LAWS AND REGULATIONS RELATED TO OUR BUSINESS IN THE PRC

Laws and Regulations on Company Establishment and Foreign Investment

The establishment, operation and management of corporate entities in the PRC is governed by the Company Law of the PRC (《中華人民共和國公司法》) (the "**Company Law**"), which was promulgated by the SCNPC on December 29, 1993 and came into effect on July 1, 1994, and was last amended on December 29, 2023 and became effective on July 1, 2024. The Company Law of the PRC generally governs two types of companies, namely limited liability companies and joint stock limited companies. Both types of companies have the status of legal persons, and the liability of shareholders of a limited liability company or a joint stock limited company is limited to the amount of registered capital they have contributed. The Company Law of the PRC shall also apply to foreign invested companies in form of limited liability company or joint stock limited company. Where laws on foreign investment have other stipulations, such stipulations shall prevail. On July 1, 2024, the State Council promulgated the Provisions on Implementation of the Registered Capital Management System under the Company Law of the People's Republic of China (《關於實施<中華人民共和國公司法>註冊資本登記管理制度的規定》), which further stipulates that for a company registered for incorporation before June 30, 2024, if the remaining capital contribution period of a limited liability company exceeds five years as from July 1, 2027, the company shall adjust the remaining capital contribution period to five years by June 30, 2027, and record the same in its articles of association. The shareholders shall fully pay the amount of capital contributions they subscribe for within the adjusted capital contribution period.

On January 1, 2020, the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the "**FIL**") and the Regulations on the Implementation of the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》) became effective. The FIL defines foreign investment and establishes the framework for promotion, protection and administration of foreign investment activities. On December 30, 2019, the MOFCOM and the SAMR jointly promulgated the Measures for Reporting of Information on Foreign Investment (《外商投資信息報告辦法》), which came into effect on January 1, 2020 and pursuant to which, foreign investors shall submit an initial or change report through the Enterprise Registration System when establishing foreign-invested enterprises in the PRC or acquiring equity in non-foreign-invested enterprises in the PRC and for any subsequent changes.

Pursuant to the FIL, the PRC has adopted a system of national treatment which includes a negative list with respect to foreign investment administration. The negative list will set forth industries in which foreign investments are prohibited and industries in which foreign investments are restricted. Foreign investment in prohibited industries is not allowed, while foreign investment in restricted industries must satisfy certain conditions stipulated in the negative list. Foreign investments and domestic investments in industries outside the scope of the prohibited industries and restricted industries stipulated in the negative list will be treated equally. The Special Administrative Measures (Negative List) for the Access of Foreign Investment (2024 Version) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the "**Negative List**") and the Catalog of Industries for Encouraging Foreign Investment (2025 Version) (《鼓勵外商投資產業目錄(2025年版)》) (the "**Encouraging Catalog**"), listed the categories of encouraged, restricted, and prohibited industries. Any industry not included in the Negative List shall be administered under the principle of equal treatment to domestic and foreign investment.

According to the Measures for the Administration of Overseas Investment of Enterprises (《企業境外投資管理辦法》) promulgated by the NDRC, investors engaging in overseas investment are required to complete formalities for the confirmation or recordation, among others, of an overseas investment project, report the relevant information, and cooperate in supervisory inspection. Pursuant to the Measures for the Administration of Overseas Investment (《境外投資管理辦法》) promulgated by the MOFCOM, the MOFCOM and the provincial counterparts promulgate regulations providing that overseas investment of enterprises to be subject to recordation or confirmation management, depending on the actual circumstances of investment. Overseas investment involving any sensitive country or region or any sensitive industry shall be subject to confirmation management. Overseas investment under other circumstances shall be subject to recordation management. When an overseas enterprise invested by an enterprise conducts overseas reinvestment, the enterprise shall report to the commerce departments after completing the overseas legal procedures.

According to the State Council Provisions on Outbound Investment issued by the State Council on June 1, 2026, which will take effect on July 1, 2026, if an investor fails to fulfill the approval or record-filing procedures for outbound investment as required, the approval or record-filing authority shall order the investor to rectify the non-compliance, confiscate any illegal gains, and impose a fine of not less than 1‰ but not more than 5‰ of the investment amount. If the investor refuses to rectify, the authority shall order the suspension of the investment activity and the disposal of shares and assets within a specified period, and impose a fine of not less than 5‰ but not more than 10‰ of the investment amount. The directly responsible supervisors and other directly responsible personnel shall each be fined not less than RMB20,000 but not more than RMB50,000. From the effective date of the penalty decision, the relevant competent authorities may refuse to accept any approval or record-filing application submitted by the violating party for a period of three years, or prohibit the violating party from engaging in outbound investment activities for a period of not less than one year but not more than three years.

Laws and Regulations on Power Distribution and Utilization Products

Pursuant to the Electricity Law of the PRC (《中華人民共和國電力法》), as most recently amended by the SCNPC on December 29, 2018 and came into effect on the same day, this Law is formulated in order to safeguard and promote the development of electric power operations, to protect the legal rights and interests of investors, operators and consumers of electric power and to ensure the safe operation of electric power. Any entity or individual is prohibited from endangering the safety of electric power facilities or illegally appropriating or consuming electric energy.

In August 2015, the NDRC issued the Guiding Opinions on Accelerating the Construction and Transformation of Distribution Networks (《關於加快配電網建設改造的指導意見》), which states that the development goals are: through the construction and transformation of distribution networks, the level of intelligent construction and application in central urban areas (districts) shall be significantly improved; the power supply capacity and power supply safety level in towns and cities shall be significantly enhanced; the weak power grids in rural areas and other issues shall be effectively addressed, effectively safeguarding agricultural and residential electricity consumption. In February 2024, the NDRC and the National Energy Administration issued the Guidance on High-Quality Development of Distribution Networks Under the New Situation (《關於新形勢下配電網高品質發展的指導意見》), emphasizing the need to step up distribution network construction, with a focus on supporting intelligent transformation and equipment upgrades.

Laws and Regulations on Production Safety

According to the Production Safety Law of the PRC (《中華人民共和國安全生產法》), as amended by the SCNPC on June 10, 2021 and effective from September 1, 2021, an enterprise shall (i) provide the production safety conditions specified in the Production Safety Law and other relevant laws, administrative regulations, national standards, and industry standards, (ii) establish a comprehensive production safety responsibility system and production safety rules and regulations, and (iii) develop the standardization of production safety to ensure safe production. Entities that do not possess the requisite production safety conditions are prohibited from engaging in production and business operations.

In accordance with the Measures for the Supervision and Administration of the "Three Simultaneities" of Safety Facilities in Construction Projects (《建設項目安全設施「三同時」監督管理辦法》), the safety facilities of new, renovated, or expanded construction projects must be designed, constructed, and put into use in production simultaneously with the main body of the project. Enterprises are required to conduct a feasibility study and pre-assessment of the safety conditions for the construction project, prepare a design for the safety facilities, and submit these for review or filing with the relevant work safety supervision and administration department. Prior to the commissioning or operation of a completed construction project, the enterprise shall organize an acceptance check for the safety facilities and prepare a written acceptance report for record-keeping purposes.

Laws and Regulations on Product Quality

According to the Product Quality Law of the PRC (《中華人民共和國產品質量法》), producers and sellers shall establish a sound internal product quality management system, strictly implement post-specific quality standards, quality responsibilities, and corresponding assessment measures. The law prohibits the forgery or unauthorized use of quality certification marks, among other quality indications, prohibits the forgery of a product's place of origin, or the forgery or unauthorized use of another manufacturer's name or address and prohibits adulterating products, passing off fake products as genuine, or passing off substandard products as standard ones during production or sale. Pursuant to the Law on the Protection of Consumer Rights and Interests (《中華人民共和國消費者權益保護法》), where a business operator causes property damage to a consumer in providing goods or services, it shall bear civil liability such as repairing, reworking, replacing, returning the goods, making up for any shortfall in quantity, refunding the payment for goods and service fees, or compensating for losses, in accordance with the law or the agreement of the parties.

