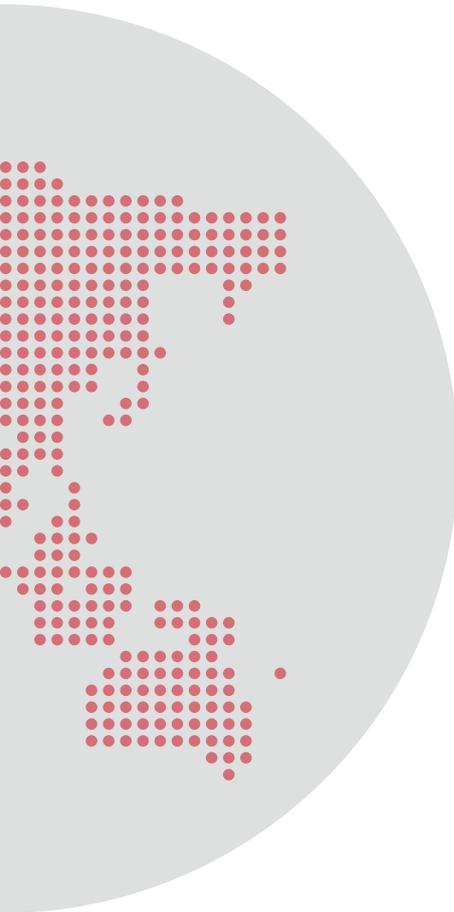


M&G CODE OF BUSINESS CONDUCT



**M&G'S VISION IS TO BUILD A WORLD-CLASS
ENTERPRISE**



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Chapter I

General Provisions

The M&G Code of Business Conduct (hereinafter referred to as the “Code of Business Conduct” or the “Code”) sets forth the rules and principles of Shanghai M&G Stationery Inc. (hereinafter referred to as “M&G”, the “Company” or “we”) on business ethics and legal compliance requirements, which are the guidance for business operation and employee behaviors to reflect M&G’s values—“consumer-centered, open and inclusive, sincere, dedicated and win-win”, the presentation of M&G’s business philosophy and governance rules, and the code of conduct that sets out how we act in our daily work.

Applicable Groups:

M&G Stationery Inc., companies controlled by M&G and all full-time and part-time employees or contractors of M&G (including the management).

Applicable Circumstances:

All business and management activities carried out in the name of the Company shall be governed by the Code.

In view of the fact that the Code cannot cover all business scenarios, we will rely on the Company’s values and specific systems to maintain the principles and concepts outlined in the Code. In relation to a particular matter which is not made clear in the Code, the Company will refer to those principles and concepts and give directions.

The rules and culture of an organization starts at its management. The M&G management should always take the lead in following the Code and other policies and guidelines of the Company to set an example, and perform their management and supervision responsibilities to ensure that all personnel under their management understand and act in accordance with the Code and other policies and guidelines of the Company.



Chapter II

Adhere to Legal Bottom Line and Integrity

1. Complying with laws, regulations and business ethics

M&G has been adhering to legal and compliant operation, and has grown while fulfilling its duties in good faith. In addition to complying with the Code and relevant policies and guidelines of M&G, each employee is responsible for complying with the laws, regulations and rules applicable to the place where we work and do business, and should comply with the provisions regarding business ethics and good faith specified in the Code.

2. Fair competition and anti-trust

M&G adheres to the principles of “openness, fairness and equality” and conducts business fairly and impartially, rather than establishing competitive advantage by unfair or illegal business behavior. M&G prohibits its employees from obtaining competitive intelligence by theft, bribery, coercion and other illegal means, and from maliciously attacking or illegally slandering competitors. M&G complies with the anti-trust law, promotes the development of a free market, and leads the healthy development of the industry. All employees of the Company shall comply with the *Guidelines for Anti-trust Compliance of M&G*,

and prohibit business behaviors that violate the provisions concerning fair competition and anti-trust.

