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Article 5 The frauds which jeopardize business interests, refers to improper behaviors of the who use illegal or irregular means such as deception, to seek improper personal interests, and jeopardize the legitimate interests of the company and its shareholders. Below is a list of such frauds:

(1) Receive bribery or kickbacks;

(2) Transfer business deals (which shall benefit the company) to others, in order to seek personal interests;

Unlawful usage of company assets, embezzlement, misappropriation, or stealing company assets;

Make company pay for falsified transactions

Intentionally conceal or misstate transactions;

(6) Forge or manipulate accounting records or vouchers;

(7) Leak confidential business information or know-hows;

Other fraud behaviors which jeopardize the company business interests.

Article 6 All employees shall draw a clear line between the personal interests and the company s interest, and avoid Conflicts of Interests. Especially to avoid:

(1) Issuing the orders to personal stakeholder(s) (e.g., a 3rd party that the employee also works for or holds shares; a 3rd party that the employee s spouses, relatives, or other specific stakeholders work for or holds shares)

(2) Working for, or providing compensable services to competitors, business partners, or personal stakeholder(s)

The Conflicts of Interests scenarios are complex and difficult to exhausts. Employees shall carefully assess the potential Conflicts of Interests, and report to the corresponding

(1) Expenditures made for inappropriate objectives, such as paying bribes or kickbacks;

(2) Sell assets which do not exist or are not real;

(3) Intentionally misstate transactions or record falsified transactions (including inflated revenue and understate liabilities) and issue falsified financial reports, which would mislead financial statements readers or users to make inadequate investing and financing decisions;

(4) Hide or delete important information which should be publically disclosed

Engage in illegal business activities

Forge or alter accounting records or vouchers

Tax evasion

(8) Other fraud behaviors which seek the inappropriate business interests for the company.

Chapter 3 Anti-Fraud Focusing Areas

Article 8 At minimum the company shall focus the anti-fraud

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Chapter 5 Fraud prevention and control

Article 10 The responsibilities of the company s anti-fraud work mainly include: promote integrity culture, create a working environment that does not tolerates fraud; assess the fraud risks and build specific anti-fraud control programs and mechanisms to reduce fraud risks; establish an anti-fraud permanent body to receive

	behaviors. The company shall establish and implement effective education and disciplinary policies.
	Article 12 Assess fraud risks and establish specific control mechanism to reduce the fraud risks, shall be achieved through following measures:
( )	(1) The management shall include the fraud risk assessment into the annual Enterprise Risk Assessment (ERM) excise conducted at the beginning of each year. The management shall assess and evaluate the materiality and the possibility of potential fraud risks across the company level, the business unit level and key financial reporting line-item level. This risk assessment shall also consider the risks of falsified financial reporting, company assets embezzlement, unauthorized and inappropriate income and expenditure, and the fraud risks of Board members and the senior managements.
( )	(2) Implement control measures to reduce the fraud risks. Management shall establish and adopt adequate procedures to identify, prevent and reduce the risks of falsified financial reporting or misuse of the 3 of anti-fraud measures shall be established at all levels and all departments within the company: such as approval, delegation, checking, verification, segregation of duties, performance review, and asset protection. Against the high fraud risk areas, such as falsified financial reporting, management override, information system and technology, necessary internal control measures shall be established. These internal control measures include creating business process flowcharts and management procedures to map control measures to operational and financial fraud risks to ensure the control measures are effective in addressing the root causes of the fraud risks.
	Article 13 Before appointing or promoting any individual to a key position, the company shall conduct background checks, such as education background, working experience, criminal record, etc. The background check shall be properly
	Article 14 Establish an anti-fraud permanent body to accept whistleblowing, conduct investigations, generate

investigation reports and propose corresponding disciplinary actions. The anti-fraud permanent body shall operate under the supervision of the Audit Committee and the Board of Director.

Article 15 Management shall embed continuous anti-fraud monitoring into the routine control activities, including daily management and supervision activities.