Under the Civil Code of the PRC (《中華人民共和國民法典》),which took effect on January 1, 2021, if a defect is discovered in a product after it has been released into circulation, the producer and seller shall promptly take remedial measures such as ceasing sales, issuing a warning, or recalling the product. If damage is caused by a defect in the product, or by a failure to take timely remedial measures, the infringed party has the right to seek compensation from the producer or the seller. If the defect is attributable to the seller, the producer, after providing compensation, shall have the right to seek recourse from the seller. Where a producer or seller, knowing that a product is defective, continues to produce or sell it, or fails to take effective remedial measures as required, thereby causing death or serious harm to health, the infringed party has the right to claim punitive damages in addition to compensation for losses.

Laws and Regulations on Medical Institutions

The Policies and Laws on the Reform of Medical Institutions

The Several Opinions on Accelerating the Development of Establishment Medical Institutions by Social Capital (《關於加快發展社會辦醫的若干意見》) stipulates the policies to support the development of private-invested healthcare institutions. The Circular on Several Policies and Measures Regarding the Promotion of Accelerating the Development of the Medical Institutions Established by Social Capital (《關於促進社會辦醫加快發展若干政策措施的通知》) stipulates (i) the elimination and cancellation of unreasonable preceding items for examination and approval and the shortening of time required for making such examination and approval; (ii) the reasonable control of the number and scale of the public medical institutions and the exploration of the space for development of the medical institutions invested by social capital; and (iii) the support for the listing and financing of such eligible and qualified for-profit medical institutions invested by social capital.

Pursuant to the Law of the People's Republic of China on Basic Medical and Health Care and the Promotion of Health (《中華人民共和國基本醫療衛生與健康促進法》), the government adopts various measures to encourage and guide non-governmental sectors to establish medical and health institutions pursuant to the law, support and standardize cooperation on various types of medical operations, discipline development, personnel training between medical and health institutions established by non-governmental sectors and government-organized medical and health institutions. The law also stipulates that the government will take measures to encourage and guide social forces to organize medical and health-care institutions, and that such medical and health-care institutions will enjoy the same rights as government-organized medical and health-care institutions in a number of areas.

In January 2024, the General Office of the State Council issued the Opinions on Developing the Silver Economy to Enhance the Well-being of the Elderly (《關於發展銀髮經濟增進老年人福祉的意見》), supporting the provision of rehabilitation assessment and rehabilitation guidance services for the elderly. In April 2024, the National Health Commission and seven other departments jointly issued the Opinions on Strengthening the Service Capacity Building of Critical Care Medicine (《關於加強重症醫學醫療服務能力建設的意見》), advancing the clinical specialty capacity building of critical care medicine.

Regulations on the Administration of Medical Institutions

The Regulations on the Administration of Medical Institutions (《醫療機構管理條例》) and the Implementation Measures of the Regulations on the Administration of Medical Institutions (《醫療機構管理條例實施細則》) stipulate that any entity or individual that intends to establish a medical institution must comply with the relevant application and approval procedures and register with the relevant healthcare administrative authorities to obtain a Medical Institution Practicing License (醫療機構執業許可證). The Medical Institution Practicing Licenses shall not be fabricated, altered, sold, transferred or lent. The Administrative Measures for the Inspection of Medical Institutions (For Trial Implementation) (《醫療機構校驗管理辦法(試行)》), which was promulgated by the MOH and came into effect on June 15, 2009, stipulates that a medical institution's Medical Institution Practicing License (醫療機構執業許可證) is subject to periodic inspections by the registration authorities.

Regulations on the Clinical Application of Medical Technologies

According to the Administrative Measures for the Clinical Application of Medical Technologies (《醫療技術臨床應用管理辦法》), which was promulgated by the NHC on August 13, 2018 and implemented on November 1, 2018, a negative list management system is established for the clinical application of medical technologies. In particular, those listed on the Negative List for Medical Technologies (《醫療技術負面清單》) are deemed to be prohibited medical technologies and the clinical application of which is prohibited; certain medical technologies that are beyond the Negative List but possess certain prescribed characteristics are subject to strict record-filing management by the relevant health administrative department which require self-assessment of the medical technologies in question and submission of certain prescribed materials; and those medical technologies that are not categorized as prohibited or restricted medical technologies may be subject to clinical application by medical institutions according to their own functions, objectives, technical capabilities and so on and be strictly managed by the medical institutions themselves.

Regulations on Radiological Diagnosis and Treatment and Radiation Safety

According to the Provisions on the Administration of Radiological Diagnosis and Treatment (《放射診療管理規定》), medical institutions engaged in the radiological diagnosis and treatment shall be equipped with the conditions required for conducting radiological diagnosis and treatment, and apply for the Permit for Radiological Diagnosis and Treatment (《放射診療許可證》) issued by the competent health administrative authorities. After obtaining the Permit for Radiological Diagnosis and Treatment, medical institutions shall undertake registration of the relevant diagnosis and treatment subject with health administrative authorities, which issued the Medical Institution Practicing License. The Permit for Radiological Diagnosis and Treatment and the Medical Institution Practicing License shall be verified concurrently and testing reports on the performance of radiological diagnosis and treatment equipment and radiation work venues shall be submitted in applying for verification. Medical institutions that fail to obtain the Permit for Radiological Diagnosis and Treatment or have not registered under diagnosis and treatment disciplines shall not carry out radiodiagnosis and radiotherapy.

The Regulations on the Safety and Protection of Radioisotopes and Radiation-emitting Devices (《放射性同位素與射線裝置安全和防護條例》) and the Measures for Administration of the Safety Licensing of Radioactive Isotopes and Radioactive Equipment (《放射性同位素與射線裝置安全許可管理辦法》) stipulate that any entity conducts activities of production, sale, and use of radioactive isotopes or radial equipment within the territory of the PRC shall obtain the Radiation Safety License (《輻射安全許可證》).

Regulations on the Control of Narcotic Drugs and Psychotropic Drugs

According to the Regulations on the Control of Narcotic Drugs and Psychotropic Drugs (《麻醉藥品和精神藥品管理條例》), any medical institution needs to use narcotic drugs and the psychotropic drugs of category I shall be subject to the approval of the relevant health authority, and obtain the seal card for purchasing narcotic drugs and the psychotropic drugs of category I (麻醉藥品、第一類精神藥品購用印鑒

卡). For any narcotic drug or psychotropic drug which is needed for clinical use but with no supply in the market, if any medical institution which holds the license of preparations of medical institution and the seal card needs to prepare the preparations, it shall be subject to the approval of the department of drug supervision and administration of the people's government of the province, autonomous region, and municipality at its locality.

Regulations on the Deployment and Use of Large-scale Medical Equipment

According to the Administrative Measures on the Deployment and Use of Large-scale Medical Equipment (For Trial Implementation) (《大型醫用設備配置與使用管理辦法(試行)》), the large-scale medical equipment refers to the large-scale medical devices that adopt complex technology, require large capital investment, have high operation costs, have significant impact on medical expenses, and have been included in the large-scale medical equipment catalogue management. The State administrates large-scale medical equipment through the classified and hierarchical allocation plan and through the issue of License for Deployment of Large-scale Medical Equipment (《大型醫用設備配置許可證》) according to the catalogue. The large-scale medical equipment allocation management catalogue is divided into Category A and Category B. The large-scale medical equipment of Category A shall be allocated and managed by the NHC and issued with License for Deployment of Large-scale Medical Equipment by it; the large-scale medical equipment of Category B shall be allocated and managed by provincial health administrative departments and issued with License for Deployment of Large-scale Medical Equipment by them. The NHC and provincial health administrative departments shall respectively formulate the implementing rules for the allocation licensing management of Category A and Category B large-scale medical equipment. The Notice of the Issuance of Large-scale Medical Equipment Allocation and Management Catalogue (2023) (《關於發佈大型醫用設備配置許可管理目錄(2023年)的通知》) promulgated by the NHC on March 3, 2023 stipulates the categorization of large-scale medical equipment in Category A and Category B.

Regulations on Pharmaceuticals and Prescription Management in Medical Institutions

According to the Drug Administration Law of the People's Republic of China (《中華人民共和國藥品管理法》), the Implementing Regulations of the Drug Administration Law of the People's Republic of China (《中華人民共和國藥品管理法實施條例》) and the Measures for Supervision and Administration of Drugs of Medical Institutions (For Trial Implementation) (《醫療機構藥品監督管理辦法(試行)》), medical institutions must purchase drugs from enterprises qualified to produce and deal in drugs. Drugs used by medical institutions must be purchased uniformly by designated departments in accordance with the provisions, and other departments and medical staff members of medical institutions are forbidden to purchase drugs on their own. According to the Administrative Measures for Prescriptions (《處方管理辦法》), a registered medical practitioner is entitled to issue prescriptions at his registered practice location.

