Risk Management Rule of UC ADs

1st edition

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I、OVERVIEW

This Policy is prepared in accordance with related policies, laws and regulations of the country where advertisements are
released for the purpose of promoting healthy development of online advertising industry and standardizing promotion behaviors of advertisers and ensuring common interest of netizens and legitimate enterprises.

*Risk Management Rule of UC Web International Advertising Business* ("Policy") is prepared in combination with laws and regulations of the country where advertisements are released and on the basis of summarizing and arrangement of illegal marketing methods existing in the platform and updated with continuous improvement of laws and regulations and continuously improved in accordance with netizens' feedbacks and inspection results.

## II. DEFINITION

2.1. Platform: refers to the UC International Commercial Advertising Platform which is a performance-based advertising platform developed independently by UC Web. Advertising Material is mainly served on UC Web products, providing advertisers with services,
such as traffic purchase, marketing promotion, expenses statistics, data query, material management, etc;

2.2. Advertiser: refers to any person/company who promotes any product and/or service via UC Web products to users;

2.3. Advertising Material: refers to the content including but not limited to graphic, text, video, flash, designed, created or commissioned by the Advertiser, to promote any brand, products or services;

2.4. Landing Page: refers to the web page to which the user gets redirected via the Advertising Material. It can be called as target website as well;

2.5. Agent: refers to the company that works an agent of the third party company (i.e., the advertiser) to promote information on UC platform under its name upon UC’s approval.

2.6. Promotion account: refers to the account registered by the agent on UC platform for the purpose of information promotion for the advertiser. An advertiser may have several promotion accounts.

2.7. Rules for determination of violation in promotion: refers to UC company’s rules for determination of all violation behaviors in promotion and corresponding accounts involved in violation and constitutes a reference standard for patrol inspection, determination of violation and punishment of violation behaviors in promotion by agents and their clients.
2.8. Advertisers on the blacklist: refer to advertisers who are included by UC company into the blacklist of clients and whose promotion accounts will be fully closed. Such advertisers will be required to stop all promotion behaviors and will be not able to open any account for information promotion in UC through an agent.

III. TYPE OF VIOLATION

3.1. Major violation: refers to violation of the advertiser’s promotion content or promotion behavior of laws and regulations, the Policy and any regulations and standards stipulated by UC, causing complaints filed by the third party against UC, including but not limited to review or inquiry faced or suffered by UC due to accusation made by the third party against UC in the form of correspondence or media coverage, arbitration or litigation against UC and reporting to the competent authority.

3.2. Primary violation: refers to involvement of the advertiser’s promotion content or promotion behaviors in illegal business content, including but not limited to following types.
3.2.1、Vulgar content: refers to release of such information as pornographic information and improper dating information against laws and regulations, including pictures directly or implicitly describing human sexual organs and sexual behaviors, flirty or insulting pictures and private information of others maliciously spread through internet, promotion content obviously involved with pornographic information as judged in accordance with page content, context and common sense or promotion content that makes other believe pornographic information is contained in such promotion content by hinting or misleading.

3.2.2、Gambling content (without a written business license issued by the local government/official institution): all advertising information involving gambling or special vocabularies in gambling or related vocabularies and variant vocabularies in gambling and products or services that probably affect gambling results, such as gambling tools.

3.2.3、Drug content: Drugs refer to anesthetics and psychotropic drugs that can make people additive, such as opium, heroin, crystal methamphetamine, morphine, cannabis and cocaine.

3.2.4、Fraud content: refers to the behaviors that make up facts, conceal the truth and obtains money or properties from others by cheating.

3.2.5、All content involving with "Prohibited Products and Services" under Paragraph 5.2 of Material Review Standard for UC Web
International Advertising Business.

3.3. Secondary violation: refers to suspected violation of the advertiser's promotion behaviors or promotion content, due to absence of company information, making-up of facts, piracy and failure of obtaining reasonable authorization. Such behaviors may cause economic losses or personal health damage to netizens who have transaction with the advertiser and damage to UC platform's goodwill, including but not limited to following types:

3.3.1. Subject nonconformity: refers to discrepancy between corporate subject of promotion materials and promotion websites and registered corporate subjects submitted by clients.

3.3.2. Beyond business scope: refers to the client's promotion scope beyond the approved promotion scope.

3.3.3. Adverse effect: refers to involvement with provisions contained in Paragraph 5.3 "Ads with Adverse Effect on Minors" under Material Review Standard for UC Web International Advertising Business.

3.3.4. Illegal operation: refers to promotion of such business as liquor, lottery, drug, healthcare product and finance without obtaining written business approval of local government.

3.3.5. Infringement of intellectual property right: refers of involvement of promotion materials and promotion behaviors in
unauthorized use of registered trademarks or registered brands.

3.4. Tertiary violation: refers to the advertiser's promotion behaviors or promotion content involving errors or defects, but without causing major violation, primary violation or secondary violation, including but not limited to following types:

3.4.1. Text nonconformity: refers to wrongly written words, weak expressions, exaggeration, uncivilized language/bad language, over-commitment and aggressive language, etc. contained in promotion materials.

3.4.2. Punctuation nonconformity: refers to noncompliance of punctuation contained in promotion materials with Paragraph 4.3.2 of Material Review Standard for UC Web International Advertising Business.

3.4.3. Picture nonconformity: refers to pictures of promotion materials or promotion websites involving deformation, vagueness, induced clicking, before and after comparison and text area in excess of 20%.

3.4.4. URL nonconformity: refers to failure of normal opening of domain name of promotion URL.

3.4.5. Landing page nonconformity: refers to containment of automatically played audio/video, illegal download link, and adjustment terminal unsuitable for opening mobile terminals on landing pages.

3.4.6. Competitive product promotion: refers to the content of promotion materials and promotion website involving Paragraph
IV. TREATMENT MEASURES FOR VIOLATION

4.1. Treatment Measures for Major Violation

Accounts involved in major violation will be permanently disabled and corresponding advertisers of such accounts will be added into the blacklist of advertisers and will not be allowed to conduct promotion on UC platform. At the meantime, original agents will be punished in accordance with severity of conditions, including but not limited to termination of agency right.

4.2. Treatment Measures for Primary Violation

Accounts involved in primary violation will be permanently disabled and such accounts will not be used to release advertisements.

4.3. Treatment Measures for Secondary Violation
4.3.1. Accounts involved in secondary violation for one time will be disabled for a short term and provided with an opportunity of correction for one time. Upon completion of correction and re-review, such accounts will be once again used for promotion.

4.3.2. Accounts involved in secondary violation for twice will be permanently disabled and will not be used to release advertisements.

4.4. Treatment Measures for Tertiary Violation

As for accounts involved in tertiary violation, nonconforming materials contained in such accounts will be disabled and materials after correction may be released upon completion of re-review.

V. ADDITIONAL STATEMENT

5.1. Final interpretation right and revision right shall reside in the UC Web.

5.2. Legal liabilities arising out of illegal advertisements or infringement of the third party’s rights shall be fully borne by advertisers.
or agents.

5.3. This Policy shall be put into effect from the date of issue.

Special note: this Policy shall be adjusted appropriately in accordance with the changes in the demands of business, policies and risk control. All the matters shall be subject to the new version!