

Operational Procedures and Behavioral Management Guidelines

Article 1 (Purpose and Scope)

The Company engages in business activities based on principles of fairness, honesty, integrity, and transparency. To implement the Company's ethical management policy and actively prevent unethical behavior, these Operational Procedures and Behavioral Management Guidelines (the "Guidelines") are hereby established in accordance with Article 6 of the Company's Ethical Corporate Management Best Practice Principles. They provide specific regulations that Company personnel must observe while performing their duties.

Article 2 (Applicability)

The term "Company personnel" as used in these Guidelines refers to the directors, supervisors, executives, employees, appointees, and individuals with substantial control over the Company and its organizations.

Any improper benefits provided, promised, requested, or received by third parties on behalf of Company personnel are presumed to be actions taken by Company personnel.

Article 3 (Unethical behavior)

Unethical behavior, as defined by these Guidelines, refers to any act where Company personnel, in the course of performing their duties, directly or indirectly provide, receive, promise, or request any improper benefits, or engage in other acts that violate ethics, are unlawful, or breach entrusted duties.

Article 4 (forms of benefits)

The term "benefits" in these guidelines refers to money, gifts, presents, commissions, positions, services, privileges, kickbacks, facilitation payments, hospitality, entertainment, and other items of value, regardless of their form or name.

Article 5 (Designated responsible unit and responsibilities)

The Company designates the Administration Department as the responsible unit to assist the Board of Directors in revising, implementing, interpreting, providing consulting services, and recording and filing reports related to these Guidelines. The main responsibilities include the following, with periodic (at least once a year) reporting to the Board of Directors:

1. Assisting in integrating integrity and ethical values into the Company's business strategies and establishing anti-corruption measures in line with legal systems to ensure ethical management in operations.
2. Regularly analyzing and assessing the risk of unethical behavior within the scope of business operations, developing anti-corruption plans based on these assessments, and establishing standard operating procedures and conduct management guidelines for related work activities.

3. Planning the internal organization, structure, and responsibilities, and implementing mutual monitoring and checks and balances for business activities with a higher risk of unethical behavior within the scope of operations.
4. Promoting and coordinating ethics and integrity policy advocacy and training.
5. Planning a whistleblowing system to ensure effective implementation.
6. Assist the Board of Directors and management in auditing and evaluating the effectiveness of measures established to ensure ethical management in operations and regularly assessing compliance with related business processes and reporting on findings.
7. Preparing and properly maintaining documentation related to the ethical management policy, including statements of compliance, commitments to implementation, and execution status.

Article 6 (Prohibition of Offering or Accepting Improper Benefits)

When Company personnel directly or indirectly offer, accept, promise, or request benefits as defined in Article 4, they must comply with the Company's Ethical Corporate Management Best Practice Principles and these Guidelines, and follow the relevant procedures before proceeding, except in the following circumstances:

1. Acts based on business needs, such as domestic or international visits, receptions, business promotion, and communication, conducted according to local customs, traditions, or etiquette.
2. Normal social activities based on customary social etiquette, business purposes, or relationship building.
3. Invitations to customers or participation in specific business activities, visits, etc., due to business needs, with clear stipulations regarding cost sharing, number of participants, accommodation standards, and duration.
4. Participation in public folk festivals and activities that invite general public attendance.
5. Rewards, assistance, consolation, or commendation from supervisors.
6. Acts consistent with social etiquette, customs, or other Company regulations.

Article 7 (Procedures for handling improper benefits)

When Company personnel encounter others directly or indirectly offering or promising benefits as defined in Article 4, except under the circumstances outlined in the preceding article, they must follow these procedures:

1. If the person offering or promising the benefit is not an interested party related to the duties of the recipient, the recipient must report to their immediate supervisor within three days of receipt and notify the Administration Department if deemed necessary.
2. If the person offering or promising the benefit is an interested party related to the duties of the recipient, the benefit must be returned or refused, and the incident must be reported to the immediate supervisor and the Administration Department. If the benefit cannot be returned, it must be handed over to the Administration Department within three days of receipt.