Regulations on Medical Practitioners of Medical Institutions

Pursuant to the Physicians Law of the People's Republic of China (《中華人民共和國醫師法》), physicians in the PRC must obtain licenses of medical professional qualifications. Anyone who has been awarded the qualifications as a medical physician may apply to the competent health department under the local people's government at or above the county level for registration. Physicians may, upon registration, work in medical and health institutions according to the registered place, category and scope of practice to engage in the corresponding medical and health services, while assistant practicing physicians should, under the supervision of practicing physicians, practice according to the registered categories and scope of practice at medical and health institutions.

Pursuant to the Administrative Measures for the Registration of Practicing Physicians (《醫師執業註冊管理辦法》), physicians must register and obtain the Physician Practicing Certificate (《醫師執業證書》) before they commence practice and, those who are not registered or have not obtained the Physician Practicing Certificate are not allowed to engage in medical, preventive and healthcare services. The registration details of practicing physicians include place of practice, category and scope of practice. For practicing physician who wants to practice in multiple institutions within the same place of practice, he/she shall determine a specific institution as the main practicing institution, and apply for registration with the competent health authority which approved the aforesaid institution's operation; as to other institutions where the practitioner intends to practice, the practicing physician shall apply the record filing with the administrative health and family planning authority to approve the institutions' operation and indicate the name of the institutions.

The Several Opinions on Accelerating the Development of Establishment Medical Institutions by Social Capital (《關於加快發展社會辦醫的若干意見》) specifically stipulates that multi-institution practices of physicians shall be permitted and relevant authorities should permit the orderly movements of the medical personnel among medical institutions of various sponsorships. The Notice on Issuance of Several Opinions on Promoting and Standardizing Multi-Institution Practice of Physicians (《關於印發推進和規範醫師多點執業的若干意見的通知》) stipulates that the clinical, dental and traditional Chinese medicine physicians are allowed to practice in multiple places.

The Regulations on Nurses (《護士條例》) provides that a nurse must obtain a Nurse Practicing Certificate (護士執業證書), which is valid for five years. Pursuant to the Administrative Measures for the Registration of Practicing Nurses (《護士執業註冊管理辦法》), nurses must register and obtain the Nurse Practicing Certificate before they practice nursing at the registered practicing place. Those who are not registered or have not obtained the Nurse Practicing Certificate are not allowed to engage in nursing activities regulated by medical treatment standards.

Regulations on Management of Medical Advertisements

The Administrative Measures on Medical Advertisement (《醫療廣告管理辦法》), jointly promulgated by the State Administration for Industry and Commerce and the MOH on September 27, 1993, came into effect on December 1, 1993, amended on November 10, 2006 and came into effect on January 1, 2007, requires that medical advertisements shall be reviewed by relevant health administrative department and obtain a Medical Advertisement Examination Certificate (醫療廣告審查證明) before they may be released by a medical institution. Medical Advertisement Examination Certificate has an effective term of one year and may be renewed upon expiration. The Circular on Further Strengthening the Management of Medical Advertisements (《關於進一步加強醫療廣告管理的通知》), promulgated by the MOH on July 17, 2008, stipulates that the Medical Advertisement Examination Certificate should be strictly examined, that a monitoring system for medical advertisements should be gradually established and perfected, and that penalties for unlawful medical advertisements should be increased.

Regulations on Medical Malpractice

The Regulations on Handling Medical Malpractice (《醫療事故處理條例》), which was promulgated by the State Council on April 4, 2002 and came into effect on September 1, 2002, and the Regulations on the Prevention and Handling of Medical Disputes (《醫療糾紛預防和處理條例》), which was promulgated on July 31, 2018 and came into effect on October 1, 2018, provide a legal framework and detailed provisions regarding the prevention, technical identification, disposition, supervision, compensation and penalties of medical malpractice. For the purpose of the Regulation on Handling Medical Malpractice, medical malpractice refers to an accident involving personal injury to patients caused by medical institutions or medical personnel due to malpractice as a result of violation of the laws, administrative regulations or departmental rules on medical and health administration, or of standards or procedures of medical treatment.

Laws and Regulations on the Price of Healthcare Services and Medicines

According to the Notice of Issues Related to the Implementation of Market Price Adjustment of Healthcare Services Provided by Non-Public Medical Institutions 《(關於非公立醫療機構醫療服務實行市場調節價有關問題的通知》) promulgated and implemented on March 25, 2014 by NDRC, the NHFPC and the Ministry of Human Resources and Social Security (the "**MHRSS**"), the price of healthcare services provided by non-public medical institutions to be set with reference to the market level. Non-public medical institutions which are profit-making in nature may set the price list for their healthcare services at their own discretion. Non-public medical institutions which are not-for-profit in nature shall set the price list for their healthcare services according to the National Standard Price List of Healthcare Services 《(全國醫療服務價格項目規範》). For non-public medical institutions qualified to become designated medical institutions covered by medical insurance, they should be included as a designated service covered by social insurance such as basic medical insurance for employees and urban residents, new-type rural cooperative medical insurance, work-related injury insurance and maternity insurance in accordance with relevant procedures and adopt the same payment policy as in public hospitals. To efficiently utilize funds, medical insurance agents should determine specific payment methods and standards with such non-public medical institution by ways of negotiation under the requirements of medical insurance payment system reform.

The Notice on Issuing the Pilot Scheme for Deepening the Reform of Medical Service Price (《關於印發<深化醫療服務價格改革試點方案>的通知》), which was promulgated by the NHC, the NDRC and other relevant departments on August 25, 2021, stipulates that the medical services provided by non-public medical institutions shall implement the market price adjustment policy, and those included in the payment of medical insurance fund shall be managed according to the medical insurance agreement.

Laws and Regulations on Coverage and Reimbursement in the PRC

The State Council promulgated the Opinions on Integrating the Basic Medical Insurance Systems for Urban and Rural Residents (《關於整合城鄉居民基本醫療保險制度的意見》) in January 2016, which required the integration of the urban resident basic medical insurance and the new rural cooperative medical care system and the establishment of a unified basic medical insurance system, which will cover all urban and rural residents other than rural migrant workers and persons in flexible employment arrangements who participate in the basic medical insurance for urban employees. The General Office of the State Council released the Guidance on Further Deepening the Reform of the Payment Method of Basic Medical Insurance (《關於進一步深化基本醫療保險支付方式改革的指導意見》) in June 2017. The main objectives are to implement a diversified reimbursement mechanism including diagnosis related groups, per-capita caps, and per-bed-day caps. These new reimbursement methods would replace the current reimbursement method that is based on service category and product price. Local administration of healthcare security will introduce a total budget control for their jurisdictions and decide the amount of reimbursement to public hospitals based on hospitals' performance and the spending targets of individual basic medical insurance funds.

According to the Guiding Opinions of the Ministry of Human Resources and Social Security on Improving the Management of Designated Medical Institutions and Pharmacies of Basic Medical Insurance through Agreements (《人力資源和社會保障部關於完善基本醫療保險定點醫藥機構協議管理的指導意見》), which was promulgated by the MHRSS on December 2, 2015 and came into effect on the same day, the license for qualifying a medical institution as a designated medical institution to provide medical service to urban employees with basic medical insurance was cancelled. Agencies and the medical institutions should strictly comply with the stipulations in the service agreement and perform the agreement seriously. The defaulting party shall be held liable to the violations of the agreement.

According to the Notice on Ensuring Basic Medical Security for Urban and Rural Residents in 2025 (《關於做好2025年城鄉居民基本醫療保障有關工作的通知》) promulgated in September 2025, the relevant governmental authorities consolidate and improve the benefit level of the basic medical insurance for urban and rural residents, and keep the reimbursement rate for inpatient expenses within the policy scope stable at around 70%, regions with the necessary capacity may steadily raise the level of outpatient coverage based on their fund sustainability, and continue to increase fiscal subsidies for resident medical insurance.

