, or discriminate against other bidders to the prejudice or potential prejudice of the legitimate rights and interests of the tenderee or other bidders;
67. Colluding with the tenderee in the bid to harm national interest, social and public interests or the legitimate rights and interests of others.
68. Taking unethical or corruptive approaches such as offering bribes to the tenderee or members of the bid assessment committee in order to win the bid;
69. Competing for a bid at a price below cost, bidding in the name of another person, or resorting to any fraudulent means;
70. Communicating with tenderee or other bidders to gain improper or confidential information in order to gain an advantage in the bid;
71. Sharing confidential bidding information with other bidders or providing anything of value or benefits to other bidders or the tenderee that violates compliance rules and the Applicable Laws;
72. lending qualifications of the Company or the Subsidiaries to other business entities, bidding in the name of other business entities;
73. Concealing or destroying bidding documents that are required to be maintained, or forging, counterfeiting or falsifying bidding documents and other documents included with the bid submission, such as references;
74. Offering, promising, accepting, or receiving bribes, rebates, commissions or any other thing of value in connection with business dealings; and
75. Obstructing or refusing to comply with bidding supervision and inspection conducted by the Appropriate Compliance Department of the Company and the Subsidiaries.
	* 1. In the bidding process, when the following incidents occur, the Company and the Subsidiaries’ Appropriate Compliance Department shall review compliance risks, and conduct risk management according to these Rules:
76. The tenderee abandons the bid and re-invites bidders to tender;
77. The tenderee rejects the bid or disqualifies the bidder for non-compliance with the bid requirements; or
78. The Company or the Subsidiaries learn of any project-related or contract-related allegation or evidence of misconduct;
79. Other situation that may lead to new compliance risk or may worsen already existing compliance risk.
	* 1. The Company’s Compliance Officer, upon receipt of any report or allegation of any violation of compliance requirements relating to a bidding staff of the Company or the Subsidiaries, shall timely report such incidents to the Company’s Appropriate Compliance Department and conduct investigations in accordance with the Compliance Rules on Internal Investigation.

Upon Company’s Appropriate Compliance Department’s discussion, depending on its final decision, the Company’s Appropriate Compliance Department may report such incidents to the Company’s Chief Compliance Officer and Compliance Committee.

The Appropriate Compliance Department of the Subsidiaries, upon receipt of any report or allegation of any bidding violation of compliance requirements by the staff of this Subsidiary, shall first report the incident to the Compliance Management Leading Group of the Subsidiary. Upon the Compliance Management Leading Group of the Subsidiary’s discussion, it may report such incidents to the Company’s Chief Compliance Officer and Compliance Committee. The Company's Compliance Department shall conduct internal investigations in accordance with the Compliance Rules on Internal Investigation and report to the Company’s Chief Compliance Officer and the Compliance Committee.

The Appropriate Compliance Department of the Subsidiaries, upon receipt of any report or allegation of any bidding violation of compliance requirements by the staff of other Subsidiary(s), shall directly report the incident to the Company’s Appropriate Compliance Department. Upon the Company’s Appropriate Compliance Department discussion after carried out internal investigations in accordance with the Compliance Rules on Internal Investigation, it may report such incidents to the Company’s Chief Compliance Officer and Compliance Committee depending on the situation.

The Company and the Subsidiaries’ Appropriate Compliance Department, upon receipt of any report or allegation of any violation of compliance requirements, shall instruct the Bidding Department to classify the risks and conduct risk management according to Article 11 of these Rules, if there are any compliance risks involved.

1. **Documentation and Follow-up Management**
	* 1. The Company and the Subsidiaries’ Appropriate Compliance Department shall promptly and systematically record, classify, number, and archive all of the processes and results of the pre-qualification compliance review, and maintain a project bidding supervisory file.
		2. The Company and the Subsidiaries’ Appropriate Compliance Department shall regularly review the project bidding supervisory file to ensure the pre-qualification compliance review process is effective and reliable. Key review areas include:
2. whether or not the bidding is legally authorized;
3. whether or not there are any misrepresentations being made in the bidding process;
4. whether or not the pre-qualification compliance review and subsequent project management meet relevant compliance requirement;
5. whether or not there are sufficient bidding documents.

The Company’s Appropriate Compliance Department shall timely report the result of the review to the Company’s Compliance Committee and Chief Compliance Officer. The Subsidiaries’ Appropriate Compliance Department shall report the result of the review to the Compliance Management Leading Group of the Subsidiary.

1. **Disciplinary Action and Questions**
	* 1. Any employees of the Company or the Subsidiaries in violation of Article 16 of these Rules shall be subject to public reprimand. Depending on the seriousness of the misconduct, the Company or the Subsidiaries may further pursue liabilities against relevant individuals according to Chapter IX “*Regulations Concerning Rewards and Disciplinary and Implementation Rules*” of the *Employee Manual*
		2. Any questions regarding these Rules may be raised to the Appropriate Compliance Department of the Company and the Subsidiaries.
2. **Miscellaneous**
	* 1. The Compliance Standard Department, on behalf of the Company, exercises the supervision on the implementation of these Rules in its departments, and it has the ultimate right to instruct and interpret the implementation of these Rules.