Chapter 6 Fraud case whistleblowing, investigation and reporting

Article 16 The anti-fraud permanent body (internal audit department) is responsible for establishing an occupational ethical issue and fraud case whistleblowing hotline, email, etc. and publishing the hotline number and the email address to ensure that employees at all level and the third parties who directly or indirectly interfaced with the company have appropriate channels to report the actual/potential fraud

anti-fraud permanent body shall formalize the breach-reporting activities and establish written policies and procedures to regulate the receiving, handling and document retention requirements of the breach reporting from employees (real name or anonymous) and external third parties (real-name or anonymous). All whistleblowing cases shall be formally documented and made available for inspections by the senior management, the Audit Committee and the Board of Directors.

Article 17 The anti-fraud permanent body (internal audit department) shall assess the whistle-blows received against the regular employees together with legal and human resource department and conclude a decision of whether to carry out further investigations. If the whistle-blow is associated with a senior management of the company, the Board of Director or the Audit Committee shall approve the investigation decision. While carrying out the investigations, the investigation team shall consider using external expertise if necessary; the investigation team shall also provide improvement recommendations against corresponding internal controls for the associated business areas. To the real-name whistleblower, internal audit department shall provide feedbacks regarding the result of reported cases.

Article 18 The anti-fraud permanent body shall timely and formally file the whistleblowing case related documents in according to the document retention policy. The anti-fraud ive committee, the Board of Directors and the Audit Committee on quarterly basis with a summary of the fraud investigations and the general progress of the anti- work.

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Article 19 The company appoints the internal audit department as the anti-fraud permanent body to hold the responsibilities of organizing and carrying out cross functional/company-wide anti-fraud tasks, including: support e to lead the management team and all functions to conduct annual fraud risk assessments; support the executive committee to conduct self-assessment over the annual anti-fraud program; conduct -fraud program; support the company to carry out the anti-fraud campaigns; -fraud mechanism and execution; accept and record fraud whistleblowing cases; organize the investigations, report the results and formulate effective suggestions against the investigation results, and to provide various reports to the management, the A auditors shall also take efforts to better understand the , development plans, accounting policies, and other relevant rules and regulations.

Article 22 In the view that the company's external agencies, such as local government authorities, external audit institutions, may also receive whistleblowing cases from the company's internal personnel, internal audit department should take the initiative to build connection and communication with the corresponding organizations and carry out necessary cooperation.

Chapter 8 Guidance and supervision of the anti-fraud work

Article 23 The company's management shall regard the anti-fraud work as part of the routine management work and actively support the anti-

securing appropriate budget, resource and work conditions.

Article 24

anti-fraud brief meeting at least once a year. If there are any fraud allegations made against senior management such as executive committee members, listing company department heads, subsidiary presidents, or if the allegations could

material financial report misstatement, the executive committee shall hold special meeting to deal with the situation. In the anti-fraud brief meeting, the function heads shall report the anti-fraud program s progress within their own business areas and seek for comments and instructions. The internal audit department shall assess and report against the company s anti-fraud planning and executions, as well as the fraud whistleblowing case summary including number of allegations received, investigation status, investigation results and mitigation actions to the Audit Committee and the Board of Directors, and seek for comments and instructions.

Article 25 The internal audit department shall provide brief reporting about the anti-fraud agenda to the Audit Committee and the Board of Directors at least once a year. The Board of Directors and the Audit Committee shall provide guidance, monitoring, and necessary participation in the anti-fraud agenda wherever required, as detailed below:

(1) Take the lead to participate in and supervise the management to establish an anti-fraud culture. Supervise the management to carry out anti-fraud activities in accordance with the company policies.

(2) Review and approve the s anti-fraud procedures and control measures, including fraud risk identification and the implementation of anti-fraud measures;

(3) Review the audit department s annual fraud risk

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	Chapter 11 Scope of application
	Article 32 This policy is applicable to Ningbo Joyson Electric Corp. (The listing company). The listing s subsidiaries may develop corresponding anti-fraud policies in accordance with the listing company s anti-fraud policy and its own situation. However, the anti-fraud principle and basic measures shall be in line with this policy.
	Chapter 11 Supplementary Provisions
	This policy is not an exhaustive list of the issues which we may encounter while running our business. With regard to those provisions of the policy that conflict with an applicable law, regulation, or regulatory documents of a mandatory provision, the law and those terms shall prevail.
	A... 34 The Board of Directors is responsible for this policy s interpretation and revision.
	Article 35 This policy shall enter into force upon approval by the Board of Directors of the company.
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