Procedures for Ethical Management and Guidelines for Conduct

Article 1 ：Purpose and Scope

Based on the principles of fairness, honesty, trustworthiness, and transparency in conducting business activities, the Company has established these Procedures for Ethical Management and Guidelines for Conduct in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies to implement its ethical management policy and actively prevent unethical conduct. These Procedures and Guidelines specifically prescribe the matters that Company personnel shall observe in the performance of their duties. These Procedures and Guidelines shall apply to the Company and other enterprises and organizations, including institutions and juridical persons, over which the Company has substantive control.

Article 2 ：Applicable Persons

For the purposes of these Procedures and Guidelines, “Company Personnel” means the directors, managers, employees, appointees, and persons with substantive control of the Company and its group enterprises and organizations. Where Company Personnel provide, promise, request, or accept any improper benefit through a third party, such conduct shall be presumed to have been committed by the Company Personnel themselves.

Article 3 ：Unethical Conduct

For the purposes of these Procedures and Guidelines, “unethical conduct” means that Company Personnel, in the course of performing their duties, directly or indirectly provide, accept, promise, or request any improper benefit, or engage in any other conduct that violates integrity, laws and regulations, or fiduciary duties for the purpose of obtaining or maintaining benefits. The parties referred to in the preceding paragraph include public officials, candidates for public office, political parties or party officials, and directors (or governors), managers, employees, persons with substantive control, or other stakeholders of any public or private enterprise or institution.

Article 4 ：Types of Benefits

For the purposes of these Procedures and Guidelines, “benefits” means anything of value, including money, gifts, commissions, positions, services, preferential treatment, rebates, or other benefits in any form or under any name. However, this shall not apply to benefits that conform to ordinary social customs and etiquette, are occasional in nature, and are unlikely to affect specific rights or obligations.

Article 5 ：Responsible Unit and Responsibilities

The Company designates the General Manager's Office as the dedicated responsible unit (hereinafter referred to as the “Responsible Unit”), which reports directly to the Board of Directors and is provided with sufficient resources and qualified personnel. The Responsible Unit shall be responsible for revising, implementing, interpreting, providing consultation regarding, recording, filing reports under, and supervising the implementation of these Procedures and Guidelines. It shall perform the following principal responsibilities and report to the Board of Directors on a regular basis, at least once annually:

1. Assisting in integrating integrity and ethical values into the Company's business strategies and establishing anti-fraud measures in accordance with applicable laws and regulations.
2. Regularly analyzing and assessing the risks of unethical conduct and formulating prevention programs and corresponding standard operating procedures and guidelines.
3. Planning the internal organizational structure, staffing, and responsibilities, and establishing mutual supervision and checks-and-balances mechanisms for high-risk business activities.
4. Promoting and coordinating training and communication regarding ethical management policies.
5. Planning and maintaining an effective whistleblowing system.
6. Assisting the Board of Directors and management in reviewing and evaluating the effectiveness of preventive measures and preparing compliance reports.
7. Preparing and properly maintaining documented information relating to the Company's ethical management policy, compliance statements, commitments, and implementation status.

Article 6 ：Prohibition of Providing or Accepting Improper Benefits

When Company Personnel directly or indirectly provide, accept, promise, or request any benefit referred to in Article 4, such conduct shall comply with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and these Procedures and Guidelines and may only be conducted after completing the relevant procedures, except under the following circumstances:

1. Conduct consistent with local etiquette, customs, or practices during domestic or overseas business visits, reception of foreign guests, business promotion, or coordination.
2. Participation in or hosting of ordinary social activities for legitimate business purposes or relationship-building consistent with normal social customs.
3. Invitations to customers or acceptance of invitations to specific business activities, factory tours, or similar events where expense allocation, number of participants, accommodation standards, and duration have been clearly specified.
4. Participation in publicly held traditional festivals open to the general public.
5. Rewards, assistance, condolences, or gratification provided by supervisors.
6. Gifts received in connection with engagements, weddings, childbirth, relocation, employment, promotion, retirement, resignation, separation from employment, or illness or death of the employee, spouse, or lineal relatives, provided the market value does not materially deviate from normal market practices.
7. Other circumstances consistent with Company regulations.

Article 7 ：Procedures for Handling Improper Benefits

When Company Personnel are directly or indirectly offered or promised any benefit referred to in Article 4, and such benefit does not fall within the exceptions in the preceding Article, they shall follow these procedures:

1. Where the provider has no business-related interest connected with the employee's duties, the matter shall be reported to the employee's immediate supervisor within three days, and the Responsible Unit shall be informed where necessary.
2. Where the provider has a business-related interest connected with the employee's duties, the benefit shall be returned or refused, and the matter shall be reported to the immediate supervisor and the Responsible Unit. If return is impossible, the benefit shall be submitted to the Responsible Unit within three days.