The term "interested party related to duties" referred to in the preceding clause includes the following situations:

1. Having commercial dealings, supervisory authority, or financial support (subsidies, rewards, etc.) relationships.
2. Seeking, negotiating, or having established contracts such as procurement, sales, or other contractual relationships.
3. Positive or negative impacts due to Company actions, decisions, or inactions.

The Administration Department is responsible for evaluating the nature and value of benefits, proposing suitable actions like return, conditional acceptance, charitable donation, or other pertinent measures for approval by senior management.

Article 8 (Prohibition of facilitation payments and related procedures)

The Company prohibits offering or committing to any facilitation payments.

If personnel engage in such actions under threat or coercion, they must document the incident, report it to their immediate supervisor, and notify the Administration Department.

Upon receipt of notification, the Administration Department must promptly address the situation, assess circumstances to mitigate future risks, and, if unlawful activities are identified, report them to judicial authorities.

Article 9 (Procedures for handling political contributions)

The Company shall refrain from making political contributions.

Article 10 (Procedures for handling charitable donations or sponsorships)

The Company's charitable donations or sponsorships must comply with the relevant regulations outlined in the Company's Board of Directors and management division of responsibilities table, as well as the following procedures:

1. Compliance with laws and regulations of the location where the operation is conducted.
2. Decision-making must be documented in writing.
3. Charitable donations should be made to charitable organizations and not used as disguised bribery.
4. Benefits received from sponsorship must be clear and reasonable, and the recipients must not be business partners or individuals with interests related to Company personnel.
5. Legal receipts must be obtained for charitable donations or sponsorships.

Article 11 (Avoiding conflicts of interest)

Directors, executives, and other stakeholders attending or participating in Board meetings must disclose significant personal or representative interests in the meeting agenda items. If the interests are detrimental to the Company, they must abstain from discussion and voting, and avoid proxy voting for other directors. Directors must also practice self-regulation to prevent inappropriate mutual support. If a director's spouse, relatives within the second degree of kinship, or controlled companies have interests in meeting agenda items, it is considered the director has personal interests in the matter. When Company personnel encounter conflicts of interest while performing their duties or discover situations that may result to improper benefits for themselves, their spouse, parents, children, or related parties, they must report such situations to their immediate supervisor and the Administration Department. The immediate supervisor should provide appropriate guidance.

Company personnel are prohibited from using Company resources for activities outside of Company business activities, and their participation in external business activities must not affect their job performance.

Article 12 (Confidentiality mechanisms and responsibilities)

The Company's trade secrets, trademarks, patents, copyrights, and other intellectual property are managed, preserved, and kept confidential by various departments at the headquarters and affiliated entities according to their respective business scopes and relevant regulations. These units must regularly review the implementation results to ensure the continuous effectiveness of their procedures.

Company personnel must strictly adhere to operational regulations concerning intellectual property as outlined above. They are prohibited from disclosing any Company trade secrets, trademarks, patents, copyrights, or other intellectual property they are aware of to any third party. Furthermore, they must refrain from seeking or collecting Company intellectual property unrelated to their duties.

Article 13 (Prohibition of unfair competition)

The Company conducts its business activities in strict compliance with the Fair Trade Act and relevant competition laws. Prohibited practices include price-fixing, bid-rigging, production or quota restrictions, market-sharing, or allocation of customers, suppliers, operational areas, or business types.

Article 14 (Preventing harm from products or services to stakeholders)

The Company gathers, comprehends, and compiles relevant laws and international standards applicable to its products and services. This information is communicated to ensure transparency and safety in the development, procurement, manufacturing, provision, or sale of products and services by Company personnel.

Relevant business units report to the Board of Directors on these matters, detailing their handling methods and subsequent review and improvement measures.

