
STATEMENT OF CORPORATE POLICY AND CODE OF CONDUCT

We at QINGDAO CHONTAN INDUSTRY CO.,LTD (hereafter "Chontan") are proud of our tradition of conducting business in accordance with the highest ethical standards and the laws of the countries where we manufacture, buy, and sell our products.

Chontan is committed to respecting the human rights of workers in factories, and we demand that our business be conducted in accordance with the highest ethical standards that we can be proud of. Chontan is committed to safeguarding the health and safety of those who make our products.

It is critical that Chontan Industry conduct business on behalf of its customers and stockholders with suppliers who share Chontan Industry's values. Chontan values our relationships with our Suppliers and business partners, and we would like to be clear on practices that could violate our code of ethics. All Suppliers are required to sign our Code of Conduct before orders will be placed.

Chontan will only do business with suppliers who have certified to us that their business practices are lawful, ethical, and in compliance with the principles set forth in the Chontan Supplier Code of Conduct (hereinafter the "Code of Conduct") and who have agreed to be subjected to the scrutiny of the Chontan Supplier Management, under which they will be inspected and evaluated to ensure their compliance with this Code of Conduct.

The Code of Conduct defines our minimum expectations. No code can be all-inclusive, but we expect our suppliers to act reasonably in all respects, to offer their workers safe and healthy workplaces, and to ensure and certify to us that no abusive, exploitative, or illegal conditions exist at their workplaces and/or at the workplaces of their suppliers and subcontractors.

Compliance with the Law: Suppliers must be in full compliance with all laws, rules, and regulations applicable to the manufacturing of products, the facilities where they are made, and accommodations made available to workers.

Forced Labor: Chontan will not purchase products or components thereof from suppliers that use forced labor, prison labor, indentured labor, or exploited bonded labor, or permit their suppliers to do so. Workers must be voluntarily employed.

Child Labor: Chontan will not purchase products or components thereof manufactured by persons younger than 16 years of age, or older if, according to the law within the country of manufacture, such age is higher than 16. All workers must be at least the local minimum legal working age. Children younger than the age of compulsory education

shall not be employed.

Harassment or Abuse: Chontan suppliers and subcontractors must treat their employees with respect and dignity. No employee shall be subject to physical, sexual or psychological harassment or abuse.

Nondiscrimination: Chontan suppliers and subcontractors shall not subject any person to discrimination in employment, including hiring, salary, benefits, advancement, discipline, termination, or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin.

Health and Safety: Chontan suppliers and subcontractors must provide a safe and healthy working environment to prevent accidents and injuries to health that occur during the course of work or as a result of the operation of employer facilities. Employers must fully comply with all applicable workplace conditions, safety and environmental laws.

Freedom of Association: Chontan suppliers and subcontractors shall recognize and respect the right of employees to freely associate in accordance with the laws of the countries in which they are employed.

Wages and Benefits: Chontan suppliers and subcontractors recognize that wages are essential to meeting employees' basic needs. Chontan suppliers and subcontractors shall pay employees at least the minimum wage required by local law regardless of whether they pay by the piece or by the hour and shall provide legally mandated benefits.

Work Hours: Chontan suppliers and subcontractors shall not require their employees to work more than the limits on regular and overtime hours allowed by the law of the country of manufacture. Except under extraordinary business circumstances, Chontan suppliers' and subcontractors' employees shall be entitled to one day off in every seven-day period. Chontan suppliers and subcontractors must inform their workers at the time of their hiring if mandatory overtime is a condition of their employment. Chontan's suppliers and subcontractors shall not compel their workers to work excessive overtime hours.

Overtime Compensation: Suppliers' and subcontractors' employees shall be compensated for overtime hours at such premium rate as is legally required in the country of manufacture or, in countries where such laws do not exist, at a rate at least equal to their regular hourly compensation rate.

Contract Labor: Chontan suppliers or subcontractors shall not use workers obligated under contracts which exploit them, which deny them the basic legal rights available to people and to workers within the countries in which they work,

or which are inconsistent with the principles set forth in this Code of Conduct.

Legal and Ethical Business Practices: Chontan suppliers and subcontractors must fully comply with all applicable local, state, federal, national, and international laws, rules, and regulations, including, but not limited to, those relating to wages, hours, labor, health and safety, and immigration. Chontan suppliers and subcontractors must be ethical in their business practices.

Environment: Chontan suppliers and subcontractors shall comply with all applicable laws, rules, and regulations in respect of protecting the environment and maintain procedures for notifying local authorities in the event of an environmental accident resulting from supplier's operations.

Penalties: Chontan reserves the right to terminate its business relationship with any supplier who violates this Code of Conduct or whose suppliers or subcontractors violate this Code of Conduct. Chontan reserves the right to terminate its business relationship with suppliers who fail to provide written confirmation to Chontan that they have a program in place to monitor their suppliers and subcontractors for compliance with this Code of Conduct.

Gift Policy: Chontan associates may not accept anything of value, directly or indirectly, from anyone currently doing business with or seeking to do business with Chontan, other than non-cash gifts of nominal value, generally used for promotional purposes. For purposes of this gift policy, "nominal value" means not more than \$50 in value at cost. Gifts received of greater than nominal value will be returned immediately to the donor or donated to a charity. Chontan associates may not accept gifts of cash or cash equivalents, such as gift cards, for any reason.

Fair Competition :Chontan bases its business success on excellent customer service, value for the customer, quality, good faith and fair dealing. It is never Chontan's intent to receive an advantage over our competitors in any unethical manner or in ways that would violate international, federal, state, or local laws.

Reporting Fraud or Unethical Business Practices

Please report any suspected fraud or unethical business practices, including questionable accounting or improper use of confidential information or property, to the Chontan email (info@Chontan.com). These concerns may be reported anonymously, will be treated confidentially, and will be reviewed by Chontan Management.