A business-related interest includes any of the following:

1. Business dealings, Supervisory relationships, Subsidy or reimbursement relationships.
2. Existing, pending, or prospective contractual relationships.
3. Other circumstances where Company decisions may affect the relevant party's interests.

The Responsible Unit shall recommend appropriate actions according to the nature and value of the benefit, including returning it, accepting it upon payment, transferring it to the Company, donating it to charity, or taking other appropriate measures, subject to approval by the General Manager.

Article 8 ：Facilitation Payments

The Company shall neither provide nor promise any facilitation payment.

If Company Personnel provide or promise a facilitation payment because of threats or intimidation, they shall document the circumstances, report them to their immediate supervisor, and notify the Responsible Unit.

The Responsible Unit shall immediately handle such matters, review the circumstances to reduce the risk of recurrence, and notify judicial authorities if illegal conduct is suspected.

Article 9 ：Political Neutrality

The Company shall maintain political neutrality. Employees may discuss political matters during working hours or at the workplace only insofar as such discussions do not interfere with others or with work, and should refrain from engaging in political activities or displaying political posters, promotional materials, or speech materials in the workplace.

Article 10 ：Charitable Donations and Sponsorships

The Company shall make charitable donations and sponsorships in accordance with the following requirements after obtaining approval from the authorized supervisor and notifying the Responsible Unit.

Where a donation reaches the thresholds for related-party donations or material donations to non-related parties under Article 6, Paragraph 7 of the Rules of Procedure for Board of Directors Meetings—namely, NT$100 million or more, or one percent or more of the most recent annual audited net operating revenue, or five percent or more of paid-in capital—it shall be approved by the Board of Directors before implementation. Requirements include:

1. Compliance with applicable laws and regulations.
2. Written documentation of the decision-making process.
3. Donations shall be made to charitable organizations and shall not constitute disguised bribery.
4. Benefits received from sponsorships shall be explicit and reasonable, and recipients shall not be business counterparties or persons with interests connected to Company Personnel.
5. After making donations or sponsorships, the Company shall verify that the funds were used for their intended charitable purposes.

Article 11 ：Avoidance of Conflicts of Interest

Directors, managers, and other interested parties attending Board meetings who have an interest in any agenda item involving themselves or the juridical person they represent shall disclose the material details of such interest at the meeting.

Where such interest may prejudice the Company's interests, they shall not participate in discussions or voting, shall recuse themselves, and shall not exercise voting rights on behalf of another director.

The spouse, second-degree blood relatives, or companies under the control of a director shall be deemed to have the director's own interest in relevant matters.

When Company Personnel discover an actual or potential conflict of interest involving themselves or the juridical person they represent, or where they, their spouse, parents, children, or other interested persons may obtain improper benefits, they shall report the matter to both their immediate supervisor and the Responsible Unit.

Company resources shall not be used for business activities outside the Company, nor shall outside business activities adversely affect job performance.

Article 12 ：Protection of Trade Secrets

The General Manager's Office shall serve as the dedicated unit responsible for establishing, implementing, maintaining, and reviewing procedures for managing and protecting the Company's trade secrets, trademarks, patents, copyrights, and other intellectual property.

Company Personnel shall comply with relevant intellectual property procedures, shall not disclose the Company's trade secrets or intellectual property to others, and shall not inquire into or collect confidential information unrelated to their duties.

Article 13 ：Prohibition of Unfair Competition

The Company shall conduct business activities in compliance with the Fair Trade Act and applicable competition laws and shall not engage in price fixing, bid rigging, output restrictions, quota allocation, or market sharing through customer allocation, supplier allocation, territorial allocation, or business segmentation.

Article 14 ：Protection of Stakeholders from Harm

The Company shall identify and understand applicable laws, regulations, and international standards governing its products and services and consolidate key compliance requirements.

Company Personnel shall ensure transparency and safety throughout the research and development, procurement, manufacturing, provision, and sale of products and services to prevent direct or indirect harm to consumers or other stakeholders.

Where media reports or other facts reasonably indicate that products or services may endanger consumers or stakeholders, the Company shall recall the relevant products or suspend the relevant services within thirty days, investigate the facts, and implement corrective action plans.

Article 15 ：Insider Trading and Confidentiality Agreements

Company Personnel shall comply with the Securities and Exchange Act, shall not engage in insider trading using undisclosed information, and shall not disclose such information to others.

