**Standards of Business Conduct**

As an international company running businesses in multiple fields and industries, Weichai has power system, commercial vehicle, agricultural equipment, engineering machinery, intelligent logistics, marine transport equipment and other business segments all over the world. It is committed to making an example in abiding by high standards of business conduct, and has developed a set of perfect and transparent policies and standards to address the challenges it faces in various businesses in a unified way.

All cadres and employees shall be honest and abide by the standards of business conduct:

-- Adhere to honesty and trustworthiness and do not commit acts of fraud when dealing with all business activities and business relations of Weichai;

-- Abide by applicable laws and regulations of the countries and regions related to business operations of Weichai;

-- Protect and use properly the assets of Weichai and respect others’ intellectual property rights;

-- Safeguard the interests of the Company and deal with public and private interest relationship appropriately;

-- Respect the differences, respect and treat fairly cultural habits and religious beliefs of customers, suppliers, business partners and employees from all over the world.

1. **Core Value - Customer Satisfaction Is Our Objective**

Customer satisfaction is the fundamental in the enterprise’s existence, and it is the starting point and objective of all work of the enterprise. Every department, every position and every employee shall take into full account and meet customers’ needs when performing each job.

-- Customers are divided into internal customers and external customers, and Weichai shall not only be highly responsible to external customers but also satisfy internal customers and shall make the customer philosophy run through the whole process of business operation;

-- Improve the external customer service system continuously, perfect channels, strengthen the communication with external customers, understand timely and lock accurately customers’ needs to provide customers with products with the highest quality, core technology and cost competitiveness and enhance customer loyalty continuously;

-- Optimize the internal customer management mechanism continuously, treat downstream customers as customers in the previous link, realize internal management customization to enhance satisfaction of external customers by improving the satisfaction of internal customers.

1. **Brand Protection**

Weichai is a respectable multinational intelligent industrial equipment group, and brand is of important strategic significance to Weichai and has positive effects on all business activities of Weichai. The brand value and brand assets of Weichai should be maintained actively by every employee and interested party that shall put a resolute stop to any person’s acts damaging Weichai brand and reputation in any form.

1. **Health and Safety**

As a law-abiding and socially responsible enterprise, Weichai is dedicated to providing employees with a healthy and safe working environment, pursues the maximization of person’s value continuously, strives to provide a fair and impartial platform and encourages carrying forward the spirit of innovation and entrepreneurship. Weichai’s staff shall maintain and participate in building a healthy and safe workplace actively, third-party partners participating in the project shall abide by relevant laws and regulations of related countries and regions as well as health and safety criteria of Weichai conscientiously, and corresponding employees shall be provided with health and safety training to ensure a healthy and safe working environment. We hope that you adhere to the same idea with us and stick to the following principles:

-- Forbid any form of discrimination, vengeance, harassment, abuse and violence, including inappropriate comments, jokes and acts;

-- Ensure just work remuneration and benefits according to local regulations and culture;

-- Never tolerate human rights violations (such as forced labor and use of child labor);

--- Respect employees’ privacy and guarantee employees’ personal information safety;

--- Forbid alcoholic beverages and do not drink alcoholic beverages in the office space of Weichai;

--- Give priority to business partners with the same values with Weichai.

1. **Harmonious Labor Relations**

As an enterprise strictly abiding by Chinese labor laws and regulations as well as international treaties on legal employment that the Chinese government agrees to conclude and join, Weichai shall implement statutory and regulatory requirements strictly, conclude, change, terminate or rescind labor contracts with all staff according to law, abide by voluntary, fair, equal and compliant labor employment policies strictly and take a firm stand against forced labor and use of child labor and other illegal acts.

In the employment process, the Company shall adhere to the basic principle of voluntariness, equality and fairness, not commit any act of unequal employment based on race, nationality, sex and religion, and meanwhile, ensure that its employees are employed voluntarily and that the labor remuneration, wages and benefits are open and transparent to employees.

The Company shall maintain the legitimate rights and interests of its employees effectively, implement relevant labor laws and regulations as well as labor contracts strictly, pay wages and relevant benefits on time and in full according to its commitment at the time of recruitment, guarantee employees’ vacation rights and actions and personal freedom fully, provide employees with all-round talent training resources and help employees in their career development. It shall support the trade union’s work actively, fully listen to suggestions of the trade union and employees for major issues involving employees and safeguard the legitimate rights and interests of its employees.

The Company shall encourage its employees to deal with conflicts according to law and ensure its and its employees’ legitimate rights and interests. When an employee believes that the Company damages the employee’s legitimate interests, the employee may report to the human resource and other related departments of the Company, insist on equal consultation and seek a solution reflecting both parties’ interests.

1. **Protection of Company Assets**

Company assets are divided into tangible and intangible assets and they are the foundation of sustainable development of the Company. Tangible assets include plants, equipment, systems, products, materials, buildings and supporting facilities while intangible assets include the brand, reputation, digital assets and user assets, land use right, software system, patent right, trademark right and copyright. The loss, stealing or abuse of assets will jeopardize the Company’s future and anyone shall take good care of, use and dispose of company assets properly.

