

## **CODE OF CONDUCT**

**„Verein der in Deutschland börsennotierten chinesischen Unternehmen“  
(Association of publicly listed Chinese companies in Germany or “the association”)**

### **1. PURPOSE**

The goal of the association is to promote the mutual understanding and cooperation between the German and Chinese capital market and to improve the image of Chinese companies listed on the Frankfurt Stock Exchange.

With this code of conduct the members of the association explicitly commit themselves to responsible, ethically unobjectionable and legally correct action.

All companies who are members of the association (“the members”) are requested to respect the rules of this code and use them as a guideline for all their actions.

### **2. GENERAL LAW ABIDANCE**

All members must respect and comply with the laws and official regulations of the legal system within which they operate and the legal system within which the German holding company, the “AG”, is legally seated.

### **3. ABIDANCE OF GERMAN SECURITIES LAW**

All members must respect and comply with the German Securities Law (“Wertpapierhandelsgesetz” or “WpHG”). This law clearly defines the stock market relevant rules, especially regarding insider information, reporting, regulatory announcements etc.

In case of violation, the members will be legally prosecuted by the responsible institutions (e.g. Federal Financial Supervisory Authority or “BaFin”) and must expect sanctions, which can range from fines to prison sentences.

### **4. NO CORRUPTION OR BRIBERY**

The Association will not tolerate any form of bribery or corruption on behalf of its members.

In addition, the member companies represented by its governing bodies must strictly avoid situations, which give the impression that subjective considerations could have influenced their decisions. Such situations would be considerably harmful for the association and its members.

### **5. CORPORATE GOVERNANCE**

The members aim to comply with recommendations defined in the German Corporate Governance Code in its latest version. They should publish the Corporate Governance Statement (“Erklärung zur Unternehmensführung”) of the company according to Sec. 289a of the German Commercial Code at least once a year. They should include a Corporate Governance chapter in their annual report to meet the demands of the financial community, which puts high emphasis on Corporate Governance practices.

### **6. HANDLING CONFLICTS OF INTEREST**

Especially the management board members must ensure that their private interests do not come into conflict with the interest of the company.

A conflict of interest exists when a member of the management board or other executive employees of the company or members of their families (spouse, common law partner, children or other relatives who live in the same household) are involved in external activities which could affect the objectivity in the execution of the person’s duties.

If such a conflict of interest occurs or could be interpreted as a conflict of interest, the management board has to inform the supervisory board of the company immediately

about these circumstances and report about them as required by the Corporate Governance Code and by law.

## **7. MANAGEMENT OF INVESTOR RELATIONS**

The members of the association should set up an internal investor relations team which can be supported by an investor relations agency to ensure the fulfilment of all capital market requirements, especially those defined by law. The investor relations team must be able to create and distribute all financial communication instruments (corporate news, ad hocs, financial reports, directors' dealings, voting rights notification etc.). The investor relations team together with the management board, should set up an investor relations roadmap of investor relations activities for every year. The investor relations team should also support the management and supervisory board with the organization of the annual general shareholder meeting.

The goal of the management of investor relations is to provide a continuous and transparent news flow to the capital market participants (investors, analysts, financial intermediates etc.). The company must have a corporate website, that conforms to capital market requirements.

The publication of regular research reports by an independent research firm is highly recommended by the association. Furthermore, the investor relations work should include talking with investors and analysts individually on a regular base, organising telephone conferences for the presentation of the financial results; as well as attending analysts' and investors' conferences.

In order to meet the goals of this code, the members should mandate a law firm, that can be consulted for all legal issues in the context of the investor relations activities and the listing of the shares.

## **8. INTEGRITY OF REPORTING/ ACCOUNTING**

All documents, such as financial reports, accounting documents, sales reports, expense vouchers must supply the relevant facts appropriate to the nature of the business transaction in a clear and timely manner. The association will not tolerate breaches of accounting rules, fraudulent accounting or incorrect documentation.

All financial reports are to be published within the deadlines specified by the German securities law.

All financial reports (annual reports, interim reports or interim statements) should be audited/reviewed by a well-known auditor based in Germany.

## **9. CONSEQUENCES OF VIOLATIONS**

All members of the association are required to sign this code of conduct in order to maintain their membership.

Every member of the association is responsible for ensuring that his behaviour is compliant with this code of conduct.

The association will take disciplinary measures within the scope of the applicable law in the case of violations. If a member violates against the code, it has to explain the background of the violation and clearly commit to behave differently in the future. The association has the right to exclude a member that violates against the code immediately.

If the members are uncertain if their behaviour conforms to the rules defined in this code of conduct, they should contact the association to enable clarification in advance.

Frankfurt am Main, August 29, 2014