



**Factorial**<sup>®</sup>

VERSION 1

**CODE OF  
CONDUCT**

March 2023

## MESSAGE FROM THE CEO

SIYU HUANG



**At Factorial, we believe that ethical business is good business and that every decision we make should be the right choice for our planet, our communities, our customers, our investors, and each other.**

That means that every step we take in running our business is made with ethics and integrity in mind.

Doing things right is not a choice at Factorial. Working here means making a commitment to uphold our company values and to follow this code of conduct. Thank you for joining us on our mission.

A handwritten signature in black ink, appearing to read 'Siyu Huang', written in a cursive style.

**Siyu Huang**

**Founder & Chief Executive Officer**

## TABLE OF CONTENTS

- \* INTRODUCTION
- \* OUR GUIDING PRINCIPLES
- \* MAKING ETHICAL DECISIONS
- \* SPEAKING UP AND FEELING SAFE
- \* EQUAL OPPORTUNITY
- \* HARASSMENT
- \* CONFLICTS OF INTEREST
- \* EXTERNAL COMMUNICATION ON BEHALF OF THE COMPANY
- \* CONFIDENTIALITY
- \* PRIVACY
- \* COMPETITION, FAIR DEALINGS AND ANTITRUST
- \* BRIBERY AND FACILITATION PAYMENTS
- \* GIFTS AND ENTERTAINMENT
- \* POLITICAL CONTRIBUTIONS
- \* CHARITABLE CONTRIBUTIONS
- \* RECORD KEEPING
- \* PROTECTION AND PROPER USE OF COMPANY ASSETS
- \* MONEY LAUNDERING
- \* INSIDER TRADING
- \* HEALTH AND SAFETY
- \* FOLLOW THE LAW AND OUR POLICIES
- \* CODE OF CONDUCT ACKNOWLEDGEMENT



## INTRODUCTION

Our Code of Conduct applies to all employees of Factorial and its subsidiaries and provides a guide for how we do business. Relevant sections also apply to members of our Board of Directors. We expect our suppliers, contractors, consultants, and other business partners to follow these principles when providing goods and services to us or acting on our behalf. We also require our suppliers to follow our Supplier Code of Conduct.

## OUR GUIDING PRINCIPLES

OUR PURPOSE IS TO SAVE OUR PLANET AND WE ENVISION A WORLD POWERED BY CLEAN AND EFFICIENT ENERGY. OUR MISSION IS TO DELIVER HIGH PERFORMANCE, SUSTAINABLE AND SAFE BATTERIES TO POWER ELECTRIC VEHICLES, HOMES, AND BUSINESS, AND WE PURSUE THIS MISSION BY EMBODYING OUR VALUES OF:

**S SAFETY**

**M MERITOCRACY**

**A AGILITY**

**H HUMILITY**

**R RESPECT FOR ALL**

**T TRANSPARENCY**

---

## MAKING ETHICAL DECISIONS

---

As members of a fast-growing and innovative company we all need to make tough decisions from time to time. When you need to make a decision, ask yourself:



**Does it reflect our guiding principles?**



**Is it consistent with our Code of Conduct and other policies?**



**Is it legal?**

If you are unsure about any of the answer, ask for help.

---

## SPEAKING UP AND FEELING SAFE

---

Communication is key to any ethical business. If you're not sure whether something is right, ask. If you see an issue, speak up!

Employees **must** report suspected unethical, illegal or suspicious behavior immediately. To report a concern:

- Talk to your manager
- Contact Human Resources
- Contact the General Counsel

It takes courage to speak up when something's not right. We understand that you might be uncomfortable or anxious. That is why we do not tolerate retaliation under any circumstance. Regardless of who you contact, you can be confident that you're doing the right thing, and that your concern will be handled promptly and appropriately.

You will not be retaliated against for:

- Refusing to do something that violates the code, our policies or the law, even if your refusal results in the loss of business to Factorial.
- Raising a concern in good faith about potential misconduct.
- Cooperating with an investigation.

Anyone who retaliates against an employee for engaging in any of these activities will be subject to disciplinary action, up to and including termination.

