

January 10, 2024

Dear Valued Partner,

You may have noticed the <u>Order</u> issued by the Ministry of Cybersecurity and Digital Affairs of Québec on December 22, 2023. We would like to clarify this development, and reiterate our robust dedication to cyber and product security, as well as our continued strong commitment to every market in which we operate.

The Order stipulates that: (1) All public bodies should carry out risk assessments of video surveillance and telecommunications equipment manufactured by Hikvision. (2) Any equipment acquired after December 21, 2023, and subject to these new requirements, may not be installed or used by a public body.

This is a provincial Order by the government of Québec and is ONLY applicable to the provincial government departments and related institutions of this province, with regard to the video surveillance and telecommunication equipment. However, it is NOT applicable to the federal government of Canada or the municipal governments within the province of Québec, NOR is it applicable to other non-video surveillance and telecommunication equipment manufactured by Hikvision. The scope of the related institutions is limited to state-owned enterprises and other organizations or corporations funded by the provincial budgets, or in accordance with the provincial laws and regulations.

Despite the obviously limited jurisdictions, the Order may still result in ambiguous interpretations of various definitions within the provisions relevant to Hikvision. We are currently making efforts to minimize its impact on our business. As needed, we will work with authorities to seek better clarity.

Hikvision and our products present no threat to the security of any countries or regions where we operate. No respected technical institution or assessment has come to this conclusion. Consequently, we are convinced that the risk assessments of the existing equipment, as required by this Order, if taken objectively and fairly, would further confirm the integrity and security of our products. Our confidence comes from the fact that Hikvision takes cybersecurity and data privacy seriously. With a record of strict regulatory compliance, Hikvision meets internationally recognized industry standards for safety and security that include ISO 27001, ISO 9001, CMMI Level 5, CC EAL3+ Certificate for a number of network camera models, etc. The CC EAL3+ Certificate represents the highest level of CC security certification granted to products in the video security category.



We regret to see the proposed discontinuation of our products to be deployed in "public" entities after December 21, 2023. The decision by the provincial government was not based on any evidence, reviews, or investigations of potential security risks. It represents a rejection of the provincial government's obligation to use a standards-based approach when evaluating security risks.

Finally, we would like to express our commitment to every market in the world. We remain committed to our customers in the province of Québec and stand ready to help build a better world, empowered by our innovative technologies. Our heartfelt gratitude goes to all of you for trusting, understanding and supporting Hikvision.

Sincerely,

Nicolas Zhang

President, Hikvision Canada