Organizations and individuals participating in mergers, demergers, acquisitions, share transfers, significant memoranda, strategic alliances, business cooperation projects, or major contracts shall execute confidentiality agreements with the Company and undertake not to disclose or use confidential information without the Company's consent.

Article 16 ：Compliance with and External Communication of the Ethical Management Policy

The Company shall require directors and senior management to issue compliance statements regarding the ethical management policy and require employees to comply with the policy as a condition of employment.

The Company shall disclose its ethical management policy through internal regulations, annual reports, its corporate website, and other publications, and shall communicate the policy during product launches, investor conferences, and other external activities so that suppliers, customers, and business counterparties clearly understand the Company's ethical management principles.

Article 17 ：Due Diligence Before Establishing Business Relationships

Before establishing business relationships, the Company shall evaluate the legality of agents, suppliers, customers, and other counterparties, their ethical management policies, and any records of unethical conduct.

Appropriate due diligence may include reviewing:

1. Country of incorporation, operating location, organizational structure, management policies, and payment location.
2. Long-term business performance and reputation..

Article 18 ：Communication of the Ethical Management Policy to Business Counterparties

Company Personnel may, where appropriate, explain the Company's ethical management policy and relevant requirements to business counterparties and shall expressly reject any direct or indirect provision, promise, request, or acceptance of improper benefits.

Article 19 ：Avoiding Transactions with Unethical Counterparties

Company Personnel shall avoid conducting business with agents, suppliers, customers, or other counterparties involved in unethical conduct. Where unethical conduct is discovered, the Company shall evaluate whether to terminate the business relationship and may designate the counterparty as a prohibited business partner.

Article 20 ：Integrity Clauses in Contracts

When entering into contracts, the Company shall assess the counterparty's ethical management practices and may include integrity-related provisions, including:

1. Immediate disclosure of any bribery, kickback, or improper benefit involving relevant personnel, provision of supporting evidence, cooperation in investigations, entitlement to reasonable damages, and deduction of damages from contract payments.
2. The right to suspend or terminate the contract where unethical conduct occurs.
3. Clear and reasonable payment terms.

Article 21 ：Handling Unethical Conduct by Company Personnel

The Company encourages both internal and external parties to report unethical or improper conduct.

Depending on the severity of substantiated reports, rewards of up to NT$10,000 may be granted. Internal personnel who knowingly submit false or malicious reports shall be subject to disciplinary action, including dismissal where appropriate.

The Company shall establish and publicly announce independent internal whistleblowing mailboxes and hotlines for internal and external use.

Whistleblowers should provide, at minimum:

1. Name, identification number (anonymous reporting is permitted), address, telephone number, and email address.
2. Name or identifying information of the reported person.
3. Specific evidence supporting the allegation.

Personnel handling reports shall provide written confidentiality undertakings, and the Company shall protect whistleblowers from retaliation.

The Responsible Unit shall handle reports according to the following procedures:

1. Reports involving general employees shall be submitted to department supervisors; reports involving directors or senior management shall be submitted to independent directors or the Audit Committee.
2. Relevant facts shall be promptly investigated, with assistance from compliance or other departments where necessary.
3. Confirmed violations shall result in immediate cessation of the misconduct, appropriate disciplinary action, reporting to competent authorities where necessary, referral for judicial investigation, or legal action for damages.
4. Records relating to receipt, investigation, and outcomes shall be retained for five years, including electronic records, and preserved until litigation concludes where applicable.
5. Relevant departments shall review internal controls and operating procedures and

implement corrective measures.

6. The Responsible Unit shall report the matter, its handling, and follow-up improvements to the Board of Directors.

Article 22 ：Handling Unethical Conduct by External Parties Against the Company

Where Company Personnel encounter unethical conduct directed against the Company by external parties involving illegal acts, the Company shall notify judicial or prosecutorial authorities.

Where government agencies or public officials are involved, the Company shall also notify the competent anti-corruption authorities.

Article 23 ：Internal Communication, Reward and Discipline System, Appeals, and Disciplinary Measures

The Responsible Unit shall conduct internal communication activities at least once annually and arrange for the Chairperson, General Manager, or senior management to communicate the importance of integrity to directors, employees, and appointees.

The Company shall incorporate ethical management into employee performance evaluations and human resources policies and establish clear reward, disciplinary, and appeal systems.

Company Personnel committing serious violations of ethical conduct shall be removed from office or dismissed in accordance with applicable laws or Company personnel regulations.

The Company shall internally disclose the violator's title, name, date of violation, nature of the violation, and disciplinary action taken.

Article 24 ：Implementation

These Procedures and Guidelines shall become effective upon approval by the Audit Committee, adoption by the Board of Directors, and submission to the shareholders' meeting. The same procedure shall apply to any amendments.