Laws and Regulations on Environmental Protection and Fire Control

Environment Protection

The Environmental Protection Law of the PRC (《中華人民共和國環境保護法》) outlines the authorities and duties of various environmental protection regulatory agencies. According to the Administration Rules on Environmental Protection of Construction Projects (《建設項目環境保護管理條例》), depending on the impact of the construction project on the environment, a construction employer shall submit an environmental impact report or an environmental impact statement, or file a registration form. As to a construction project, for which an environmental impact report or the environmental impact statement is required, the construction employer shall, before the commencement of construction, submit the environmental impact report or the environmental impact statement to the relevant authority at the environmental protection administrative department for approval. If the environmental impact assessment documents of the construction project have not been examined or approved upon examination by the approval authority in accordance with the law, the construction employer shall not commence the construction.

According to the Environmental Impact Appraisal Law of PRC (《中華人民共和國環境影響評價法》), for any construction projects that have an impact on the environment, an entity is required to produce either a report, or a statement, or a registration form of such environmental impacts depending on the seriousness of effect that may be exerted on the environment.

Pollutant Discharges Administration and Disposal of Hazardous Waste

For any violation of the Regulation on the Administration of Permitting of Pollutant Discharges and the Measures for Pollutant Discharge Permitting Administration, in accordance with the Environmental Protection Law of the PRC, the Atmospheric Pollution Prevention and Control Law of the PRC (《中華人民共和國大氣污染防治法》), the Water Pollution Prevention and Control Law of the PRC (《中華人民共和國水污染防治法》) and other laws and regulations, the environmental protection authorities have the right to order to make corrections, restrict production, suspend production for rectification, and suspend business and close down, and impose a fine. If a violation of the public security provisions is constituted, it shall be punished for public security violation in accordance with the law. If a crime is established, it shall be investigated for criminal liabilities in accordance with the law.

Pursuant to the Law on the Prevention and Control of Environmental Pollution Caused by Solid Waste of the PRC (《中華人民共和國固體廢物污染環境防治法》), entities generating hazardous waste shall store, utilize and dispose hazardous waste according to the relevant requirements of the state and environmental protection standards, and shall not dump or pile up hazardous waste without authorization. Furthermore, it is forbidden to entrust hazardous waste to entities without a permit for disposal, or else the competent ecological and environmental authorities shall order it to make rectification, impose fines, confiscate illegal gains, and in serious circumstances, order it to suspend business or close down upon the approval of the government authorities.

The Measures for the Administration of Pollution Discharge Permits (《排污許可管理辦法》) stipulates that enterprises, public institutions and other producers and business operators shall, in accordance with factors such as the amount of pollutants produced, the amount of pollutants discharged and the extent of their impact on the environment, carry out the management of pollutant discharge permits with a focus, simplified management and pollutant discharge registration. The pollutant discharging entity shall apply for a pollutant discharge permit in accordance with the law and discharge pollutants in accordance with the relevant provisions. The pollutant discharge registration entity that needs to fill out a pollutant discharge registration form shall register its pollutant discharge on the National Pollutant Discharge Permit Management Information Platform. Pursuant to the List of Pollutant Discharge Permits for Classified Management of Stationary Pollution Sources (2019 Version) (《固定污染源排污許可分類管理名錄(2019年版)》), which was promulgated by the Ministry of Ecology and Environment on December 20, 2019 and came into effect on the same day, a pollutant discharge entity subject to registration management is not required to apply for a pollutant discharge permit. It shall fill in the pollutant discharge registration form on the National Pollutant Discharge Permit Management Information Platform, and register with its basic information, pollutant discharge route, pollutant discharge standards implemented, pollution prevention and control measures adopted, and other information.

The Regulations on Urban Drainage and Sewage Treatment (《城鎮排水與污水處理條例》) requires that urban entities and individuals shall dispose sewage through urban drainage facilities covering their geographical area in accordance with applicable rules. Companies or other entities engaging in medical activities shall apply for a License for Discharging Sewage into the Drainage Network (城鎮污水排入排水管網許可證) before disposing sewage into urban drainage facilities. Sewage-disposing entities and individuals shall pay sewage treatment fee in accordance with applicable rules.

Pursuant to the Law of the People's Republic of China on Prevention and Control of Radioactive Pollution (《中華人民共和國放射性污染防治法》), an entity generating radioactive waste liquid must, in accordance with the requirements of the national standards on the prevention and control of radioactive pollution, dispose or store the radioactive waste liquid which shall not be discharged to the environment. An entity generating radioactive solid wastes shall, in accordance with the provisions of the competent administrative department of environmental protection under the State Council, deliver the radioactive solid wastes it generates to the entity disposing the radioactive solid wastes for disposition after having them treated, and shall assume the disposition expense.

In accordance with the Regulations on Safety of Radioactive Waste Management (《放射性廢物安全管理條例》), China adopts the classified management of radioactive waste. According to the characteristics and the potential hazardous exposure of the human health and environment, radioactive wastes are divided into high-level radioactive waste, medium-level radioactive waste and low-level radioactive waste. Entities utilizing nuclear technology shall conduct relevant treatment procedures of the liquid radioactive waste (which is generated but cannot be discharged after purifications), and then transformed to solid radioactive waste. Entities utilizing nuclear technology shall deliver disused radioactive sources and other solid radioactive wastes generated by them to a solid radioactive waste storage entity possessing the applicable licenses for centralized storage, or to a solid radioactive waste disposing entity possessing the applicable licenses for disposal.

Management of Medical Waste

The Regulations on the Management of Medical Waste (《醫療廢物管理條例》) and the Measures for the Management of Medical Waste of Medical and Health Institutions (《醫療衛生機構醫療廢物管理辦法》) stipulate that medical institutions must categorize the medical waste in accordance with the Classified Catalogue of Medical Waste (《醫療廢物分類目錄》) for management purpose and timely deliver medical waste to a medical waste disposal entity approved by the environmental protection administrative department at or above the county level for centralized disposal. The sewage generated by medical institutions and the excretion of the infectious patients or suspect infectious patients shall be strictly disinfected pursuant to the provisions of the state; and only after those wastes have met the discharge standards set forth by the state, may they be discharged into the sewage disposal system.

Fire Control

Pursuant to the Fire Control Law of the PRC (《中華人民共和國消防法》), the Ministry of Emergency Management under the State Council and the local people's governments at or above county level shall supervise and administer the matters of fire protection, while the fire control and rescue institutions of such people's governments shall be responsible for implementation. The design of fire control of the construction projects must comply with the national technical standards of fire control. If the design of fire control of a construction project has not been examined pursuant to the relevant laws or failed to pass the examination, the construction of such project is not allowed. If a completed construction project has not gone through the fire safety inspection or failed to satisfy the requirements of fire safety upon inspection, such project is not allowed to be put to use or business. According to the Interim Regulations on Administration of Examination and Acceptance of Fire Control Design of

Construction Projects (《建設工程消防設計審查驗收管理暫行規定》), an examination system for fire control design and acceptance only applies to special construction projects, and for other projects, a record-filing and spot check system would be applied.

Laws and Regulations on Land Use Rights and Leased Properties

Pursuant to the Land Administration Law of the PRC (《中華人民共和國土地管理法》), state-owned land may be allocated or granted to units for construction use in accordance with the law. According to the Interim Regulations on Real Estate Registration (《不動產登記暫行條例》), real estate registration shall be handled by the real estate registration agency of the people's government at the county level in the place where the real estate is located.

Pursuant to the Administrative Measures on Leasing of Commodity Housing (《商品房屋租賃管理辦法》), both the lessor and the lessee shall complete property leasing registration and filing formalities within 30 days from the execution of the property lease contract with the real estate administration department where the leased property is located. Failure to comply with the registration and filing procedures may result in fines for both the lessor and the lessee.

Laws and Regulations on Intellectual Property Protection

According to the Trademark Law of the PRC (《中華人民共和國商標法》) and the Regulations for the Implementation of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》), the validity period of a registered trademark is 10 years from the date of approval. To continue using a trademark upon the expiry of its validity, renewal procedures must be completed in accordance with the provisions within the 12 months preceding expiration. If renewal procedures are not completed within this period, a six-month extension is allowed.

According to the Patent Law of the PRC (《中華人民共和國專利法》) and the Detailed Rules for the Implementation of the Patent Law of the PRC (《中華人民共和國專利法實施細則》), regulations and detailed rules, patents in China are categorized into three types: invention patents, utility model patents and design patents. The term of an invention patent right is 20 years, the term of a utility model patent is 10 years, and the term of a design patent is 15 years, all of which are calculated from the filing date.