3. Anti-fraud (anti-corruption)

M&G advocates a corporate culture of honesty and integrity, and maintains a zero-tolerance attitude towards any form of fraud or corruption, including but not limited to corruption, bribe-taking, fraud, extortion, embezzlement, taking kickback, etc. M&G employees shall not directly or indirectly ask, accept or promise any form of improper benefits from or to the suppliers or partners in any capacity or for any reason. A new employee must sign the *Letter of Commitment on Integrity and Self-discipline* at the time joining the Company, and suppliers must sign the *Convention on Integrity in Sunshine Procurement* to make a commitment to integrity.



4. Prohibition of insider trading

In the event that any information which comes to be known by an employee during his employment with the Company has not been publicly released but is sufficient to affect stock trading, such information is usually considered as “material insider information”. Such information includes financial performance and information related to possible merger, acquisition, divestiture, capital increase, capital market transaction, and other cooperation, gains and losses arising out of major contract, and current litigation. M&G’s policies and relevant regulations prohibit any stock or security trading based on insider information. Prior to disclosure of the insider information according to law, an insider shall not buy or sell the Company’s stocks or advise others to buy or sell the Company’s stocks, and shall not use the insider information to make profits for himself, his relatives or others.

5. Use of privacy data

M&G complies with relevant laws and regulations on privacy and personal information protection. We only collect necessary personal information of employees and customers for legal purposes, and always adhere to business ethics and contract spirit to properly protect users’ privacy. All employees shall be familiar with and strictly abide by the relevant rules and regulations on the use of M&G data. When collecting data and information from users, the Company will clearly inform users of the purpose of the data and information and the corresponding confidentiality clauses. Unless authorized or under an obligation to disclose according to relevant laws and regulations, it is prohibited to disclose, sell or transfer employee or customer information.

6. Open and transparent records

a) Financial records

Accurate financial records are essential to the development of the Company’s business and the maintenance of investor confidence. The Company’s financial statements should comply with the provisions of generally accepted accounting standards and the Company’s accounting policies. The Company implements strict internal control to ensure the authenticity, accuracy and completeness of the Company’s accounting records and publicly submitted financial statements.

b) Business records

The business records shall timely, accurately and clearly reflect the nature and details of each transaction of the Company. The paper or electronic files, materials, vouchers and contracts concerning relevant business transactions shall be properly kept. It is important for the employees to keep important email exchanges and business communications in the course of their work for later reference.

7. Anti-money laundering

M&G strictly observes the applicable laws and regulations on anti-money laundering at home and abroad, and prohibits its employees from participating in, covering up or conceal any suspected money laundering activities. We encourage employees to timely report large abnormal transaction or suspected money laundering where there is no shipping, sales record, or a reason therefor. Moreover, when establishing business relations or conducting a transaction with a customer, we should try our best to know such customer through legal background investigation to reduce the risk of becoming a money laundering tool.



Chapter III

Pursuing the Concepts of “Altruism”, “Consumer-centered” and “Continuous Improvement”

8. Altruistic partnership

a) “The concept of partnering with the world”

The Company pursues the core value of “altruism” and upholds the business philosophy of partnering with the world, establishes a “stable and win-win” cooperation system with dealers at all levels, and is committed to building a high-level partner ecosystem. We provide dealers and suppliers with all-round business guidance, help them improve their operation and technology, and promote the common growth of partners and M&G.

b) Supplier code of business conduct

M&G suppliers shall comply with the requirements of M&G Supplier Code of Business Conduct (hereinafter referred to as “Supplier Code of Conduct”), and meet the requirements and expectations of M&G in terms of business ethics, labor employment, health and safety, environmental protection, chemical safety, intellectual property protection, etc. M&G has the right to evaluate the behaviors of a supplier with reference to the Supplier Code of Conduct and other supplier management systems, and accordingly elects to continue or terminate cooperation with such supplier.