The Company publicly discloses on its website policies aimed at protecting the rights and interests of consumers and other stakeholders, thereby preventing any direct or indirect harm to their rights, health, or safety from products or services.

In instances where there is evidence indicating that the Company's products or services may jeopardize the safety and health of consumers or other stakeholders, the Company must promptly recall the affected batch of products or cease the service within a specified period. An investigation of the facts should ensue, followed by the proposal of a review and improvement plan.

Article 15 (Prohibition of insider trading and confidentiality agreements)

Company personnel must comply with the Securities and Exchange Act, refraining from using undisclosed information for insider trading or disclosing it to others to prevent its use for insider trading purposes.

Institutions or personnel involved in the Company's mergers, splits, acquisitions, stock transfers, significant memoranda, strategic alliances, other business cooperation plans, or important contracts must sign non-disclosure agreements (NDAs) with the Company. They are obligated not to disclose the Company's business secrets or other significant information they have become privy to, nor use such information without explicit consent from the Company.

Article 16 (Compliance and declaration of corporate ethical management policy)

The Company mandates that directors and senior management issue statements confirming their compliance with the ethical management policy. Employment conditions also require employees to adhere to this policy.

The Company discloses its ethical management policy in internal regulations, annual reports, its website, or other promotional materials. This policy is also declared during external activities such as product launches and investor conferences to ensure that suppliers, customers, and other related entities understand the Company's ethical management principles and guidelines.

Article 17 (Ethical management assessment before establishing business relationships)

Prior to establishing business relationships, the Company conducts evaluations of the legitimacy, ethical management policies, and past records of unethical behavior of agents/distributors, suppliers, customers, or other business partners. This evaluation ensures that their business practices are fair, transparent, and devoid of bribery requests, offers, or acceptances.

During the evaluation process mentioned above, the Company may adopt appropriate audit procedures to review the business partners on the following aspects to understand their ethical management status:

1. The country of incorporation, operating location, organizational structure, business policies, and payment locations of the enterprise.
2. Whether the enterprise has established a corporate ethical management policy and its implementation status.
3. Whether the enterprise operates in a country with a high risk of corruption.
4. Whether the enterprise's business falls into industries with a high risk of bribery.
5. The long-term operational status and reputation of the enterprise.
6. Consultation with the enterprise's business partners for their opinions about the enterprise.
7. Whether the enterprise has any records of involvement in bribery or illegal political donations or other unethical behavior.

Article 18 (Explanation of ethical management policy to business counterparts)

During the course of business activities, Company personnel shall explain the Company's ethical management policy and related regulations to their business counterparts. They must explicitly refuse to directly or indirectly offer, promise, request, or accept any form or name of improper benefits.

Article 19 (Avoiding transactions with unethical counterparties)

Company personnel shall avoid engaging in business transactions with agents/distributors, suppliers, customers, or other business partners involved in unethical behavior. Upon discovering any unethical behavior or misconduct by such business partners, the Company shall immediately cease all business dealings with them and categorize them as blacklisted entities, thereby enforcing the Company's ethical management policy.

Article 20 (Contractual provisions for ethical management)

When the Company enters into contracts with others, it shall thoroughly understand the counterpart's ethical management status and include compliance with the Company's ethical management policy as part of the contract terms. The contract should specify the following:

1. Both parties must promptly inform each other if any personnel violate contractual terms prohibiting the acceptance of commissions, kickbacks, or other improper benefits. They should disclose the identity of involved personnel, details of the improper benefits offered, promised, requested, or received, and provide relevant evidence while cooperating with investigations. Should damages occur, the injured party may seek compensation according to contract terms, deducting the full amount from the payable contract price.
2. If either party engages in unethical behavior during business activities, the other party reserves the right to unconditionally terminate or cancel the contract at any time.
3. The contract must specify clear and reasonable payment terms, including payment location, method, and compliance with relevant tax regulations.