According to the Administrative Measures for the Internet Domain Name (《互聯網域名管理辦法》), the MIIT is the primary regulatory authority for the management of Internet domain names in China. Domain name registration is processed through domain name root servers and their operating institutions, domain name registration management institutions and domain name registration service institutions established in accordance with the relevant regulations.

The Copyright Law of the People's Republic of China (《中華人民共和國著作權法》) specifies that works of Chinese citizens, legal persons or other organizations, including literature, art, natural sciences, social sciences, engineering technologies and computer software created in writing or oral or other forms, whether published or not, shall enjoy the copyright. Copyright holder can enjoy multiple rights, including the right of publication, the right of authorship and the right of reproduction. Pursuant to the Measures for the Registration of Copyright in Computer Software (《計算機軟件著作權登記辦法》) promulgated by the National Copyright Administration and the Regulations on the Protection of Computer Software (《計算機軟件保護條例》), the National Copyright Administration is responsible for administering the registration of software copyright nationwide and has designated the China Copyright Protection Center as the software registration authority. The China Copyright Protection Center shall issue a registration certificate to applicants for computer software copyright who meet the prescribed requirements.

According to the Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》) and the Provisions of the Supreme People's Court on Several Issues Concerning the Application of Law in the Trial of Civil Cases Involving Trade Secret Infringement (《最高人民法院關於審理侵犯商業秘密

民事案件適用法律若干問題的規定》), the right holders whose trade secrets are infringed may apply for administrative corrections, and the regulatory authorities shall order to stop any illegal activities and impose fine penalties on the infringers.

Laws and Regulations on Labor Protection

The Labor Law of the PRC (《中華人民共和國勞動法》) stipulates matters related to promoting employment, labor contracts, working hours, rest and leave, wages, labor safety and hygiene, special protection for female and minor workers, vocational training, social insurance and welfare, labor disputes, supervision and inspection, as well as legal liabilities. According to the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) and the Implementation Regulation of the Labor Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》), a written labor contract shall be established when forming a labor relationship. Employers shall not force employees to work overtime and must pay overtime wages according to national regulations if overtime is arranged.

The PRC Social Insurance Law (《中華人民共和國社會保險法》) (the "**Social Insurance Law**") has established social insurance systems of basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance and maternity insurance and has elaborated in detail the legal obligations and liabilities of employers who fail to comply with relevant laws and regulations on social insurance. According to the Social Insurance Law and the Provisional Regulations on Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》), enterprises shall register social insurance with local social insurance and pay or withhold relevant social insurance for or on behalf of its employees. Any employer that fails to make social insurance contributions may be ordered to rectify the non-compliance and pay the required contributions within a prescribed time limit and be subject to a late fee. If the employer still fails to rectify the failure to make the relevant contributions within the prescribed time, it may be subject to a fine ranging from one to three times the amount overdue.

On July 31, 2025, the Supreme People's Court of the PRC has issued the Interpretation II by the Supreme People's Court of the PRC on Legal Issues in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) (the "**Interpretation II**"), which took effect from September 1, 2025. Pursuant to the Interpretation II, the agreement between an employer and an employee, or an employee's commitment to the employer, stipulating that social insurance contributions need not be paid, shall be deemed invalid by the people's court. If an employer fails to pay social insurance contributions in accordance with the law, and the employee requests to terminate the labor contract and demands the employer to pay economic compensation pursuant to Article 38(3) of the Labor Contract Law, the people's court shall support such a request in accordance with the law.

Pursuant to the Regulations on Administration of Housing Provident Fund (《住房公積金管理條例》), employers in Chinese Mainland shall provide their employees with housing provident fund. Employers who fail to contribute to the above housing provident funds may be ordered to make full payment within a prescribed time period by the housing provident fund management center. If an employer fails to make the payment towards the housing provident funds within a prescribed time limit, an application may be made to a people's court for enforcement.

Laws and Regulations on Taxation

Pursuant to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) (the "**EIT Law**") and the Regulations on the Implementation of the EIT Law (《中華人民共和國企業所得稅法實施條例》), a domestic enterprise which is established within Chinese Mainland in accordance with the laws or established in accordance with any laws of foreign countries (regions) but with an actual management entity within Chinese Mainland shall be regarded as a resident enterprise. A resident enterprise shall be subject to a tax rate of 25% of any income generated within or outside Chinese Mainland. A preferential tax rate shall be applicable to any key industry or project which is supported or encouraged by the State. High and new technology enterprises which are supported by the State may enjoy a reduced tax rate of 15%.

On December 25, 2024, the SCNPC issued the Value-Added Tax Law of the PRC (《中華人民共和國增值稅法》) (the "**VAT Law**"), which became effective from January 1, 2026. According to the VAT Law, any entities and individuals (including individual businesses) engaged in the sale of goods, services, intangible assets and immovables and importation of goods within the territory of the PRC are VAT payers and shall pay VAT in accordance with the VAT Law. Except for taxpayers' export of goods, the sale of services or intangible assets within the scope as prescribed by the State Council by domestic entities and individuals across national borders and other circumstances specified by the State Council, the rate of VAT for sale of goods, labor services of processing, repair or replacement, or tangible movable property leasing services or import of goods is 13% unless otherwise specified, such as the rate of VAT for sale of agricultural products is 9%, and the rate of VAT for sale of transportation, postal, basic telecommunications, construction, or immovable leasing services, sale of immovables, or transfer of the rights to use land is 9%. In addition to the above circumstances, the rate of VAT for sale of services or intangible assets is 6%.

Laws and Regulations on Foreign Exchange

According to the Administrative Regulations on Foreign Exchange of the PRC (《中華人民共和國外匯管理條例》), foreign exchange payments under current account items shall, pursuant to the administrative provisions of the foreign exchange control department of the State Council on payments of foreign currencies and purchase of foreign currencies, be made using self-owned foreign currency or foreign currency purchased from financial institutions engaging in conversion and sale of foreign currencies by presenting the valid document. Domestic entities and domestic individuals making overseas direct investments or engaging in issuance and trading of overseas securities and derivatives shall process registration formalities pursuant to the provisions of the Foreign Exchange Control Department of the State Council.

On December 24, 2025, the People's Bank of China and the SAFE jointly issued the Notice on Issues Concerning the Fund Management for Overseas Listings of Domestic Enterprises (《中國人民銀行國家外匯管理局關於境內企業境外上市資金管理有關問題的通知》), which took effect on April 1, 2026, to further facilitate domestic enterprises in efficiently raising funds in overseas financial markets. The main contents of the Notice include but not limited to clarifying that funds raised from overseas listings and proceeds from share reductions or transfers shall, in principle, be remitted back to China. Enterprises meeting certain conditions are permitted to retain and use raised funds overseas.

Laws and Regulations on Securities and Overseas Listing

The Securities Law of the People's Republic of China (《中華人民共和國證券法》), which was promulgated by the SCNPC on December 29, 1998, and was latest amended on December 28, 2019 and took effect on March 1, 2020, comprehensively regulating activities in the PRC securities market including issuance and trading of securities, takeovers by listed companies, securities exchanges, securities companies and the duties and responsibilities of securities regulatory authorities, etc. The Securities Law further regulates that a domestic enterprise issuing securities overseas directly or indirectly or listing their securities overseas shall comply with the relevant provisions of the State Council and for subscription and trading of shares of domestic companies using foreign currencies, detailed measures shall be stipulated by the State Council separately. The Shanghai Stock Exchange Stock Listing Rules (《上海證券交易所股票上市規則》) and the Shanghai Stock Exchange Self-Regulatory Guideline No. 1 for Listed Companies — Standardized Operation (《上海證券交易所上市公司自律監管指引第1號—規範運作》), along with other relevant laws and regulations, have further standardized the corporate governance mechanisms of A-share listed companies and improved their level of standardized operation.

On February 17, 2023, the CSRC promulgated the Trial Administrative Measures of the Overseas Securities Offering and Listing by Domestic Enterprises (《境內企業境外發行證券和上市管理試行辦法》) and relevant five guidelines, which came into effect on March 31, 2023. According to such Trial Measures, PRC domestic enterprises that seek to offer and list securities in overseas markets, either in direct or indirect means, are required to fulfill the filing procedure with the CSRC and submit filing reports, legal opinions, and other relevant documents with the CSRC within three working days after the relevant application is submitted overseas.