When you report a concern, we will investigate. For privacy reasons, you may not be informed of the investigation and its consequences—but we will not ignore your concerns.

## EQUAL OPPORTUNITY

We do not discriminate on the basis of actual or perceived race, color, creed, religion, national origin, ancestry, citizenship status, age, sex or gender (including pregnancy, childbirth and pregnancy-related conditions), gender identity or expression (including transgender status), sexual orientation, marital status, military service and veteran status, physical or mental disability, genetic information, or any legally protected status.

## HARASSMENT

We believe in respect for all and have no tolerance for harassment, including sexual harassment and bullying.

Harassment can include:

- Yelling at or humiliating someone
- Physical violence or intimidation
- Unwanted sexual advances, invitations or comments
- Visual displays such as derogatory or sexually-oriented pictures or gestures
- Physical conduct including assault or unwanted touching
- Threats or demands to submit to sexual requests as a condition of employment or to avoid negative consequences

Bullying can include:

- Spreading malicious rumor or gossip
- Impeding someone's work
- Belittling someone constantly
- Tampering with a person's personal belongings or work equipment

## CONFLICTS OF INTEREST

It's important to avoid situations where a conflict exists between the company's interests and your personal interests. Likewise, it is imperative to avoid situations that could even be perceived as a conflict of interest. Conflicts of interest can arise in virtually every area of business and can exist even if you are convinced that your decisions will not be affected by an outside relationship. Unless you receive approval:

- Avoid situations where a personal relationship or financial interest in another company might influence how you make decisions.
- Avoid conducting Factorial business with a family member. If a family member would like to work at Factorial, let Human Resources know about your relationship with the applicant.
- Don't take outside employment if it could conflict with your responsibilities at Factorial.
- Avoid investing in a business if it may compromise your responsibilities to Factorial, like a direct competitor or supplier.
- Offer, request, and accept business meals and entertainment from those who do business with Factorial only if they are customary in frequency, intended to serve a legitimate business purpose and expenses are kept at a reasonable level.

Disclose all possible conflicts of interest immediately to your manager, Human Resources, or the General Counsel and get approval before you proceed.



## **EXTERNAL COMMUNICATION ON BEHALF OF THE COMPANY**

Only the CEO, CFO, CTO and VP, Commercial are authorized to represent the company to the media. Only the General Counsel is authorized to represent the company to legal authorities. Employees should refer all requests for information or interviews to the marketing team.

## **CONFIDENTIALITY**

Our company is based on next-generation, breakthrough technologies. Never disclose scientific, technical, operational, financial, employment, or other business information without verifying with your manager whether such disclosure is appropriate. We are very selective when disclosing this type of information to vendors, suppliers, or other third parties, and only do so once a non-disclosure agreement is in place. Even within Factorial, confidential information should only be shared on a need-to-know basis.

## PRIVACY

We are committed to protecting personal and confidential information. Never disclose any private, personal information of:

- Employees
- Customers
- Suppliers
- Competitors
- Third parties

Store all personal information securely, mark it as confidential and store it only for as long as it is needed for the purpose for which it was collected. When providing personal information, limit access to only those with a clear business need for the information. Report any breaches of privacy, including the loss, theft of or unauthorized access to personal information, to your manager.

## BRIBERY AND FACILITATION PAYMENTS

The company will not attempt to influence the judgement or behavior of a person in a position of trust by paying a bribe or kickback. This applies to persons in government and in private business. The company also does not permit facilitation payments to government officials or private business in order to secure or speed up routine actions.

Employees are to:

- Select third parties carefully and monitor them continuously to ensure they comply with our anti-bribery policies
- Keep accurate books and records and monitor that funds are not being used for bribery or facilitation payments
- Refuse any offer or request for an unlawful payment and report the incident to the General Counsel

## COMPETITION, FAIR DEALINGS AND ANTITRUST

While we compete aggressively for new business, relationships with business partners are built upon trust and mutual benefits and compliant with competition and antitrust laws.

Employees are required to:

- Communicate about the company in a manner that is fair and accurate
- Refrain from price fixing, bid rigging, and any other anti-competitive activities
- Consult the company's legal department before engaging in any new practice that may affect fair competition



## GIFTS AND ENTERTAINMENT

While gifts and entertainment can be appropriate ways to strengthen ties and build goodwill, they also have the potential to create the perception that business decisions are influenced by them.

