Supervision of Whistleblowing

1. Purpose

These regulations aim to:

- Standardize the procedures for receiving, investigating, analyzing, and resolving major economic, quality, and safety issues related to the company worldwide, and rely on these procedures to achieve a closed-loop audit and supervision work.
- All employees within the company system are encouraged to make good faith reports and complaints about bribery, corruption, fraud, and unethical behavior they discover or are informed about.
- Establish anti-retaliation mechanisms to strictly protect well-intentioned whistleblowers and related witnesses from any unfair treatment due to evidence presentation.
- In the event of any conflict between these regulations and local laws, local laws shall prevail.

2. Requirements

2.1 Terms and Definitions

- Whistleblowers: Individuals or organizations who disclose bribery, corruption, fraud, or unethical behavior, including directors, supervisors, senior executives, ordinary employees, suppliers, service providers, customers, or the public.
- Witness: A natural person or entity who has knowledge of the relevant facts of the case and fulfills the obligation to testify.

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- Good faith reporting: The report is not made out of malice or personal interest, and the whistleblower has reasonable grounds to believe the content is true.
- Bribery, corruption, and fraud: including bribery, corruption, and fraud that harm the company's legitimate economic interests and seek improper financial benefits.
- Bribery, corruption, and fraud that harm the legitimate economic interests of the company: Improper acts by internal personnel of the company, in order to seek their own or others' interests, use concealment, deception, or other illegal or irregular means to harm the legitimate interests of the company or its shareholders. Including: accepting bribes or kickbacks, transferring transactions that would normally benefit the company to others; Illegal use of company assets, embezzlement, misappropriation, theft, or disclosure of company trade or technical secrets.
- Bribery, corruption, and fraud seeking improper corporate economic benefits: Internal personnel who use concealment, deception, or other illegal means to harm the interests of the state, individuals, or shareholders in order to gain improper economic benefits. Including: spending for improper purposes, selling nonexistent or unreal assets, concealing or deleting important information that should not be disclosed, engaging in illegal or irregular economic activities, tax evasion, and other activities.
- First recipients of information: relevant leaders of the joint-stock company and heads of the Audit and Supervision Department.

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2.2. Content of Special Supervision

Special supervision items include: major faults, major disciplinary and legal violations, unethical behavior, bribery, corruption, fraud, serious economic, quality, and safety issues, which cause significant losses or adverse impacts to the interests and image of the joint-stock company.

2.3 Supervision Agencies and Responsibilities

- The Audit and Supervision Department of a joint-stock company is the designated department for accepting supervision matters, collecting clues, and verifying inspections. The department exercises supervision powers on behalf of the company; All departments and personnel within the joint-stock company system must actively cooperate with supervision work and must not obstruct or set up any form of obstruction.
- Special supervision work is mainly led by the Audit and Supervision Department; For matters of a single nature or limited scope, the head of the Audit and Supervision Department may designate a dedicated person to be responsible for verification; For matters involving overlapping business and multiple departments, the Audit and Supervision Department takes the lead, with cooperation from functional departments and personnel of joint-stock companies and industrial companies.
- For supervision matters with high industry professional requirements, with the consent of relevant leaders of the joint-stock company, reliable external experts or professional institutions may be appropriately hired to conduct verification to obtain information and consolidate evidence.

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2.4 The main sources of information on bribery, corruption, fraud, or unethical conduct

2.4 1 Information obtained through the reporting method

Whistleblowers should submit information and evidence of bribery, corruption, fraud, and unethical **behavior to the joint-stock company through the following channels:**

- Tip-off hotline 13777992677
- 发送邮件至 jubao-ssgf@shanshan.com
- Through the reporting page set up under the joint-stock company and the company's official website
- Delivered by express or mail to 28th Floor, Shanshan Building, No. 777 Rili Middle Road, Yinzhou District, Ningbo City, Zhejiang Province (Audit and Supervision Officer).