It is forbidden to use the Company’s funds or assets (whether for personal gains or not) for any illegal or improper purpose. Employees of the Company are responsible for protecting all tangible assets, intellectual property rights, technology secrets and business secrets as well as other intangible assets of the Company and meanwhile, shall be alert to the potential safety hazards to company assets, and report to the immediate supervisor or corresponding management department on any abnormal condition immediately.

1. **Data Protection**

Weichai shall attach great importance to the protection of data and information, abide by the business secret protection law, personal data protection law and network security protection law as well as other relevant laws and regulations strictly, take effective control measures for the information and data of customers, interested parties, employees and the Company, and integrate data protection requirements into the management process of daily business activities.

Weichai’s staff shall abide by the Company’s data protection policy and system as well as relevant laws and regulations strictly, collect, process, store and transmit data in strict accordance with law, and take appropriate protection measures to avoid unauthorized use and disclosure of data and information.

Anyone shall follow the principle of legality, justification, necessity and lowest limit, obtain the consent of the information owner and explain the rules, method and scope of collection and use of personal information when collecting and using personal information. The personal information refers to the information through which the specific personal identity can be recognized or the specific individual activity can be reflected separately or in combination with other information.

In the process of disclosing employees’ personal information, Weichai shall abide by the requirements of relevant laws and regulations, obtain the prior consent of the related person, disclose relevant information timely, accurately, truly and completely and do a good job in archival filing and recording, and no employee shall disclose his/her personal information without authorization.

Weichai shall develop the related data protection manual and guideline, publicize such manual and guideline to all staff at regular intervals and meanwhile, conduct network security evaluation, optimize network security measures and ensure the Company’s data security. Employees shall understand the Company’s data protection policy, accept the Company’s training and shall not damage the Company’s network security nor reveal the Company’s data and information.

1. **Intellectual Property Rights and Business Secrets**

Weichai shall attach great importance to the creation, protection and use of its intellectual property rights, respect and avoid infringing upon others’ intellectual property rights. All staff of the Company shall protect the Company’s intellectual property rights and be responsible for avoiding the misuse of the Company’s intellectual property rights. The intellectual property rights of inventions made by the Company’s staff by making use of the Company’s resources in the process of performance of duties shall belong to the Company. Third-party partners shall respect the patent right, trademark right, copyright and other intellectual property rights of Weichai, comply with the restrictions and prohibition of Weichai for use of its intellectual property rights, and use the information and assets of Weichai only for the specific authorized purpose.

The intellectual property rights of Weichai include but are not limited to patents, trademarks, copyrights, business secrets and other information. Employees shall abide by the Company’s intellectual property and information safety policy, protect and legally use the Company’s intellectual property and be obligated to protect the business secrets of Weichai, and according to the relevant agreement with Weichai, only authorized persons can use the intellectual property rights of Weichai within a reasonable range according to relevant regulations of Weichai. The business secrets of Weichai include design, programs, formulas, production processes, manufacturing methods, test information, technical know-hows and other technical information, overall strategic plans, product technologies and other functional plans and business plans, management methods, business modes, capital operations, financial information, salary information, business policies, resource reserves, customer information, tendering and bidding matters and other business information.

1. **Conflict of Interest**

Weichai shall forbid its employees from having any conflict of interest with the Company, including but not limited to holding posts in external companies without the permission of the Company, having business contact between the Company and the employees’ personal companies, having conflicts of interest between the Company and the companies in which the employees’ near relatives hold shares or posts, seizing business opportunities of the Company or abusing the resource or influence of the Company. The employees shall abide by relevant regulations of the Company and not misuse their functions and powers to seek illegal interests nor exert undue influence on the Company. The Company shall require its employees to fully disclose any circumstance which may lead to a conflict of interest as normally expected. If any possible conflict between the interest of Weichai and the personal interest is defected, the related employee shall disclose the matter regarding conflict of interest to the compliance manager. If an employee is suspected of having any conflict of interest or falling in any circumstance that may be normally deemed as a conflict of interest, the employee shall report to the compliance officer immediately.

1. **Financial Information**

Weichai shall abide by the accounting system, accounting standard and other applicable laws and regulations on financial accounting and reporting. Its accounting records and statements shall reflect trade information truly and accurately, and employees must prevent and report on the possibility of inaccuracy or incompleteness of financial reports in a timely manner.

Employees shall ensure the accuracy and reliability of financial records and statements of relevant Weichai business and not help others keep accounts inappropriately or prepare false or misleading financial information reports; the employees shall record and report on all information accurately and completely and not help anyone record or report on any inaccurate or possibly misleading information; nor provide any party (including customers, suppliers or partners) other than Weichai with opinions on how to record and report on the income, expenditure, cost and other assets and liabilities.

Weichai shall abide by national tax polices strictly, fulfill the tax obligation in strict accordance with law, report to the tax authority on its financial position truthfully, maintain “zero tolerance” for tax evasion and ensure the integrity, accuracy and authenticity of relevant tax declaration materials. All Weichai’s staff shall fulfill the personal tax obligation in strict accordance with law.

