

**Overseas Anti-corruption System**

**TX.JJ.002(ZD)**

## Overseas Anti-corruption System

**Article 1** In order to regulate the overseas operation of Beijing Enterprises Water Group Limited (hereinafter referred to as the "Group"), promote continuous improvement of compliance management of the Group, and ensure the smooth and sustainable "going global" plan, the System is established in accordance with the *Criminal Law of the People's Republic of China*, *Criminal Procedure Law of the People's Republic of China*, *Anti-Unfair Competition Law of the People's Republic of China*, and *Guidelines for the Compliance Management of Enterprises' Overseas Operation*, with reference to the *United Nations Convention against Corruption* and laws of related countries.

**Article 2** The System is applicable to overseas branch offices including the Group and its overseas subsidiaries, branches, and representative offices, etc.

**Article 3** "Foreign public officer" refers to any person, whether appointed or elected to a legislative, executive, administrative or judicial position in a foreign country; and any person performing public functions for a foreign country, including a public authority or a public enterprise in the foreign country. "International public organization official" refers to an international civil servant or any person authorized by such an organization to act on behalf of the organization.

**Article 4** The Group struggles against any form of bribery, including but not limited to the following acts:

(I) Bribing foreign public officers or international public organization officials.

Directly or indirectly promise, offer or actually give the official or other persons or

entities an undue advantage to the foreign public officer or international public organization official, so that the public officer or the official acts or does not act when performing official duties, in order to obtain or retain commercial or other undue advantages in relation to conducting international business.

(II) Trading in influence. Directly or indirectly promise, offer or actually give any undue advantages to an public officer or any other persons, so that the officer abuses the actual influence or the influence that is considered to have, in order to obtain undue advantages from the administrative departments or public authorities in the contracting state.

(III) Other violations of laws and regulations.

**Article 5** The Group shall take measures in accordance with the laws and regulations on account books and record keeping, financial statement disclosure, and accounting and auditing standards to prohibit the following acts:

(I) Setting up off-balance-sheet accounts;

(II) Conducting off-balance-sheet transactions or transactions that are not consistent with accounts;

(III) Fictitious expenses;

(IV) Falsely report the purpose when entering the debt account;

(V) Using false documents;

(VI) Intentionally destroying the account books before the time limit specified by law;

(VII) Other acts prohibited by law.

**Article 6** If the employees of the Group are suspected of violating laws or

committing crimes outside the territory of the People's Republic of China, China shall have the right to investigate the legal liability according to law.

**Article 7** Any employees of the Group who violate the System shall also be subject to other penalties in accordance with the regulations of the Group.

**Article 8** The System shall be implemented as of the date of issuance.

(The English translation of the system is for reference only and the Chinese version shall prevail in case of any inconsistency between the Chinese version and English translation thereof)