On February 24, 2023, the CSRC together with the MOF and National Administration of State Secrets Protection and National Archives Administration of China have promulgated the Provisions on Strengthening the Confidentiality and Archives Administration Concerning the Overseas Securities Offering and Listing by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》). If domestic enterprises provide or publicly disclose to relevant securities companies, securities service institutions, overseas regulatory agencies and other parties, or provide or publicly disclose documents and materials involving state secrets or state organ work secrets through the issuer, they shall report the matters to the competent authorities for examination and approval, and file them with the department for the administration and management of state secrets at the same level for the record.

Laws and Regulations on Information Security and Data Privacy and Data Security and Data Export

On July 1, 2015, the NPC Standing Committee issued the National Security Law of the PRC (《中華人民共和國國家安全法》) (the "**National Security Law**"), which came into effect on the same day. The National Security Law stipulates that the State must safeguard national sovereignty, security and the development interests in cyberspace. It also requires the establishment of national security review and supervision systems to examine foreign investments, critical technologies, internet information technology products and services, and other significant activities that may impact China's national security.

On November 7, 2016, the NPC Standing Committee promulgated the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》) (the "**Cybersecurity Law**"), which came into effect on June 1, 2017 and further revised in October 2025 and became effective on January 1, 2026. According to the Cybersecurity Law, the State implements a cybersecurity multi-level protection system. Network operators shall comply with laws and regulations when conducting business and providing services, and fulfill their obligations to protect cybersecurity. Service providers operating via the network are required to adopt technical measures and other necessary measures, in accordance with laws, administrative regulations, and mandatory national standards, to ensure the safe and stable operation of the network, effectively respond to cybersecurity incidents, prevent illegal criminal activities committed on the network, and maintain the integrity, confidentiality and availability of network data.

According to the Civil Code of the PRC (《中華人民共和國民法典》) promulgated by the NPC on May 28, 2020, and effective from January 1, 2021, the personal information of a natural person shall be protected by law. Any organization or individual needing to obtain the personal information of other persons shall legally obtain and ensure the security of such information, and shall not illegally collect, use, process, or transmit the personal information of other persons, nor illegally buy, sell, provide, or publish the personal information of other persons.

On August 20, 2021, the NPC Standing Committee promulgated the Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》), which took effect on November 1, 2021. The Personal Information Protection Law further emphasizes and specifies the obligations and responsibilities of personal information processors in personal information processing activities, and establishes a comprehensive set of rules for personal information processing, including but not limited to: personal information processing shall be for a clear and reasonable purpose; sensitive information processing shall have additional protection; the provision and entrusted processing of personal information to external parties shall be subject to the signing of special agreements to ensure security; the storage, deletion, disclosure, and automated decision-making of personal information shall comply with specific rules; and personal information processors shall have appropriate organizational safeguards, systematic safeguards, and technical measure safeguards.

On June 10, 2021, the NPC Standing Committee promulgated the Data Security Law of the PRC (《中華人民共和國數據安全法》), which came into force on September 1, 2021. On December 28, 2021, the Cyberspace Administration of China (the "**CAC**"), together with 12 other authorities, jointly promulgated the Measures for Cybersecurity Review (《網絡安全審查辦法》) (the "**Cybersecurity Review Measures**"), which took effect on February 15, 2022. The Cybersecurity Review Measures stipulate that: (i) a critical information infrastructure operator purchases network products and services or an online platform operator conducts data processing, which affects or may affect national security, a cybersecurity review shall be carried out according to these Measures; (ii) a key information infrastructure operator purchases network products and services, it shall anticipate the potential national security risks that may arise from the use of such products and services. Those that affect or may affect national security shall be reported to the Cybersecurity Review Office for cybersecurity review; (iii) An online platform operator who have more than 1 million users' personal information must report to the Cybersecurity Review Office for cybersecurity review when going public abroad; (iv) If a member entity of the working mechanism for cybersecurity reviews deems that a network product or service or a data processing activity may affect or potentially affect national security, the Cybersecurity Review Office shall submit it to the Central Cyberspace Affairs Commission for approval according to the procedures before conducting a review in accordance with the provisions of these Measures.

On July 7, 2022, the CAC promulgated the Measures for the Security Assessment of Outbound Data Transfer (《數據出境安全評估辦法》), which came into effect on September 1, 2022. The Measures for the Security Assessment of Outbound Data Transfer stipulate that data processors, who provide important data and personal information collected and generated in their operations within the territory of China to recipients overseas, shall conduct a security assessment of outbound data transfers according to these Measures. The CAC promulgated the Measures for the Standard Contract for the Outbound Transfer of Personal Information (《個人信息出境標準合同辦法》, "New Outbound Data Transfer Provisions"), which came into effect on June 1, 2023. The Measures set forth the specific requirements applicable to personal information processors that provide personal information outside of the PRC by entering into a standard contract with the overseas recipient. On March 22, 2024, the CAC issued the Provisions on Promoting and Regulating Cross-border Data Flows (《促進和規範數據跨境流動規定》), which took effect on the same date. The New Outbound Data Transfer Provisions stipulate that in case of inconsistencies with the Measures for the Security Assessment of Outbound Data Transfer, the New Outbound Data Transfer Provisions shall prevail. The New Outbound Data Transfer Provisions clarify specific situations in which certain obligations regarding cross-border data transfers (including declaring security assessments for outbound data transfers, entering into standard contracts for outbound personal information, and passing personal information protection certification) can be exempted.

On September 24, 2024, the State Council issued the Regulations on Network Data Security Management (《網絡數據安全管理條例》), which came into effect on January 1, 2025. The Regulations on Network Data Security Management aim to implement the general requirements for data security management set forth in the Cybersecurity Law, the Data Security Law, and the Personal Information Protection Law. The regulations reiterate the general provisions on data processing activities, personal information protection rules, important data security protection, cross-border network data security management, and the obligations of online platform service providers. The Regulations on Network Data Security Management clarify the definition of important data, further specify the obligations of important data processors, and require network data processors whose data processing activities affect or may affect national security to undergo national security review in accordance with relevant national regulations.

LAWS AND REGULATIONS RELATED TO OUR BUSINESS IN BRAZIL

The Brazilian regulations that significantly impact our business are set out below.

Laws and Regulations on Metrology and Product Conformity

Metrology in Brazil is primarily governed by Law No. 5,966, dated December 11, 1973, which created the National System of Metrology, Standardization and Industrial Quality ("**SINMETRO**"). The National Institute of Metrology, Quality and Technology ("**INMETRO**") is the executive authority within SINMETRO and is responsible for enforcing legal metrology controls, accrediting conformity assessment bodies, and approving measuring instrument models. Law No. 9,933, dated December 20, 1999, further defines the powers of the National Council for Metrology, Standardization and Industrial Quality ("**CONMETRO**") and INMETRO and provides that products subject to technical regulation must comply with the applicable technical requirements. Non-compliance may result in administrative penalties, including warnings and fines.

As a manufacturer of measuring instruments subject to legal metrology requirements, we must obtain model approval from INMETRO before placing regulated products on the market. As of January 1, 2026, pursuant to INMETRO Ordinance No. 657, dated October 8, 2025, the former regime of initial verification by the competent authority was replaced by a conformity declaration regime, under which manufacturers and authorized importers are responsible for declaring compliance of their equipment with applicable technical requirements, subject to continued oversight by INMETRO. Regulated products remain subject to periodic verification and post-repair verification throughout their lifecycle. Technical standards applicable to our activities include ABNT NBR ISO/IEC 17025, which sets forth competence requirements for testing and calibration laboratories.

Laws and Regulations on the Free Trade Zone of Manaus

We operate manufacturing facilities in Manaus, State of Amazonas, within the Manaus Free Trade Zone ("**Zona Franca de Manaus**" or "**ZFM**"), a special tax and trade regime established by Decree-Law No. 288, dated February 28, 1967. The ZFM is administered by the Superintendence of the Manaus Free Trade Zone ("**SUFRAMA**").

