

# LOGAN

## 龙光集团

### Code of Conduct for Suppliers

1. Logan Group highly values its employees, the society and the environment. This “Code of Conduct for Suppliers” is designed for the Company’s suppliers for the purpose of encouraging them to comply with relevant legal requirements and the code on business conduct and ethics.

2. Suppliers shall comply with the following Code of Conduct:

- (1) Suppliers shall comply with all applicable national laws and regulations when operating their business; they shall enter into employment contracts with all their employees that comply with local laws;
- (2) Suppliers shall adopt appropriate management measures to reduce the impact of business operations on the environment;
- (3) Suppliers shall make sure the work of their employees complies with the Labour Law and relevant national regulations, including working hours, statutory holidays, maternity leave, sick leave, etc.;
- (4) Suppliers shall not force or intimidate their workers in any form, and shall comply with the statutory minimum wage rates applicable locally and self-discipline rules;
- (5) Suppliers shall not engage in any form of corruption or bribery or illegal acts, including they may not offer any money or other forms of interests to government officials to influence relevant decisions;
- (6) Suppliers shall comply with the statutory minimum wage rates applicable locally, and pay salaries on time without delay;
- (7) Suppliers shall give their employees the rights to freedom of association and collective bargaining granted by relevant laws and regulations;
- (8) Suppliers shall have appropriate communication mechanisms and complaint procedures to enable their employees to express their demands and complaints to the management;

- (9) Suppliers shall provide their employees with training in the rules of the Code for site safety and related practices to safeguard the safety of themselves and other employees;
  - (10) Suppliers shall decide on whether applicants meet the job requirements when hiring employees as the primary factor. They shall not discriminate against their employees based on gender, race, nationality, age, marital status, child status, sexual orientation, religion or physical disability;
  - (11) Suppliers may not hire workers below the statutory working age. Except for the trainees under approved professional apprenticeship programs, their employees shall be aged 16 or above;
  - (12) Suppliers shall formulate policies, codes of conduct and operating procedures to wipe out any forms of acts of bribery, corruption and fraud, and make sure that these policies, codes of conduct and operating procedures are executed stringently;
  - (13) Suppliers shall provide Logan Group with relevant documents to substantiate that they have complied with this Code of Conduct, and shall allow Logan Group to inspect relevant facilities and construction sites;
  - (14) Suppliers shall develop codes of conduct for suppliers that meet their requirements, and develop sustainable codes of conduct.
3. We will review this policy every year.

## **Logan Group's Notification on Integrity**

### **To: Suppliers and partners**

To maintain Logan Group's corporate business philosophy of fairness, good faith and transparency, and to regulate various commercial cooperation activities so that both parties can achieve a win-win situation, Logan Group hereby notifies you of the matters related to integrity for mutual supervision.

1. Logan Group strongly rejects all commercial bribes and acts that disrupt the order of social operations and the principle of good faith. In the Company's daily operations, if the Company finds that its employees and suppliers have engaged in an act of commercial bribery, the Company will crack down hard on this act. Those involved in lenient cases will be included on a "blacklist" and will never be hired again, while those involved in serious cases will be transferred to the judicial authorities, and their acts will be published on the extranet of Logan Group.

2. Logan Property implements a reward-based reporting system, and will keep the reported information strictly confidential. It deals with the reported matters seriously. If the reported information is verified to be true, the reporting party will be rewarded at 10% - 30% of the total financial losses actually recovered. If there is no recovered amount of lost money involved, the reporting party will be given a certain financial reward as well.

3. The aforesaid matters will be accepted in the ways as below:

- (1) telephone numbers for reporting: 19926803129 or 0755-85288936
- (2) email for reporting: lgdc110@163.com
- (3) mailing address: Attn: General Manager, Logan Audit & Legal Office, 18/F, Tower B, Logan Century Center, Xinghua Road South, Baoan Central District, Shenzhen (Postal Code: 518000)

This Notification is "in duplicate". One copy will be returned by the Company's business staff-in-charge upon confirmation by the notified party, and submitted to Logan Group's Audit and Legal Office for filing, and the other copy will be given to the notified party for safekeeping.