**Annex：**

1. Risk Class List and Approval Form
2. Process Chart for Pre-qualification Compliance Review
3. Explanation on Pre-Qualification Compliance Review
4. Process Chart for Bidding Compliance Risks Review

Annex 1:

**Risk Class List and Approval Form**

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| --- | --- | --- |
| **Risk of Special Level** | **Yes** | **No** |
| The tenderee, its parent entity, or any affiliated person or entity has been listed on the blacklist or debarred list of the United Nations or local government. | □ | □ |
| The tenderee, its parent entity, or any affiliated person or entity is listed as terrorist organizations by the United Nations or other international organizations or has in any way supported terrorist activities. | □ | □ |
| Any current shareholder, director or senior management officer of the tenderee, its parent entity, or any affiliated entity is internationally or locally wanted on a criminal conviction. | □ | □ |
| Other risks that are of similar nature. | □ | □ |
| **Risk Class One** | **Yes** | **No** |
| Any former shareholder, director or senior management officer of the tenderee, its parent entity, or any affiliated entity has been internationally or locally wanted on a criminal conviction in the past decade.  | □ | □ |
| The tenderee, its current shareholder or senior management, parent entity, affiliated person or entity, is involved in, suspected of, or charged for any illegal conduct (e.g. corruption, fraud, monopoly, collusion, tax evasion, money laundering) | □ | □ |
| The tenderee, its parent entity, affiliated person or entity, has been listed on the blacklist or debarred list of the Company;  | □ | □ |
| The tenderee, the public officials of the tenderee’s nation or the host nation of the project, or other government organizations or international organizations designates or strongly recommends to engage any third party to participate in the project bidding.  | □ | □ |
| Other risks that are of similar nature. | □ | □ |
| **Risk Class Two** | **Yes** | **No** |
| Any third party assists in the bidding process or otherwise acts on behalf of the Company and the Subsidiaries. | □ | □ |
| The country or region where the tenderee is located is listed on the current year’s list of high-risk country or region released by the Company. | □ | □ |
| The tenderee, its parent entity, affiliated person or entity is related to or affiliated with a Public Official. | □ | □ |
| Other risks that are of similar nature. | □ | □ |
| **Approval Details** |
| Chief Compliance Officer of the Company | Signature：Date： |
| Vice general manager in charge of the Bidding Department of the Company | Signature：Date： |
| The Compliance Standard Department of the Company | Signature：Date： |
| The Compliance Officer of the Bidding Department of the Company and the Subsidiaries | Signature：Date： |
| Record-filing to the Compliance Management Leading Group | (if applicable, please specify the reason for the filing)Signature：Date： |
| Record-filing to the Compliance Standard Department of the Company  | (if applicable, please specify the reason for the filing)Signature：Date： |

Annex 2：

**Process Chart for Pre-qualification Compliance Review**

**Bidding Department**

**Collect relevant information regarding pre-qualification compliance review**

**Appropriate Compliance Department**

**Evaluate/classify compliance risks**

**Bidding Department**

**Risk management based on classification**

Annex 3

**Explanation on Pre-Qualification Compliance Review**

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| **Explanation on Pre-qualification Compliance Review** |
| 1. Whether a third party is involved in the project bidding by the Company and the Subsidiaries. if yes, please explain;
2. Whether the project is related to any Government or International Organizations; if yes, please explain;
3. The business environment of the country or region where the tenderee or the project is located (see current year’s list of high-risk country or region released by the Company);
4. Mandatory provisions relating to the bidding project and the legal environment of the country or region where the project is located;
5. Whether or not there are special requirements in the introductory documents for the bidding, criteria for bidding evaluation or other bidding documents;
6. Please specify the tenderee’s background, including ultimate beneficiary, directors, senior management, etc.;
7. Please specify the information relating to the project referrer;
8. Whether there is risk of being viewed as a Coordinate Actor with other bid competitors; if yes, please explain.
9. Please describe on the tenderee’s credibility and integrity, including:
10. The tenderee’s compliance information in the databases of International Organizations, the relevant local government, and the Company;
11. The tenderee’s history of settled, unsettled, and potential litigation cases in the past decade;
12. The tenderee’s relationships with the local government and relevant International Organizations.
13. Whether the tenderee has been charged or investigated for fraud, corruption, collusion, or similar misconduct;
14. The market reputation of the Tenderee.

In conclusion, the comprehensive evaluation for the pre-qualification compliance review of project and tenderee by the Bidding Department is:Signature of Compliance Officer of the Bidding Department::Date: |

**Annex 4**

**Process Chart for Bidding Compliance Risks Review**