9. Consumer-centered approach

a) Product innovation

Innovation is the driving force behind the Company’s continuous development. M&G is committed to improving the ability of original product design and independent development. Guided by the essential needs of consumers, the Company continues to promote technological improvement and product innovation. While innovating, the Company respects intellectual property and prohibits copycatting, plagiarism and such other behaviors. In accordance with the *Intellectual Property Reward and Punishment System*, M&G rewards inventors based on their contributions under a classification system and punishes those who steal the fruits of other people’s intellectual achievements.

b) Quality assurance

High quality is the goal pursued constantly by the Company and the cornerstone of sustainable development. As always, M&G provides consumers

with satisfactory products and services, constantly optimizes product quality, enhances product safety, standardizes product labels, and makes itself, raw materials and parts suppliers subject to high standards to ensure product quality and meet consumers' higher demands and expectations.

c) Rapid response

We are willing to listen to the voice of consumers, accept their criticisms and opinions with an open mind, act as soon as practical in response to the questions raised by consumers, and deal with them in a reasonable and legit manner. The Company always takes consumer suggestions and criticisms as opportunities for further improvement and promotion of the Company's products and management, and shall not engage in acts that infringe upon the legitimate rights and interests of consumers.

10. Continuous improvement

M&G takes "becoming a world-class M&G" as its vision, implements MBS (M&G Business System) which advocates and practices the concept of continuous improvement in production, supply chain, business management, enterprise operation and other related fields, carries out the working method of "taking things seriously", strives to identify problems, find out root causes, determine countermeasures, continuously make improvements, eliminate waste, prevent recurrence, and constantly improves the Company's operating efficiency, optimizes business processes and continuously provides consumers with better products and services. Continuous improvement is the way of working of every employee at M&G.



Chapter IV

Practicing Low-carbon and Sustainable Development

11. Protect the environment

M&G adheres to the concept of green and low-carbon development, actively responds to the call for low-carbon and sustainable development, and assumes social responsibility for environmental protection. We comply with laws and regulations and national standards related to environmental protection, put energy conservation and emission reduction into the whole process of production and operation, actively take various environment-friendly actions, and are dedicated to environmental sustainable development.

12. Conserve resources

M&G adheres to the concept of green and low-carbon development, actively promotes energy conservation and consumption reduction, promotes clean energy utilization, reduces carbon emissions, and encourages recycling. We also require employees to foster a sense of saving in their work and avoid waste of resources.

13. Sustainable product design

M&G is committed to providing consumers with high-quality sustainable products, actively responds to the international plastic reduction trend and domestic environmental protection policies, selects environmentally friendly materials that are harmless, pollution-free and renewable, and looks for feasible plans for reduction of raw materials and packaging materials. At the same time, the Company actively explores the recycling methods for waste to reduce the impact of production and operation on the environment.

Chapter V

Protection of the Company's Interest

14. Protecting the Company's assets

a) Protecting the tangible assets of the Company

The tangible assets of M&G include houses, buildings, vehicles, production equipment, office equipment, instruments, etc. Tangible assets are only used for the business of the Company and need to be properly kept. Without the approval of the Company, the Company's assets may not be disclosed, sold, transferred, leased or disposed of, or used as collateral or guarantee. It is strictly forbidden to conceal, occupy, embezzle, steal any tangible assets of the Company. Employees are under an obligation to use the Company's tangible assets in a proper way and protect them.

b) Protecting the intangible assets of the Company

The intangible assets of M&G include the Company's patent rights, trademark rights, copyrights, proprietary technology and technical secrets, computer source code, software program, data information and other intellectual achievements that should be protected. The intangible assets are important assets related to the Company's core competitiveness. Every employee should know the value of the Company's intangible assets and protect them carefully. Any suspected infringement of the Company's intangible assets shall be promptly reported to the Company's Legal Department.



