

Performance of Integrity Management and Measures Taken

Code of Conduct for Integrity

Article 1 Purpose and scope of application

The “Ethical Corporate Management Best Practice Principles” (hereinafter referred to as the “Principles”) is formulated in accordance with the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” to assist the Company to foster a corporate culture of ethical management and sound development, and offer a reference framework for establishing good commercial practices.

The “Principles” is applicable to the Company and the Company’s subsidiaries, any foundation in which the Company’s accumulated contributions exceeding 50% directly or indirectly, and other group enterprises and organizations, such as, institutions or juristic persons, substantially controlled by the Company (collectively known as “business group”).

Article 2 Prohibition of unethical conduct

When engaging in commercial activities, directors, managerial officers, employees, mandataries, or persons having substantial control over such companies (“substantial controllers”) shall not directly or indirectly offer, promise to offer, request, or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty (“unethical conduct”) for purposes of acquiring or maintaining benefits.

Parties referred to in the preceding paragraph include civil servants, political candidates, political parties or members of political parties, state-run or private-owned businesses or institutions, and their directors (executives), supervisors (supervisors), managerial officers, employees, substantial controllers, or other stakeholders.

Article 3 Types of benefits

“Benefits” in the “Principles” means any valuable things, including money, endowments, commissions, positions, services, preferential treatment, or rebates of any type or in any name. Benefits received or given occasionally in accordance with accepted social customs and that do not adversely affect specific rights and obligations shall be excluded.

Article 4 Legal compliance

The Company shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption

Statute, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, TWSE/GTSM listing rules, or other laws or regulations regarding commercial activities as the underlying basic premise to facilitate ethical corporate management.

Article 5 Policies

The Company shall base on the operational philosophies of honesty, transparency, and responsibility, formulate policies on the principle of good faith, obtain approval from the board of directors, and establish good corporate governance and risk control and management mechanism to create an operational environment for sustainable development.

Article 6 Preventive actions

The Company shall have the ethical corporate management policy formulated with the specific ethical management practices and unethical conduct prevention plans prescribed clearly and thoroughly (hereinafter referred to as the “prevention programs”), including operational procedures, guidelines for conduct, and education and training.

The Company shall have the prevention programs formulated in compliance with relevant laws and regulations of the territory where the Company and the business group are operating.

The Company shall communicate with the staff, labor unions members, important trading counterparties, or other stakeholders throughout the course of developing the prevention programs.

Article 7 Scope of the prevention programs

The Company shall establish a risk evaluation mechanism against unethical conduct, regularly analyze and evaluate business activities within the business scope that are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly and review their adequacy and effectiveness on a regular basis.

The Company should refer to prevailing domestic and foreign standards or guidelines in establishing the prevention programs, which shall at least include preventive measures against the following:

1. Offering and acceptance of bribes
2. Illegal political donations
3. Improper charitable donations or sponsorship

4. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits
5. Infringement of trade secrets, trademark rights, patent rights, copyrights, and other intellectual property rights
6. Engaging in unfair competitive practices
7. The rights or interests, health, and safety of consumers or other stakeholders are damaged directly or indirectly in the course of research and development, procurement, production, provision, or sale of products and services.

Article 8 Commitment and implementation

The Company shall request the directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy.

The Company and the business group shall clearly specify in the articles of incorporation, external documents, and the Company's website the ethical corporate management policies and the commitment by the board of directors and senior management on rigorous and thorough implementation of such policies, and shall carry out the policies in internal management and in commercial activities.

The Company shall compile documented information on the ethical management policy, statement, commitment, and implementation mentioned in the first and second paragraphs and retain said information properly.

Article 9 Ethical corporate management of commercial activities

The Company shall engage in commercial activities in a fair and transparent manner based on the principle of ethical management.

The Company, prior to conducting any commercial transactions, shall take into consideration the legality of the agents, suppliers, clients, or other trading counterparties and whether any of them are involved in unethical conduct, and shall avoid any dealings with persons so involved.

The Company while entering into contracts with the agents, suppliers, clients, or other trading counterparties shall include in such contracts terms requiring compliance with ethical corporate management policy and that in the event the trading counterparties are involved in unethical conduct, the Company may at any time terminate or rescind the contracts.