Companies engaged in manufacturing activities within the ZFM under an approved industrial project and in compliance with the applicable Basic Productive Process ("**Processo Produtivo Básico**" or "**PPB**") may benefit from relevant tax incentives, including: (i) exemption from the Tax on Manufactured Products ("**IPI**") on products manufactured in the ZFM; (ii) an 88% reduction of import duty on certain foreign raw materials, intermediate goods and packaging materials used in local manufacturing; and (iii) reduced rates or a zero rate of Social Integration Program ("Programa de Integração Social" — "**PIS**") and Contribution for Social Security Financing ("Contribuição para o Financiamento da Seguridade Social" — "**COFINS**") on qualifying revenues and imports. The availability of such incentives is subject to prior approval of the relevant project by SUFRAMA's Board of Administration and continued compliance with the applicable PPB requirements.

Laws and Regulations on Environment

Our industrial activities are subject to federal environmental laws and regulations, primarily Law No. 6,938, dated August 31, 1981, which sets forth the National Environmental Policy and establishes the National Environmental System ("**SISNAMA**"). Under this framework, industrial activities deemed actually or potentially polluting, or otherwise capable of causing environmental degradation, are subject to prior environmental licensing by the competent authority.

In addition, the National Environmental Council ("**CONAMA**") issues binding resolutions establishing emission limits and environmental quality standards applicable to industrial facilities. Complementary legislation includes Law No. 12,305, dated August 2, 2010, which instituted the National Solid Waste Policy ("**PNRS**") and requires, among other obligations, the implementation of waste management measures and, where applicable, reverse logistics systems. We must also comply with applicable state-level environmental licensing requirements for its facilities in the States of Minas Gerais and Amazonas.

Laws and Regulations on Employment Relations

Labor relations in Brazil are primarily governed by Decree-Law No. 5,452, dated May 1, 1943, which enacted the Brazilian Labor Code (Consolidação das Leis do Trabalho, or "**CLT**"), as amended from time to time, including by Law No. 13,467, dated July 13, 2017. In addition to the CLT, the Brazilian Civil Code (Law No. 10,406, dated January 10, 2002) and the Brazilian Code of Civil Procedure (Law No. 13,105, dated March 16, 2015) apply on a supplementary basis, where appropriate. Labor matters are also influenced by case law developed by the Superior Labor Court (Tribunal Superior do Trabalho, or "**TST**") and the Federal Supreme Court (Supremo Tribunal Federal, or "**STF**"), including binding precedents and persuasive judicial guidelines, as applicable. The CLT sets forth the principal rules governing employment relationships, including minimum standards applicable to employment agreements, working hours, rest periods, overtime, notice of termination, and dismissal with or without cause.

Employees are also protected by the Severance Indemnity Fund (Fundo de Garantia do Tempo de Serviço, or "**FGTS**"), governed by Law No. 8,036, dated May 11, 1990, pursuant to which employers are required to deposit 8% of each employee's monthly remuneration into an individual severance account, which may be accessed in the event of dismissal without cause and in other circumstances expressly provided by law. Social security contributions are governed by Law No. 8,212, dated July 24, 1991. In addition, companies are subject to the collective bargaining agreements and collective labor conventions applicable to their employees, as executed by the labor unions representing the relevant professional categories in the jurisdiction where services are rendered.

Laws and Regulations on Personal Data Protection

Our processing of personal data is subject to Law No. 13,709, dated August 14, 2018 (Lei Geral de Proteção de Dados Pessoais — "**LGPD**"), which took effect on September 18, 2020, and whose administrative sanctions became enforceable on August 1, 2021. The LGPD applies to the processing of personal data carried out in Brazil, as well as to processing activities aimed at offering or supplying goods or services to individuals located in Brazil.

Compliance with the LGPD is supervised by the Brazilian National Data Protection Authority ("**ANPD**"), which may impose administrative sanctions, including fines of up to 2% of our revenue in Brazil in the preceding fiscal year, capped at BRL 50 million per violation.

Laws and Regulations on Compliance, Anti-Corruption and Competition

We are subject to Law No. 12,846, dated August 1, 2013 (the "**Brazilian Anti-Corruption Law**"), as regulated at the federal level by Decree No. 11,129, dated June 30, 2022. The Brazilian Anti-Corruption Law establishes strict administrative and civil liability for legal entities for unlawful acts committed against domestic or foreign public administration, whenever such acts are carried out in the entity's interest or for its benefit. Available sanctions include fines, mandatory publication of the sanctioning decision, and, in the judicial sphere, sanctions such as partial suspension of activities and compulsory dissolution of the legal entity. The existence and effectiveness of an integrity program may be considered a mitigating factor in determining sanctions.

We is also subject to Law No. 12,529, dated November 30, 2011 (the "**Brazilian Competition Law**"), pursuant to which the Administrative Council for Economic Defense ("**CADE**") is empowered to investigate anti-competitive conduct and review acts of economic concentration.

Laws and Regulations on Intellectual Property

Our intellectual property rights, including patents relating to measurement and control technologies, industrial designs, trademarks and, where applicable, software embedded in its products and systems, are primarily governed by Law No. 9,279, dated May 14, 1996 (Lei da Propriedade Industrial — the "**Industrial Property Law**" or "**LPI**"), which is administered and enforced by the Brazilian Patent and Trademark Office (Instituto Nacional da Propriedade Industrial — "**INPI**").

Software embedded in our products is protected under Law No. 9,609, dated February 19, 1998 (the "**Software Law**") and, on a supplementary basis, under Law No. 9,610, dated February 19, 1998 (the "**Copyright Law**"). Trade secrets and confidential technical information are also protected under the unfair competition provisions of the LPI, including Articles 195 and 209, which provide for civil liability and, in certain cases, criminal sanctions in connection with their misappropriation.

INTERNATIONAL TRADE REGULATIONS

U.S. Export Controls

In general, the BIS controls the export, reexport, and transfer (in-country) of commodities, software and technology (collectively, "**Items**") subject to the *Export Administration Regulations* (the "**EAR**"). Items subject to the EAR include the following:

(i) All items in the United States, including in a U.S. Foreign Trade Zone or moving in transit through the United States from one foreign country to another;

(ii) All U.S. origin items wherever located;

(iii) Non-U.S.-made commodities that incorporate controlled U.S.-origin commodities, non-U.S.-made commodities that are 'bundled' with controlled U.S.-origin software, non-U.S.-made software that is commingled with controlled U.S.-origin software, and non-U.S.-made technology that is commingled with controlled U.S.-origin technology which exceeds a certain threshold (the "**De Minimis Rule**"); and

(iv) Certain non-U.S.-produced "direct products" of specified "technology" and "software"; and certain non-U.S.-produced products of a complete plant or any major component of a plant that is a "direct product" of specified "technology" or "software" (the Foreign Direct Product Rule, "**FDP rule**")

For items subject to the EAR under different circumstances, the scope of control corresponding to the end-user, end-use, destination, etc., may be different and need to be judged on a case-by-case basis. If certain transactions or actions are controlled under the EAR, a license or license exception will be necessary. The EAR administered by the BIS is frequently revised and updated. We have listed the major developments in recent years below for reference. It should be noted that all the following amendments will be incorporated into the EAR upon their effective date. The core logic of the EAR remains as described above, which involves controlling the export, re-export, or in-country transfer of items subject to the EAR. The following amendments mainly refine and strengthen the relevant control details.

On October 7, 2022, BIS released an interim final rule (the "**2022 IFR**") aimed to restrict the PRC's ability to both purchase and manufacture certain high-end chips used in military applications and build on prior policies, company-specific actions, and less public regulatory, legal, and enforcement actions taken by BIS.

The 2022 IFR addressed U.S. national security and foreign policy concerns in two key areas. First, the rule imposed restrictive export controls on certain advanced computing semiconductor chips, transactions for supercomputer end-uses, and transactions involving certain entities on the Entity List. Second, the 2022 IFR imposed new controls on certain semiconductor manufacturing items and on transactions for certain integrated circuit end uses.

On October 17, 2023, BIS published two interim final rules (the "**2023 IFR**") designed to update export controls on advanced computing semiconductors and semiconductor manufacturing equipment, as well as items that support supercomputing applications and end-uses, to arms embargoed countries, including the PRC, and to place additional related entities in the PRC on the Entity List. The 2023 IFR reinforced the 2022 IFR controls to restrict the PRC's ability to both purchase and manufacture certain high-end chips critical for military advantage.

On December 2, 2024, BIS published a new interim final rule (the "**2024 IFR**") to further impair the PRC's capability to produce advanced-node semiconductors that can be used in the next generation of advanced weapon systems and in AI and advanced computing, which have significant military applications.