15. Protecting the Company's information security and trade secrets

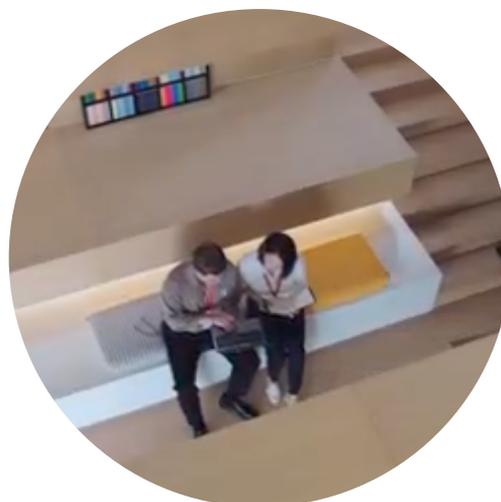
The trade secrets of M&G include but are not limited to technical secrets, business secrets, management secrets and matters that shall not be disclosed outside the Company. Each employee shall sign the *Confidentiality Agreement* at the time of joining the Company, and shall foster a sense of preventing trade secrets from disclosure. For the trade secrets such as product planning, formula, pricing strategy, business strategy and other technical information and business information that an employee has access to, comes to know or learns during employment with the Company, such employee shall take reasonable confidentiality measures in a prudent and honest manner. Without approval, such information shall not be disclosed outside the Company or to any person without the right to know or any third party for any reason or in any form. If leaving its position, an employee shall return all materials related to technical information and business information to the Company, and shall not copy, disclose, release or sell them.

16. Avoiding conflicts of interest

Employees should act in the best interests of the Company. Conflict of interest arises when personal interest or behavior hinders or may hinder employees from performing their duties or a potential duty which ought to be performed by such employee at M&G. During the performance of duties, an employee shall actively identify and timely report potential conflict of interest to the Company, and seek jointly with the Company a solution to conflicts of interest. Typical behaviors of an employee involving conflict of interest include but are not limited to the following, and more details can be found in the *Company's Conflict of Interest Management Measures*:

- 1) Such employee serves as the consultant, director, etc. of or provides services for any of the companies or organizations competing with the Company, or has an interest in any of the said companies or organizations;
- 2) Such employee participates in or influences a transaction with supplier, customer or other business partner who has personal interests with such employee;
- 3) Such employee hires, promotes or directly manages relative, lover or close friend;
- 4) Such employee uses the resources of M&G for other activities other than M&G business during working hours.

Please note that the existence of an actual or potential conflict of interest does not necessarily violate the Company's Code of Conduct, but the employee in concern is obliged to report and disclose the actual or potential conflict of interest to his superior or the Human Resources Department in a timely manner.



Chapter VI

Respecting the Rights and Interests of Employees

17. Providing a healthy and safe working environment

M&G is always committed to creating a healthy and safe working environment for employees. We strictly abide by the laws and regulations related to the protection of employees' health and safety, and have established a sound occupational health and safety management system. By continuously improving working conditions, implementing various measures of precaution and health promotion, we actively maintain and promote employees' physical and mental health, and strive to prevent accidents, industrial injuries and occupational diseases, so as to continuously improve employees' efficiency and job satisfaction. At the same time, employees should attach great importance to their own and colleagues' health and safety, strengthen their safety awareness, strictly abide by the relevant provisions of occupational health and safety protection, and not put themselves or colleagues at risk.

18. Anti-discrimination and anti-harassment

We believe that diversity and inclusiveness can create value for the Company. M&G is committed to building a team where employees respect each other and are free from discrimination or harassment, are given assistance to exercise their talents and make continuous progress. Decisions on recruitment, salary, promotion, training, performance management, punishment or dismissal shall be based on the employees' contribution, ability and performance. The

Company does not allow recruitment, salary, promotion, training, performance management, punishment or dismissal shall be based on the employees' contribution, ability and performance. The Company does not allow discrimination against any employee due to their gender, region, nationality, religion, age, pregnancy or marital status, disability and other characteristics protected by law, nor does it tolerate harassment, violence or bullying.