2.4.2 Broaden the channels of discussion and expand the ways to obtain clues

- The company portal website has a reporting page;
- Embedding reporting information in formats such as public engineering, procurement bidding information, and tender documents;
- All written contract texts for the company's purchases and sales, commissioned processing, engineering construction, and construction installation must embed the reported information;
- Announcements and reporting information (phone, email, WeChat, integrity account) in public places within the company (cafeteria, office area);

2.4.3 Findings during routine audits or internal control evaluations;

2.4.4 Other Sources of Acquisition.

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The company provides transportation, dining, or subsidies for real-name whistleblowers and witnesses. Reasonable expenses incurred by whistleblowers and witnesses for transportation, accommodation, meals, lost work, and other expenses due to reporting activities shall be subsidized, and related expenses shall be guaranteed by the financial department of the joint-stock company.

2.4.5 Information Acceptance

- Reception of general information

For anonymous reports with clear clues, the Audit and Supervision Department shall accept them and conduct preliminary verification; if the standards for filing a case are met, a case shall be filed for investigation.

For real-name reports, the Audit and Supervision Department shall accept them, directly conduct investigations, and report the results to the whistleblower.

- Acceptance of special information

Letters: Letters from whistleblowers (including electronic letters) are received. Relevant materials and information will be automatically forwarded to the "first recipient." For important issues or urgent matters, they must be immediately reported to the Audit Committee.

Telephone: Answer whistleblowers' calls. The Audit and Supervision Department assigns dedicated personnel to answer phone reports, listen carefully, record truthfully, and clarify inquiries. If conditions permit, audio recording is allowed.

In-person: When receiving a whistleblower's report in person, the audit supervisor must communicate individually. Unrelated personnel are not allowed to be present. If necessary, audio recording may be done with the whistleblower's consent, and a timely transcript should

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be made; After the incident, the reporter signs the relevant records for record-keeping.

Basic principle: All reported content and related materials will be handled according to the joint stock company's file management regulations - confidential requirements; Reported information must be reviewed internally by the Ministry of Supervision before being accepted for acceptance; In the event of major risks or emergencies, they shall be promptly reported to the Audit Committee and the Board of Directors.

2.5 Work Requirements

- When inspectors conduct company inspections, if they have any questions, they may inquire with the company in detail, consult relevant personnel to understand the situation, and review all materials, account books, ledgers, and related archives. Company personnel should cooperate as much as possible and must not obstruct, falsify, conceal, or evade reporting.
- Inspectors must adhere to seeking truth from facts, value evidence, facts, and research, avoid favoritism, and carry out supervision work with a strong sense of responsibility and a pragmatic attitude.
- Strictly follow the system, ensuring the effectiveness of supervision work through auditing procedures such as interviews, inspections, verifications, observations, calculations, and analysis, and promptly identify any issues that arise.
- For issues found during supervision, the company should be urged to carry out effective rectification within the prescribed time limit. Inspectors are responsible for promptly re-checking the rectification to ensure the resolution of the rectification

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matters.

2.6 Protection of whistleblowers and witnesses

2.6.1 Confidentiality Management

- Face-to-face reports should be made separately; unrelated individuals must not inquire about or learn about the whistleblower's situation.
- Supervisors must adhere to the principle of confidentiality regarding reports and investigations, strictly keeping the personal information of whistleblowers and witnesses and all reported materials and evidence provided strictly confidential during acceptance, registration, verification, and evaluation, preventing leakage and loss.
- Reporting materials are included in confidential management and must not be copied, photocopied, seized, or destroyed without permission; Reported cases that have been concluded should be archived immediately.
- Those who unintentionally or intentionally disclose reported information shall be held accountable and dealt with seriously.
- For publicity and reporting and rewards for those who report meritorious service, except with the individual's consent, the reporter's name, employer, or any other related information shall not be disclosed.