In addition to the restrictions introduced by the IFRs, BIS maintains lists of persons or entities that are subject to enhanced export control restrictions. One such list, the Entity List, includes a list of foreign persons or entities on which certain trade restrictions are imposed, including business, research institutions, government and private organizations, individuals and other types of legal persons. The U.S. in recent years has placed an increasing number of entities, including a number of entities in the PRC, on the Entity List and other restricted or prohibited parties lists. Given the sudden and unpredictable nature of these determinations, it is difficult to predict developments in this area and we have no ability to influence such determinations.

U.S. Tariffs

The U.S. imposes a variety of tariffs on imported goods. While the U.S. Constitution grants Congress the authority to impose tariffs, several statutes have shifted that authority to the President under certain circumstances. Within the U.S., agencies involved in international trade regulation include the Customs and Border Protection (the "**CBP**"), the U.S. International Trade Commission (the "**ITC**"), and the Office of the U.S. Trade Representative (the "**USTR**"). The CBP is responsible for collecting tariffs on goods imported to the U.S. during the customs clearance process. The ITC is a quasi-judicial agency that administers U.S. laws governing trade remedies and provides analysis, information, and other support concerning tariffs and other international trade matters for the President, U.S. Congress, and the USTR. The ITC also investigates alleged violations of U.S. trade law, including unfair trade practices under Section 337 of the Tariff Act of 1930, illegal foreign financial subsidies, and violations, and Section 201 of the Trade Act of 1974 (imports of goods into the U.S. at an increased quantity that is a substantial cause of serious injury to a U.S. domestic industry). The USTR is a cabinet-level position within the office of the President of the U.S., and serves as the President's principal adviser, negotiator, and spokesperson regarding matters of international trade.

The USTR is authorized to take certain action under Section 301 of the Trade Act of 1974 ("**Section 301**"), including without limitation the imposition of tariffs or other restrictions on imports, if it determines after investigation that a foreign government has engaged in unfair trade practices. In 2018, following a USTR investigation and report, the U.S. imposed tariffs on certain imported goods of Chinese origin. Section 301 tariffs are assessed and collected in addition to any other duties that may apply (including, without limitation, anti-dumping duties). Both the U.S. and China have brought claims against one another before the World Trade Organization in connection with this trade dispute.

Since early 2025, the U.S. government has issued multiple executive orders implementing additional tariff on imports from various jurisdictions. As of the Latest Practicable Date, following the ruling of the U.S. Supreme Court and pursuant to the relevant executive orders and official notices issued by the U.S. government, the tariffs previously imposed under the International Emergency Economic Powers Act (the "**IEEPA**") became inactive on February 24, 2026. In lieu thereof, a temporary 10% tariff was imposed under Section 122 of the Trade Act of 1974 for a period of 150 days ("**Section 122 tariffs**"). However, on May 7, 2026, the U.S. Court of International Trade held that Section 122 tariffs were unlawful and ordered the payment of refunds to the plaintiffs in that case, though the collection of such tariffs from other importers continues pending further litigation. Accordingly, as of the Latest Practicable Date, a 10% tariff applies to goods imported into the U.S. from China after revoking the tariffs under the IEEPA effective on February 24, 2026. Such tariff arrangement is temporary in nature and remains subject to further regulatory developments and policy changes, influenced by evolving geopolitical dynamics, economic priorities and regulatory agenda, and such policies may be amended, expanded, or replaced with little or no advance notice.

SANCTIONS LAWS AND REGULATIONS

Set out below is a summary of the sanctions regimes imposed by the U.S., the United Nations, the European Union, the United Kingdom and its overseas territories, and Australia. This summary does not set out the laws and regulations relating to the U.S., the United Nations, the European Union, the United Kingdom and Australian sanctions in their entirety.

United States

The Office of Foreign Assets Control (the "**OFAC**") is the primary agency responsible for administering U.S. sanctions programs against targeted countries, entities, and individuals. Economic sanctions maintained by the U.S. government could be categorized into "primary" sanctions and "secondary" sanctions. "Primary" sanctions apply to "U.S. persons" or activities involving a U.S. nexus (e.g., funds transfers in U.S. currency even if performed by non-U.S. persons), and "secondary" sanctions apply extraterritorially to the activities of non-U.S. persons even when the transaction has no U.S. nexus. Generally, U.S. persons are defined as entities organized under U.S. law (such as companies and their U.S. subsidiaries); any U.S. entity's domestic and foreign branches (sanctions against Iran and Cuba also apply to U.S. companies' foreign subsidiaries or other non-U.S. entities owned or controlled by U.S. persons); U.S. citizens or permanent resident aliens, regardless of their location in the world; individuals physically present in the United States; and U.S. branches or U.S. subsidiaries of non-U.S. companies.

Depending on the sanctions program and/or parties involved, U.S. law also may require a U.S. company or a U.S. person to "block" (freeze) any assets/property interests owned, controlled or held for the benefit of a sanctioned country, entity, or individual when such assets/property interests are in the U.S. or within the possession or control of a U.S. person. Upon such blocking, no transaction may be undertaken or effected with respect to the asset/property interest — no payments, benefits, provision of services or other dealings or other type of performance (in case of contracts/agreements) — except pursuant to an authorization or license from OFAC.

OFAC's comprehensive sanctions programs currently apply to Cuba, Iran, North Korea, Syria, the Crimea, and the so-called Luhansk People's Republic and the Donetsk People's Republic regions. OFAC also prohibits virtually all business dealings with persons and entities identified in the SDN List. An entity that a party on the SDN List owns (defined as a direct or indirect ownership interest of 50% or more, individually or in the aggregate) is also blocked, regardless of whether that entity is expressly named on the SDN List. Additionally, U.S. persons, wherever located, are prohibited from approving, financing, facilitating, or guaranteeing any transaction by a non-U.S. person where the transaction by that non-U.S. person would be prohibited if performed by a U.S. person or within the U.S..

United Nations

The United Nations Security Council (the "**UNSC**") can take action to maintain or restore international peace and security under Chapter VII of the United Nations Charter. Sanctions measures encompass a broad range of enforcement options that do not involve the use of armed force. Since 1966, the UNSC has established 30 sanctions regimes.

The UNSC sanctions have taken a number of different forms, in pursuit of a variety of goals. The measures have ranged from comprehensive economic and trade sanctions to more targeted measures such as arms embargoes, travel bans, and financial or commodity restrictions. The UNSC has applied sanctions to support peaceful transitions, deter non-constitutional changes, constrain terrorism, protect human rights and promote nonproliferation.

There are 14 ongoing sanctions regimes which focus on supporting political settlement of conflicts, nuclear non-proliferation, and counter-terrorism. Each regime is administered by a sanctions committee chaired by a non-permanent member of the UNSC. There are 10 monitoring groups, teams and panels that support the work of the sanctions committees.

United Nations sanctions are imposed by the UNSC, usually acting under Chapter VII of the United Nations Charter. Decisions of the UNSC bind members of the United Nations and override other obligations of United Nations member states.

European Union

Under European Union sanction measures, there is no "blanket" ban on doing business in or with a jurisdiction targeted by sanctions measures. It is not generally prohibited or otherwise restricted for a person or entity to do business (involving non-controlled or unrestricted items) with a counterparty in a country subject to European Union sanctions where that counterparty is not a Sanctioned Target and not engaged in prohibited activities, such as exporting, selling, transferring or making certain controlled or restricted products available (either directly or indirectly) to, or for use in a jurisdiction subject to sanctions measures, provided that no funds and economic resources are made available to the Sanctioned Targets.

United Kingdom

UK sanctions are in force under the Sanctions and Anti-Money Laundering Act 2018 (the "**UK Sanctions Act**"), which enables the transition of existing EU sanctions programs and the establishment of autonomous UK regimes. The United Kingdom is no longer an EU member state as of January 1, 2021. Starting from January 1, 2021, the United Kingdom applies its own sanctions programs through regulations setting out the specific measures under each UK sanctions regime.

Australia

The Australian restrictions and prohibitions arising from the sanctions laws apply broadly to any person in Australia, any Australian anywhere in the world, companies incorporated overseas that are owned or controlled by Australians or persons in Australia, and/or any person using an Australian flag vessel or aircraft to transport goods or transact services subject to United Nations sanctions.