

# **BeijingWest Industries International Limited**

## **Policy on Legal and Regulatory Compliance**

**(Adopted on 28th July, 2014)**

# **POLICY ON LEGAL AND REGULATORY COMPLIANCE**

## **1. INTRODUCTION**

This Policy aims to set out guidelines to the directors, officers and all employees of BeijingWest Industries International Limited (the “Company”) and its subsidiaries (together the “Group”) to ensure full compliance with all applicable legal and regulatory requirements. In certain jurisdictions, particularly those where the local law adopts lower standards than those prescribed by Hong Kong law or international protocols, the Group targets compliance with Hong Kong or international legal and regulatory requirements.

The executive committee of the board of directors of the Company (the “Executive Committee”) monitors overall compliance with all applicable legal and regulatory requirements and will insist that all directors, officers, employees and external representatives of the Group uphold such requirements.

In addition to this Policy, all employees of the Group who shall also observe any additional local and/or business unit policies, rules, regulations, requirements and guidelines to which they may be subject from time to time. Non-compliance with this Policy may give rise to disciplinary action and, where applicable, result in termination of employment and/or personal civil or criminal sanctions including fines or imprisonment.

## **2. COMPLIANCE WITH LAWS AND REGULATIONS**

The Group’s businesses and operations are subject to and regulated by a variety of laws and regulations in Hong Kong. These laws and regulations include, among others:

- Companies Ordinance;
- The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
- Securities and Futures Ordinance; and
- Personal Data (Privacy) Ordinance.

The violation of these laws or regulations can have serious consequences. The Company expects each director, officer, employee and external representative of the Group to be familiar with, and to comply with these laws and regulations that are applicable to his or her job or performance of services for any of the Group companies.

The Company strives to identify specific areas of risk related to the Group adherence to these laws and regulations, and to the extent that policies will be developed to address the identified risk areas and effectively communicate the substance of such policies to the directors, officers, employees and external representatives of the Group.

### **3. COMPLIANCE WITH LEGAL AND REGULATORY REQUIREMENTS**

Notwithstanding the Executive Committee and the Company Secretary's ongoing monitoring of legal and regulatory compliance, the responsibility to review and ensure strict and timely compliance with such regulatory requirements rests with the department head of each department at the Company level or at the subsidiary level, the general manager of each of the subsidiary (collectively the "Responsible Persons"). If any potential non-compliance is foreseen, the Responsible Persons should inform the Company Secretary immediately, who should in turn report to the Executive Committee. Actions should be taken to avoid any potential damage to the businesses.

In order to ensure compliance with all regulatory requirements, compliance will be reviewed by the Responsible Persons and the Responsible Persons shall maintain the necessary requirement control lists, which set out the critical requirements. Such control list shall be submitted to the Company Secretary every 6 months, who should in turn submit the control list to the Executive Committee.

### **4. PREVENTION, MONITORING AND TRAINING**

The Company will take reasonable steps to ensure compliance by all directors, officers, employees and external representatives of the Group with the applicable laws, regulations, regulatory requirements, or any issues that may be important to the Group's business.

The Company will establish monitoring and auditing priorities based on relevant factors including identified risk factors, industry trends, government enforcement actions, or changes in laws, regulations, regulatory requirements or case law.

Key employees are to receive regular training relating to the laws, regulations and regulatory requirements which are relevant for their field of business.

At least once in every 12 months period, the Executive Committee will review the Group's compliance with this Policy. From time to time and, if considered necessary, the Executive Committee will update this Policy to reflect changes in the Group's business operations or changes in the applicable laws, regulations, and regulatory requirements.

### **5. REVISIONS AND SUPPLEMENTS**

This Policy may be revised or supplemented in whole or in part, at any time by the board of directors of the Company and solely at its discretion.

This Policy should be posted on the website of the Company, and each employee should be informed of this Policy and advised to review and follow this Policy.