Weichai and its staff shall keep the Company’s financial data completely according to law, including but not limited to invoices and financial and accounting information, and prevent any illegal behavior.

1. **Anti-corruption**

Weichai shall be against any direct or indirect provision or acceptance of bribes, and the Company and its senior executives, directors, employees, shareholders and agents shall abide by all applicable anti-corruption laws. Bribery may be in diversified forms, including but not limited to:

-- Cash and gifts;

-- Negotiable securities;

-- Travel or entertainment;

-- Rebates;

-- Goods or services of any value.

The Company shall maintain “zero tolerance” for any employee’s any act of commercial bribery and corruption, forbid any form of bribery, require its employees to strictly abide by its regulations on gift-giving and business reception, and forbid any act of bribery in the name of donation or sponsorship or payment of any so-called “reward for go-between, administrative expenses for relation management or hush money”.

1. **Business Gifts and Reception**

Weichai’s staff shall not provide or accept gifts or business reception beyond the general value, as accepting reception frequently will affect the staff’s objective judgment. Gifts not only refer to materials, but include services, benefits and discounts. Weichai’s staff must deal with external dinners and banquets and entertainment activities prudently and ensure that the business gifts and reception provided or accepted are appropriate and will not be reasonably construed as bribes or improper intentions to seek unfair preferential treatment or violate applicable laws and regulations. Weichai’s staff and their families shall avoid the acts of accepting or being suspected of accepting bribes and cannot accept any gift that may affect business relations with Weichai, and it is strictly forbidden to pay or reimburse for travel expenses to exert undue influence on a third party in order to acquire or maintain advantages for the Company or for any other purpose of corruption.

1. **Abidance by Laws and Regulations**

Every employee is obligated to abide by laws and regulations of the country or region where the Company runs business, as well as international business practices and recognized standards, including the investment, trade, import and export, foreign exchange, labor, environment, contract, consumer protection, intellectual property, accounting and tax aspects. Employees shall understand and abide by all laws, regulations and rules applicable to their positions in the Company. If an employee has any doubt about whether an act is legal, he/she shall ask the compliance officer for advice.

1. **Fair Competition**

Weichai shall observe the fair market order and the fair competition laws and regulations applicable to the place of business. Every employee shall try to maintain fairness in the process of communicating with the Company’s customers, suppliers, competitors and other employees. Employees shall avoid reaching formal or informal agreements with the Company’s competitors on pricing, production, customers or market; if the sales strategy or arrangement for customers or suppliers limits or stops competition with the Company’s competitors or customers unreasonably, it will be deemed as trying to damage fair competition and consumers’ interests, such as the exclusive trade contract, bundling or tied sale and minimum resale price agreement.

Weichai shall forbid any competitive practice in violation of laws and regulations or commercial ethics or disturbing market order, including but not limited to dumping at low prices, false advertising, illegal use of other brands or others’ influence, damaging the reputation of competing goods, infringing upon others’ business secrets or conducting transactions by means of coercion.

1. **Prohibition of Insider Trading**

Weichai’s staff may be informed of or know the inside information of Weichai or other companies, which are not yet made public, due to their engagement in relevant businesses. Weichai’s staff and their families shall not make use of the inside information to seek economic benefits, including making use of the inside information of Weichai or other companies for trading of stocks or securities; making investment in the name of another person to evade the rule against insider trading; disclosing inside information to other irrelevant personnel, including other Weichai’s staff.

1. **Trade Compliance**

Weichai shall abide by relevant Chinese laws and regulations on export control, economic sanction and anti-sanction and the applicable laws and regulations of the country and region where the business is conducted, establish the awareness of national security, conduct relevant trade compliance risk evaluation before providing commodities, software, technologies or services, and apply for the required export authorization or license according to law to ensure the compliance of trading.

All Weichai’s staff shall conduct trade compliance risk evaluation, including sanction blacklist screening, according to the compliance guidelines of each department before conducting business, and if an employee detects any risk signal, he/she shall report according to the compliance process in a timely manner and conduct the follow-up business according to the compliance guidelines.

1. **Anti-monopoly Compliance**

Weichai shall abide by relevant Chinese laws and regulations on anti-monopoly and the applicable laws and regulations of the country and region where the business is conducted, and ensure fair competition with its competitors, including prohibiting from engaging in or participating in the monopoly agreement or monopoly deal, abusing the market dominant position, concentrating illegal operators and committing other illegal acts.

1. **Government Actions**

As government departments at various levels and their branches will be involved in business activities of Weichai, Weichai shall attach great importance to mutual support and cooperation with government departments and abide by the laws and regulations on transactions and business handling with the government. When conducting business with a government agency, Weichai shall provide the government agency with timely and accurate data and information according to law. In transactions with the government, Weichai shall ensure that project participants know detailed provisions on the transactions and guarantee the punctual performance of terms and conditions. Weichai’s staff shall not participate in political activities or make political comments without approval, nor conduct any community activity in the name of Weichai or Weichai’s staff.