**Notified by: Logan Group**

Confirmed by the notified party: [We/I have understood details of the aforesaid Logan Group's Notification, and undertake to comply with it.]

Stamped and signed by the notified party:

Dated:

## Letter of Undertaking on Good Faith Compliance

To: \_\_\_\_\_

WE HEREBY UNDERTAKE THAT in order to protect the legitimate rights and interests of both parties, facilitate healthy and sound cooperation between both parties, regulate the business management of the enterprises, create a work environment of transparency and integrity, maintain the order of the market and the economy, and promote and enrich the concept of business management with good faith, we promise that we shall strictly comply with the following Code of Conduct for integrity cooperation in the process of cooperation with you, including but not limited to: business negotiation stage, qualifying stage, tender invitation and submission stage, contract signing stage, contract performance stage, inspection and acceptance stage, payment stage, settlement stage as well as maintenance and repair stage.

I. In the course of cooperation, we shall strictly comply with various laws and regulations, operate in compliance with the law, perform contracts in good faith and resolutely wipe out illegal and criminal acts such as commercial bribery, contract fraud, malicious collusion, etc. We shall strictly fulfill our obligations in accordance with the contracts signed by both parties, and shall not have any acts of non-performance such as cheating on workmanship and materials, use of inferior materials for quality materials, demotivation at workplaces and falsification.

II. In the course of cooperation, we shall not:

1. pay any nominal rebate fees, handling fees, registration alteration fees, rewards for go-between, share revenues or other money to your staff and their relatives in any form;
2. present gift certificates, gifts, shopping cards, lottery tickets, gambling chips and other property to your staff and their relatives in any form;
3. arrange for your staff and their relatives to join tours, entertainment programs, banquet invitations and other activities in any form without permission;
4. inquire about trade secrets, inside information, technical achievements and other confidential information from your staff and their relatives in any form;
5. provide your staff and their relatives in any form with borrowings or loan mortgages, arrange work therefore in any form, or accept suppliers or subcontractors recommended thereby or other assistance in any form.

III. In the course of cooperation, if we find your staff acting in a manner that abuses power for personal gain, engaging in favoritism and committing irregularities, abusing functions and powers, committing dereliction and neglect of duty, engaging in solicitation and accepting bribes, embezzling property, misappropriating funds, disclosing confidential information, etc., we shall take measures to stop them in a timely manner, and report it to your audit and supervision department or other departments along with their name in a timely manner.

IV. In the course of cooperation, we shall cooperate with you in carrying out publicity for your requirements for integrity cooperation, ways of reporting, reporting of information, etc., and notify and make a public announcement to our relevant employees that they shall enforce the aforesaid in strict compliance with it.

V. In the course of cooperation, we shall conduct education and training for our employees on various aspects such as being incorruptible in carrying out business. We shall penalize employees who violated the aforesaid rules in accordance with relevant regulations. Those who violated the criminal law shall be transferred to the judicial authorities for handling.

VI. In the course of cooperation, we shall agree to be supervised by your audit and supervision department or other departments in carrying out our integrity cooperation, and shall be obligated to fully cooperate with your audit and supervision department or other departments in the investigation of carrying out business with integrity, including but not limited to providing you with a list of investigators, contact details and relevant evidence.

VII. If we or our staff bribe your staff or violate details of this Letter of Undertaking in the course of cooperation, then price adjustments, workload adjustments, changes in rights and obligations, settlement as well as inspection and acceptance confirmation and other details or arrangements in relation to contracts shall be invalid, and you shall have the rights to stop settlements and payments; to unilaterally terminate the contract signed between you and us; to pursue our financial and legal liabilities by including us on your "blacklist" so that you will never cooperate with us again; and to announce openly our violations of laws and contracts on your company's extranet platform. For those who violate the criminal law, you shall have the right to transfer them to the judicial authorities to pursue criminal liabilities.

This Letter of Undertaking is an integral part of the contract(s) signed or to be signed by both parties, and is independent thereof. The change, rescission, termination or invalidation of a contract signed by both parties shall not affect the legal effect of this Letter of Undertaking.

Undertaken by: \_\_\_\_\_

Legal or authorized representative: \_\_\_\_\_

Signed on: \_\_\_\_\_