Employees are to:

- Any gifts or entertainment above the value of \$75 needs to be reported to General Counsel for approval.
- Never allow gifts, entertainment or other personal benefits to influence decisions or undermine the integrity of business relationships
- Never accept gifts or entertainment that are illegal, immoral or would reflect negatively on the company
- Never accept cash equivalents, stocks or other securities. This includes “kickbacks,” commissions, finder’s fees, and profit sharing from vendors or partners.
- Use sound judgment and comply with the law, regarding gifts and other benefits
- When in doubt, check with the General Counsel before giving or receiving anything of value.

Employees may accept occasional unsolicited personal gifts of nominal value such as promotional items and may provide the same to customers and business partners.

## POLITICAL CONTRIBUTIONS

The company does not make political contributions. Employees are free to support any political party or entity on a personal level. However, this must be kept separate from company business and resources.

## CHARITABLE CONTRIBUTIONS

The company may make charitable contributions to causes and organizations that are not politically affiliated. Check with the CEO before making any charitable contributions on behalf of the company.

## RECORD KEEPING

Accurate and honest records are critical to meeting our legal, financial, and management obligations. You should ensure that all records and reports, including timecards, customer information, technical and product information, correspondence, and public communications are comprehensive, fair, accurate, timely, and understandable. Do not misstate facts, omit critical information, or modify records or reports in any way to mislead others, and never assist others in doing so. Intentional manipulation of Factorial records is a form of fraud. Never interfere with our accounting procedures or our independent auditors.

