

## **China Everbright Limited**

### **Prevention of Bribery and Corruption Policy**

#### **I. Relevant Provisions of the *Prevention of Bribery Ordinance***

Any staff member who is soliciting or accepting any advantage in connection with his duties without the permission of China Everbright Limited (the “Company”) and its subsidiaries (the “Group”), as an inducement to or reward for his performing or abstaining from performing any activity related to the Group, commits an offence under the Prevention of Bribery Ordinance of Hong Kong and relevant laws and regulations of the Chinese mainland, as does the provider of such advantage.

The term “advantage” is defined in the said Ordinance as including money, gift, loan, fee, reward, office, contract, services, and favour, etc.

#### **II. Soliciting Advantage**

It is the policy of the Group to prohibit staff from soliciting any advantage from clients, prospective clients, or any person who has business dealings with the Group.

#### **III. Accepting Gift**

The Group advocates that in business activities, staff members decline any form of gift. Gifts that somehow cannot be rejected and have already been accepted must be handled in accordance with Company policies.

#### **IV. Offering Advantage**

Under no circumstances may staff offer bribes to, and thereby influence, any person or Group for the purpose of obtaining or retaining business. In addition, statutes prohibit the offering of advantage to employees of public bodies to influence their decisions, or bribing them on any government contract, public tender, or public auction.

#### **V. Entertainment**

Although entertainment is unavoidable in the course of business, staff should turn down invitations that are excessive in nature or frequency, so as to avoid dilemma or loss of objectivity when conducting the Group’s business. If it is impolite to decline an invitation, staff may accept it on the understanding that they are allowed to reciprocate.

#### **VI. Conflict of Interest**

Conflict of interest arises when staff's personal interests compete or conflict with the Group's interests. Such situations may undermine loyalty and, at worst, result in corruption or other improper practices.

The most common types of conflict-of-interest situations staff may involve in are:

- (a) Having undeclared financial interests in any suppliers, contractors or parties that do business with the Group;
- (b) Offering assistance to the Group's competitors through taking on part-time employment or "consultancy" service;
- (c) Engaging covertly in provision of services or production of goods in competition with the Group;
- (d) Performing outside work on the Group's premises and unauthorized use of the Group's time and assets; and
- (e) Giving unduly favourable treatment to particular supplier, contractor, customer, job applicant or subordinate for personal reasons.

Staff should take it as their personal responsibility to avoid situations that may lead to or involve conflict of interest. They should be vigilant at all times to ensure that their dealings with customers, suppliers, contractors, and colleagues do not place themselves in a position that may lead to a conflict of interest.

In cases where any staff member or his/her immediate family member is engaged or considers engaging in business, investments, or activities that may have existing or potential conflict with the Group's interest (including but not limited to having an equity or other interest in an enterprise, company or other entity which either competes with or has business dealings with the Group), the staff member is required to make full disclosure in writing to the Group and seek approval from the Group.

## **VII. Bribery and Corruption Policy**

The Group strictly prohibits bribery and corrupt practices. Under no circumstances are staff permitted to use insider information for private gains; this includes not misusing their authority during the selection of suppliers.