Article 10 Prohibition against providing or accepting bribes

When conducting business, the Company and the directors, managerial officers, employees, mandataries, and substantial controllers may not directly or indirectly offer, promise to offer, request, or accept any improper benefits in whatever form to or from clients, agents, contractors, suppliers, public servants, or other stakeholders.

Article 11 Prohibition of illegal political contributions

When directly or indirectly offering a donation to political parties, organizations, or individuals participating in political activities, the Company and the directors, managerial officers, employees, mandataries, and substantial controllers shall comply with the Political Donations Act and the Company's relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.

Article 12 Prohibition of handling inadequate charitable donations or sponsorships

When making or offering donations and sponsorship, the Company and the directors, managerial officers, employees, mandataries, and substantial controllers shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.

Article 13 Prohibition of unreasonable gifts, hospitality, or other improper benefits

The Company and the directors, managerial officers, employees, mandataries, and substantial controllers shall not directly or indirectly offer or accept any unreasonable presents, hospitality, or other improper benefits to establish business relationship or influence commercial transactions.

Article 14 Prohibition of infringing intellectual property rights

The Company and the directors, managerial officers, employees, mandataries, and substantial controllers shall comply with the laws and regulations, the Company's internal operational procedures, and contractual provisions concerning intellectual property, and may not use, disclose, dispose, or damage intellectual property or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights holder.

Article 15 Prohibition against unfair competition

The Company shall engage in business activities in accordance with applicable competition laws and regulations, and may not fix prices, make rigged bids,

establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.

Article 16 Prevention of damage caused by products and services to stakeholders

In the course of research and development, procurement, production, provision, or sale of products and services, the Company and the directors, managerial officers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations and international standards to ensure the transparency of information about, and safety of, the products and services. The Company shall also formulate and publish a policy on the protection of the rights and interests of consumers or other stakeholders, and carry out the policy in their operations, with a view to preventing the products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders. Where there are sufficient facts to determine that the Company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the Company shall, in principle, recall those products or suspend the services immediately.

Article 17 Organization and responsibilities

The Company's directors, managerial officers, employees, mandataries, and substantial controllers shall exercise the due diligence of good administrators to urge the Company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of the Company's ethical corporate management policies. The Company for the purpose of achieving sound ethical corporate management shall establish a dedicated unit that is under the board of directors and avail itself of adequate resources and staff itself with competent personnel to be responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs. The dedicated unit shall be in charge of the following matters, and shall report to the board of directors on a regular basis (at least once a year):

1. Assist in incorporating ethics and moral values into the Company's business strategy and formulate appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.

2. Analyze and evaluate regularly the risk of involvement in unethical conduct within the business scope, formulate programs to prevent unethical conduct accordingly, and set out in each program the standard operating procedures and conduct guidelines with respect to the Company's operations and business.
3. Plan the internal organization, structure, and allocation of responsibilities, set up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.
4. Promote and coordinate educational activities with respect to ethics policy.
5. Develop a whistle-blowing system and ensure its operating effectiveness.
6. Assist the board of directors and management in auditing and evaluating whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and prepare reports on the regular evaluation of compliance with ethical management in operating procedures.

Article 18 Legal compliance of business executions

The Company's directors, managerial officers, employees, mandataries, and substantial controllers shall comply with laws and regulations and the prevention programs when conducting business.

Article 19 Recusal

The Company shall formulate policies for preventing conflicts of interest to identify, monitor, and manage risks possibly resulting from unethical conduct, and shall also offer appropriate means for directors, managerial officers, and other stakeholders attending or present at board meetings to voluntarily explain whether their interests would potentially conflict with those of the Company.

When a proposal at a given board of directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, managerial officers, and other stakeholders attending or present at board meetings, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of the Company, the concerned person may not

participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings.

The Company's directors, managerial officers, employees, mandataries, and substantial controllers shall not take advantage of their positions or influence in the Company to obtain improper benefits for themselves, their spouses, parents, children, or any other person.

Article 20 Accounting and Internal Control

The Company shall establish effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in an unethical conduct, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to ensure that the design and enforcement of the systems are showing results.

The Company's internal audit unit shall, based on the results of evaluation of the risk of involvement in unethical conduct, draft relevant audit plans, including auditees, audit scope, audit items, audit frequency, etc., and examine accordingly the compliance with the prevention programs. The internal audit unit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.