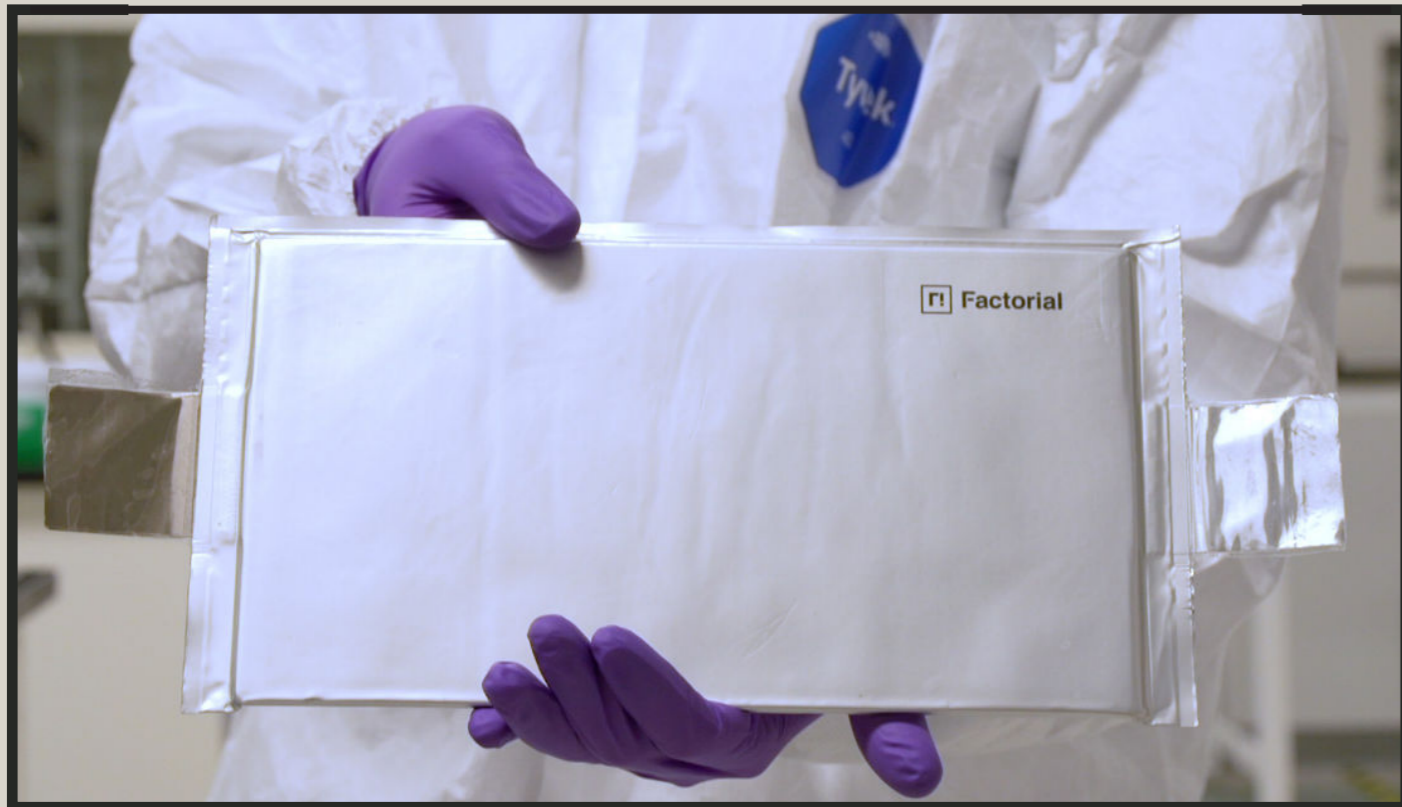


---

## PROTECTION AND PROPER USE OF COMPANY ASSETS

---

Factorial assets should be used for legitimate purposes, efficiently, and for company business only. Assets include facilities, equipment, computers and information systems, telephones, employee time, confidential and proprietary information, corporate opportunities and company funds.



## MONEY LAUNDERING

Money laundering is when someone conceals illicit funds or tries to make those funds look legitimate. Money laundering is illegal and strictly prohibited by Factorial. If you deal directly with customers or vendors, be alert to signs of potential money laundering:

- Attempts to make large payments in cash
- Payments by someone who is not a party to the contract
- Requests to pay more than provided for in the contract
- Payments made in currencies other than those specified in the contract
- Payments from an unusual, nonbusiness account
- Transactions forming an unusual pattern such as bulk purchases of products or gift cards or repetitive cash payments

## INSIDER TRADING

Never buy or sell stock or other securities if you are aware of information that has not been disclosed to the public and that could have a material effect on the value of the securities. You also may not share “tips” on when to buy or sell securities based on material non-public information.

## CODE OF CONDUCT ACKNOWLEDGEMENT

### HEALTH AND SAFETY

We are committed to protecting the environment, health, and safety of our employees, customers, and our communities. Our EH&S team provides guidance on how to conduct your job while meeting or exceeding environmental, health, and safety requirements. Use good judgment and always put the environment, health, and safety first. Work proactively with the EH&S team to anticipate and manage EH&S risks in a timely manner.

### FOLLOW THE LAW AND OUR POLICIES

You must follow all laws, rules and regulations applicable to us everywhere we do business. You are expected to use good judgment and common sense and to ask for advice when you are uncertain. You also are expected to comply with all of our policies and procedures and to familiarize yourself with them.

If you become aware of any actual or suspected violation, it is your responsibility to promptly report the matter. While it is the Company's desire to address matters internally, nothing in this Code prohibits you from reporting illegal activity to the appropriate authority. You must not discriminate or retaliate against an employee because they report any such violation. However, if the report was made with knowledge that it was false, the Company may take appropriate disciplinary action up to and including termination. This Code does not prohibit you from engaging in concerted activity protected by the National Labor Relations Board or from testifying, participating or otherwise assisting in any state or federal administrative, judicial or legislative proceeding or investigation.

BY CERTIFYING TO THE COMPANY CODE OF CONDUCT, YOU  
ACKNOWLEDGE THAT:

- YOU HAVE READ THE ENTIRE CODE OF CONDUCT AND UNDERSTAND YOUR RESPONSIBILITIES RELATED TO IT.
- YOU AGREE TO ABIDE BY ITS PRINCIPLES.
- YOU AGREE TO REPORT TO THE COMPANY ANY VIOLATIONS OF THE CODE.
- YOU AGREE TO COOPERATE IN ANY INVESTIGATIONS OF VIOLATIONS OF THE CODE.