2.6.2 Anti-retaliation management

The joint-stock company encourages and guarantees whistleblowers to file reports without fear of retaliation. The corporation does not tolerate harassment, demotion, dismissal, disciplinary action, suspension of work, threats, or any other form of retaliation against

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whistleblowers. As long as the report is made in good faith, even if the investigation finds that the report does not match the facts, the whistleblower will not face the risk of losing their job or suffering other adverse effects. If the whistleblower believes they have suffered retaliation or discovers that other relevant employees or third parties have been retaliated against, they should immediately contact the first recipient. Anyone who retaliates against a well-intentioned whistleblower or related witnesses will face severe disciplinary action. In serious cases, their employment relationship will be terminated, and if a crime is constituted, the case will be transferred to judicial authorities for handling according to law.

2.7 Rewards for whistleblowers

2.7.1 Principles for Rewarding Reporting

- The maximum reward for reporting is generally limited to real-name reporting. For anonymous whistleblowers, if the true identity of the whistleblower can be confirmed during the investigation or handling stage, the whistleblower will be treated as a real-name whistleblower, and the company may reward them.
- If multiple whistleblowers report the same case in succession, in principle, the first to report or the one who plays a major role in breaking through the case shall be rewarded.
- If two or more people jointly report the same case, the same reward shall be applied, and the reward shall be distributed through negotiation among the reporters.
- If the same whistleblower reports the same matter multiple times, or reports two or more related matters, the same content

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will not be rewarded repeatedly.

- Reward for reporting may be decided by the audit and supervision department for company approval ex officio, or the whistleblower may apply to the company's designated department, which will be reviewed by the audit and supervision department and then submitted to the company for approval. After the investigation into the reported illegal or irregular facts is concluded or a court judgment is obtained, the audit and supervision department shall notify the whistleblower of the reward decision. If the whistleblower agrees to accept the reward, the audit and supervision department shall initiate the reward procedure.

- The audit and supervision department shall determine the reward list, reward method, and reward amount according to this system, and implement them after periodic approval by the company. The reward for reporting is included in the budget by the finance department, coordinated and allocated, used exclusively for its intended purpose, and subject to supervision by the finance department.

- Whistleblowers must not fabricate facts or intentionally frame others. The whistleblower falsified and fraudulently obtained rewards, bearing corresponding responsibility according to law; If a crime is constituted, the case shall be transferred to judicial authorities to pursue criminal responsibility according to law.

- The company must not require its parent company to provide feedback on the reported matters.

2.7.2 Incentive Measures

- For verified reported cases that meet the following

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conditions, the informant may be rewarded according to the nature of the case. The specific details are as follows:

- There must be a clear and specific subject being reported;
- The clue materials provided by the whistleblower are first-hand and have not been previously obtained by relevant departments or individuals;
- The reported information and materials have been verified to be true;
- Other necessary conditions.

● If the whistleblower is an internal employee of the company, in addition to rewards as stipulated, priority will be given in their selection and promotion.

● If a report from an external partner is verified to be true, the company will award the whistleblower an honor and reward, and will prioritize them as a partner in future business. If there is already business cooperation, ensure stable business development.

● The company shall determine the reward method and amount based on the nature of the reported illegal or irregular act, the amount involved, the loss recovery situation, and the value of the reported clues. Witnesses who make significant contributions to case characterization or breakthroughs, and those who assist in investigations, should also be rewarded by the company.

2.8 Good faith reporting

Whistleblowers should ensure that their reporting acts are in good faith. The joint-stock company reserves the right to penalize and hold any whistleblower who intentionally falsely accuses or makes false statements. If necessary, those responsible for violating the

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principle of good faith reporting will be subject to severe disciplinary action; in serious cases, their employment relationship will be terminated; if a crime is constituted, the case will be transferred to judicial authorities for handling according to law.

2.9 Supplementary Provisions

In principle, this system is revised once a year. In special circumstances, modifications may be made after authorization and approval. The final interpretation right of this system belongs to the company's joint executive meeting.

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