The results of examination in the preceding paragraph shall be reported to senior management and the ethical management dedicated unit, and prepare an audit report to be submitted to the board of directors.

Article 21 Operating procedures and guidelines for conduct

The Company shall formulate operational procedures and guidelines for conduct in accordance with Article 6 hereof to guide directors, managerial officers, employees, and substantial controllers on how to conduct business. The procedures and guidelines should at least contain the following matters:

1. Criteria for determining whether improper benefits have been offered or accepted
2. Procedures for offering legitimate political donations
3. Procedures and the standard rates for offering charitable donations or sponsorship
4. Rules for avoiding work-related conflicts of interests and how they should be reported and handled

5. Rules for keeping confidential trade secrets and sensitive business information obtained in the course of business
6. Regulations and procedures for dealing with suppliers, clients, and business transaction counterparties suspected of unethical conduct
7. Handling procedures for violations of the “Principles”
8. Disciplinary measures on offenders

Article 22 Education, training, and evaluation

The Company's chairperson, general manager, or senior management shall communicate the importance of corporate ethics to the directors, employees, and mandataries on a regular basis.

The Company shall periodically organize training and awareness programs for directors, managerial officers, employees, mandataries, and substantial controllers, and invite the Company's commercial transaction counterparties to let them understand the Company's resolution to implement ethical corporate management, the related policies, prevention programs, and the consequences of committing unethical conduct.

The Company shall apply the policies of ethical corporate management when creating its employee performance appraisal system and human resource policies to establish a clear and effective reward and discipline system.

Article 23 Whistle-blowing System

The Company shall formulate a concrete whistle-blowing system and scrupulously operate the system. The whistle-blowing system shall include at least the following:

1. Establish and announce an independent mailbox or hotline, either internally established and publicly announced or provided by an independent external institution, to allow internal and external personnel of the Company to submit reports.
2. Appoint dedicated personnel or unit to handle the whistle-blowing system. Any tip involving a director or senior management shall be reported to the independent directors. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be formulated.

3. Formulate the follow-up measures to be adopted depending on the severity of the circumstances after completing the investigations of cases reported. Where necessary, a case shall be reported to the competent authority or referred to the judicial authority.
4. Retain the records of case acceptance, investigation processes, investigation results, and relevant documents.
5. Keep the identity of whistle-blowers and the content of reported cases in confidence, and an anonymous reporting is permitted.
6. Take measures to protect whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing.
7. Whistle-blowing incentive measures

When material misconduct or likelihood of material impairment to the Company comes to the awareness of the Company, the dedicated personnel or unit handling the whistle-blowing system shall immediately prepare a report and notify the independent directors in written form.

Article 24 Punishment and appeal system

The Company shall formulate and publish a well-defined disciplinary and appeal system for handling violations of the ethical corporate management rules, and shall make immediate disclosure on the Company's internal website of the title and name of the violator, the date and details of the violation, and the actions taken in response.

Article 25 Information disclosure

The Company shall collect quantitative data about the promotion of ethical management and continuously analyze and evaluate the effectiveness of the promotion of ethical management policy. The Company shall also disclose the measures taken for implementing ethical corporate management, the status of implementation, the foregoing quantitative data, and the effectiveness of promotion on the Company's websites, annual reports, and prospectuses, and shall disclose the ethical corporate management best practice principles on the Market Observation Post System.

Article 26 Review and amendment of ethical management policies and measures

The Company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and

encourage the directors, managerial officers, and employees to make suggestions, based on which the formulated ethical corporate management policies and measures will be reviewed and improved with a view to achieving better implementation of ethical management.

Article 27 Enforcement

The Company's "Ethical Corporate Management Best Practice Principles" shall be implemented after the board of directors grants the approval, and shall be sent to the Audit Committee and reported at the shareholders meeting. The same procedure shall be followed when the principles have been amended.

When the Company submits the "Ethical Corporate Management Best Practice Principles" to the board of directors for discussion pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. Any objection or reservation of any independent director shall be recorded in the minutes of the board of directors meeting. An independent director that cannot attend the board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the board of directors meeting.

If the Company and business group have established an Audit Committee, the provisions regarding supervisors in the "Principles" shall apply mutatis mutandis to the Audit Committee.