Article 21 (Handling of unethical behavior among Company personnel)

The Company encourages internal and external personnel to report unethical or improper behavior. Depending on the severity of reported incidents, appropriate rewards may be granted upon approval by the head of respective entities. However, internal personnel who falsely report or make malicious accusations will be punished according to the Company's employee reward and punishment standards, and in severe cases, their employment contracts may be terminated.

The Company shall establish and announce on its website and intranet an independent internal whistleblower mailbox and hotline or entrust other external independent organizations to provide whistleblower mailboxes and hotlines for use by internal and external personnel. Whistleblowers should provide at least the following information:

1. Whistleblower's name and ID number, as well as contact details such as address, phone number, or email. The whistleblower may also remain anonymous,
2. Accused party's name or identifiable information.
3. Specific evidence supporting the investigation.

Personnel handling whistleblower cases must issue written statements to maintain confidentiality regarding the whistleblower's identity and the report's contents. The Company is committed to protecting whistleblowers from retaliation due to their reports.

The dedicated unit responsible for receiving reports within our company shall handle reported cases according to the Company's Principle of Authority and Responsibility Allocation for Handling Disciplinary Cases of Company Employees, as well as the Regulations Governing Employee Grievances.

The following procedures shall be followed in handling reported matters:

1. If the report involves general employees, it should be submitted to the department supervisor. If it involves directors or senior executives, it should be submitted to independent directors or the Audit Committee.
2. The unit responsible for handling the report and the relevant supervisors or personnel should immediately investigate the facts. The legal department or other relevant departments should provide assistance if deemed necessary.
3. If the report is verified and the accused is found to have violated relevant laws or the Company's ethical management policies and regulations, the accused should be immediately required to cease such behavior and appropriate action taken. If necessary, the case should be reported to the competent authority, referred to judicial authorities for investigation, or legal action should be taken to claim damages to protect the Company's reputation and interests.

4. Written records of the acceptance, investigation process, and investigation results of whistleblower cases shall be retained for five years, and electronic storage is permitted. If a lawsuit related to the whistleblower case occurs before the retention period expires, the relevant data should continue to be preserved until the end of the litigation.
5. Upon verifying reports of unethical behavior, relevant units shall review internal control systems and operating procedures, proposing improvement measures to prevent similar incidents from occurring in the future.
6. The unit responsible for handling whistleblower cases shall report details of unethical behavior, along with the methods used for resolution and subsequent review and improvement measures, to the Board of Directors.

Article 22 (Handling of unethical behavior against the Company by third parties)

When Company personnel encounter unethical behavior against the Company by third parties, if the behavior involves illegal activities, the Company shall notify judicial or prosecutorial authorities of the relevant facts. If it involves government agencies or officials, the governmental anti-corruption agency shall also be notified.

Article 23 (Internal awareness promotion, establishment of reward and punishment, grievance systems, and disciplinary measures)

The Administration Department shall hold at least one internal promotion annually to communicate the importance of ethical conduct to directors, employees, and appointees.

The Company shall incorporate ethical management into employee performance evaluations and human resource policies, establishing a clear and effective reward, disciplinary, and grievance system. For Company personnel who commit serious violations of ethical standards, the Company shall terminate or dismiss them according to relevant laws or Company regulations.

The Company shall disclose on its internal website the job title, name, violation date, details of the violation, and handling of personnel found in violation of ethical standards.

Article 24 (Implementation)

These Guidelines shall be implemented after being approved by the Board of Directors; the same procedures shall apply to any subsequent amendments. When discussing these Guidelines in the Board of Directors meeting, the opinions of independent directors shall be fully considered, and any objections or reservations shall be recorded in the meeting minutes. If independent directors cannot attend the Board meeting to express their objections or reservations in person, they shall provide written opinions in advance, which shall be duly included in the meeting minutes.

Polin Chen

Chief Executive Officer
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