19. Respecting every employee and fair employment

M&G adheres to the principle of "people-oriented", respects, recognizes and treats kindly each employee, and does not allow violations of the legitimate rights and interests of employees. We make efforts to ensure equal remuneration and benefits for men and women employees for the work of equal value, put an end to forced labor, employment of minors and such other behaviors, and strive to promote legal employment at dealers and suppliers. In case of any infringement of employees' rights and interests, please seek help from the superior or the Human Resources Center in a timely manner.

20. Employee career development and training

Employees are the most important assets of the Company. M&G provides employees with a sound promotion mechanism, carries out well-designed performance evaluation, and improves their professional competitiveness. M&G is committed to cultivating talents at multiple levels, in multiple directions and across fields. The Company, by constantly improving talent training system, helps its employees seek a clear career development path in the hope of achieving self-development and value realization.

Chapter VII

Perform Corporate Social Responsibility

21. Charitable undertaking

As a responsible enterprise, M&G has established Shanghai M&G Public Welfare Foundation to actively assume social responsibility, continue to participate in social public welfare and philanthropy, work with the government, community and non-governmental organizations to promote the development of public welfare and introduce the concept of charity to the society.

22. Care of the community

M&G actively builds a community with sustainable development. Bearing in mind that what is taken from the society shall be used in the interests of the society, we give back to the community sincerely, and convey the concepts and values of M&G through advocating fair education, supporting people in need, participating in community development, so as to achieve common prosperity and development with the community and promote harmonious progress of the society.

Chapter VIII

Miscellaneous: Interpretation and Implementation

23. Compliance with the Code and Responsibility

Employees have a duty to sign, understand and abide by the Code. Under any applicable circumstance, they should refer to the Code and the Company's relevant rules and regulations in carrying out the Company's activities. The Company conducts relevant employee training to ensure consistent understanding among full-time and part time employees and contractors. If an employee violates the Code, he will be subject to disciplinary actions or punishments including termination in accordance with the provisions of the Code and the Company's rules and regulations. If any violation of the Code involves breaking the laws and regulations, it will be handed over to the judicial authority.



24. Channel of whistle-blowing

In case of any violation or non-conformity with the requirements of the Code, the Company encourages employees to uphold sincere values and inform the Company of such violation. Employees can raise concern or report any violation by reporting to their superiors or through the following channels. The Company encourages employees to report in their real names so that the Company can follow up and obtain more information when necessary, but allows anonymous report. At the same time, the Company will take measures to keep the reporter's identity and information confidential:

Anti-fraud hotline: 021- 31820110

Anti-fraud email: mg110@mg-pen.com

Anti-fraud WeChat: please scan the following QR code



25. Cooperation in investigation

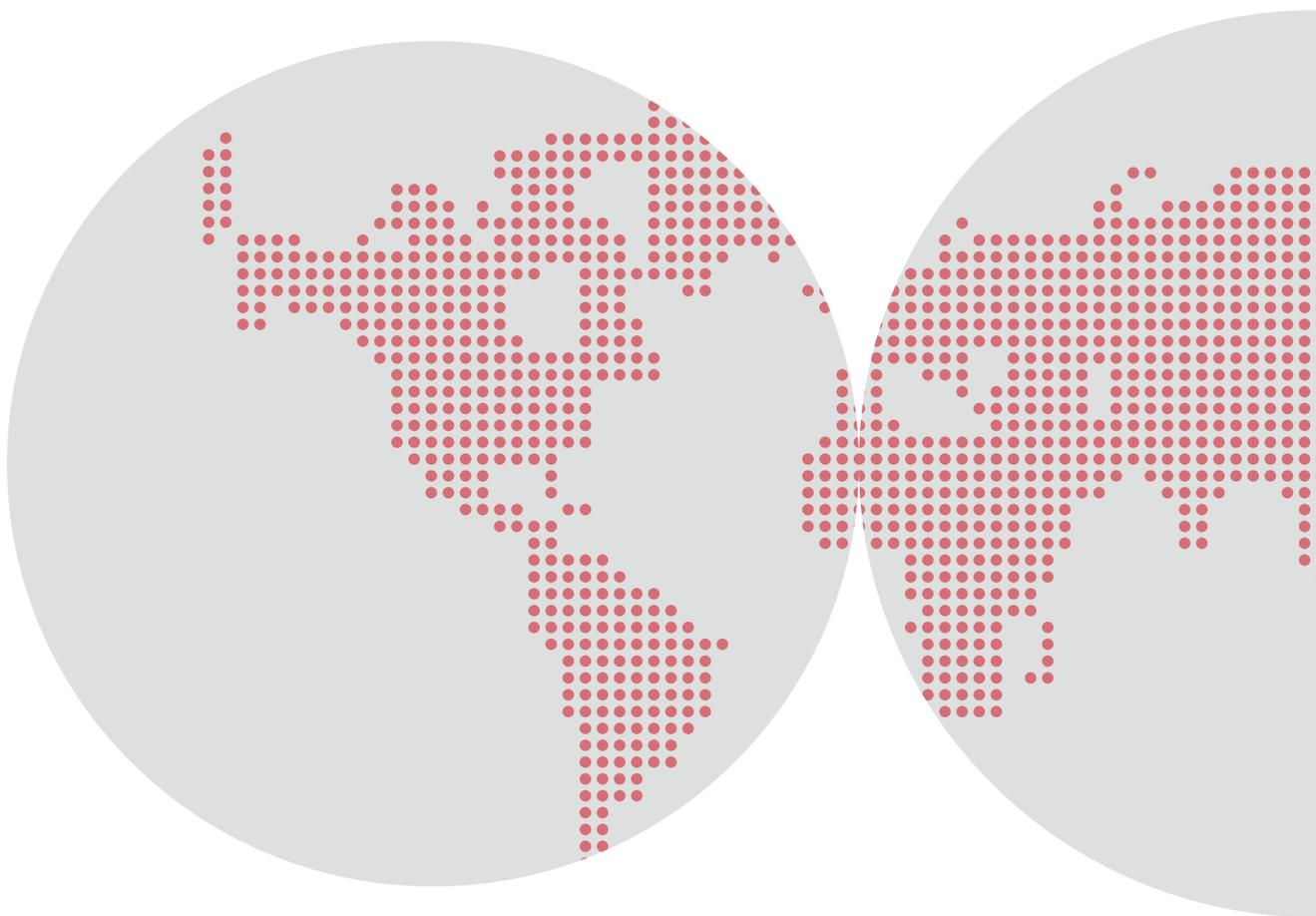
Employees are under an obligation to cooperate with investigators during the investigation and evidence collection. For those who obstruct the investigation, refuse to provide information, or make false statements when participating in the investigation, the Company has the right to take measures to hold the concerned employees accountable and stop their acts that damage the Company.

26. Anti-retaliation

After receiving a report of violation, the Company will conduct a special investigation. From receiving the report to closing the case, the investigators will strictly keep the case confidential to ensure the safety of the reporter. The Company shall take measures to keep confidential the information including the identity of the reporter, the evidence collected during the investigation, and all written reports prepared during the investigation, unless disclosure is necessary for the Company in conducting a comprehensive investigation or acting in response to legal requirements. The Company prohibits retaliation against any employee who seeks advice, raises concern, reports disciplinary violation or provides information during the investigation in good faith, including but not limited to dismissal, demotion, salary reduction, suspension, threat, harassment or discrimination. If an employee is retaliated against, he can seek help from the Company's management or the Human Resources Center.

27. Interpretation and revision of the Code

The Company will review the Code regularly and revise it when necessary. When the Code is updated, the Company will timely notify employees. The latest version of the Code will be published on the Company's official website (<https://www.mg-pen.com/>).



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