

# **IKKA HOLDINGS(CAYMAN) LIMITED**

## **Integrity Management Operating Procedures and Conduct Guidelines**

### **Article 1 (Purpose and Scope of Application)**

The company engages in business activities based on the principles of fairness, honesty, trustworthiness, and transparency. In order to implement the honest management policy and actively prevent dishonest behaviors, it adheres to the "Code of Integrity Business Operations for Listed Overseas Companies" and the relevant locations where the company and group companies and organizations operate. The Act stipulates these operating procedures and behavioral guidelines, and specifically regulates the matters that our company's personnel should pay attention to when performing business.

The scope of application of these operating procedures and behavioral guidelines applies to the company's subsidiaries, consortiums whose direct or indirect donation funds exceed 50%, and other institutions or legal persons with substantial control capabilities, such as group enterprises and organizations.

### **Article 2 (Applicable objects)**

The company personnel referred to in these operating procedures and behavioral guidelines refer to the directors, supervisors, managers, employees, appointees and persons with substantial control capabilities of the company and group companies and organizations.

Any improper benefits provided, promised, requested or accepted by our company personnel through a third party shall be presumed to have been done by our company personnel.

### **Article 3 (Dishonest Conduct)**

The term "dishonest conduct" as mentioned in these operating procedures and conduct guidelines refers to the company's personnel directly or indirectly providing, accepting, promising or requesting any improper benefits in order to obtain or maintain benefits in the course of executing business, or engaging in other violations of good faith or illegal activities. or breach of fiduciary duty.

The objects of the conduct in the preceding paragraph include public officials, political candidates, political parties or party officials, as well as any public or private enterprises or institutions and their directors, managers, employees, persons with substantial control capabilities or other interested parties.

### **Article 4 (State of Interests)**

The interests mentioned in these operating procedures and conduct guidelines refer to money, gifts, gifts, commissions, positions, services, preferential treatment, kickbacks, facilitation payments, entertainment, entertainment and other valuable things in any form or name.

#### Article 5 (Specialized Units and Responsibilities)

The company designates internal audit as a dedicated unit (hereinafter referred to as the company's dedicated unit), which is subordinate to the board of directors and allocates sufficient resources and qualified personnel to handle the revision, implementation, interpretation, consulting services and notification of these operating procedures and behavioral guidelines. Content registration and archiving and other related operations and supervision are mainly responsible for the following matters, and should be reported to the board of directors regularly (at least once a year):

1. Assist in integrating integrity and moral values into the company's business strategy, and cooperate with the legal system to formulate relevant anti-fraud measures to ensure honest management.
2. Regularly analyze and evaluate the risks of dishonest behavior within the business scope, and formulate plans to prevent dishonest behavior accordingly, and formulate business-related standard operating procedures and behavioral guidelines within each plan.
3. Plan the internal organization, establishment and responsibilities, and establish a mutual supervision and check-and-balance mechanism for business activities with higher risks of dishonest conduct within the business scope.
4. Promotion and coordination of integrity policy publicity and training.
5. Plan the whistle-blowing system to ensure its effectiveness.
6. Assist the board of directors and management to check and evaluate whether the preventive measures established for the implementation of honest operations are operating effectively, and regularly evaluate the compliance status of relevant business processes and prepare reports.
7. Create and properly preserve the integrity management policy and its compliance statement, implementation of commitments and implementation status and other related documented information.

#### Article 6 (Prohibition of providing or receiving improper benefits)

When the company's personnel directly or indirectly offer, accept, promise or request the benefits specified in Article 4, they shall comply with the provisions of the "Code of Integrity Business Operations for Listed Over-the-Counter Companies" and these operating procedures and conduct guidelines, except for the following circumstances: , and only after handling it in accordance with relevant procedures:

1. Based on business needs, when visiting, receiving foreign guests, promoting business and communicating and coordinating at home (overseas), it is done in accordance with local courtesy, practices or customs.

2. Participate in or invite others to hold normal social events based on normal social etiquette, business purposes, or to promote relationships.  
move.
3. Customers are invited or invited to participate in specific business activities, factory visits, etc. due to business needs, and the payment method, number of participants, accommodation level and duration of the previous activities have been clearly determined.
4. Participate in folk festivals held publicly and in which the general public is invited to participate.
5. Rewards, assistance, condolences or condolences from the supervisor, etc.
6. Due to engagement, marriage, childbirth, relocation, employment, promotion, retirement, resignation, resignation and myself, my spouse or  
Property donated as a gift in case of illness or death of immediate family members shall be handled in accordance with the company's wedding and funeral arrangements.
7. Others that comply with company regulations.

#### Article 7 (Procedure for Acceptance of Improper Benefits)

When our company personnel encounter another person directly or indirectly providing or promising to provide benefits stipulated in Article 4, except for the circumstances stipulated in the previous paragraphs, the following procedures shall be followed:

1. If the person making the offer or promise has no professional interest in him or her, he or she shall report the matter to his/her direct office within three days from the date of acceptance.  
be in charge, and notify the company's dedicated unit when necessary.
2. If the person who provides or promises is interested in his or her position, the offer or promise should be returned or rejected, and reported to his or her direct supervisor and the company's dedicated unit; if the offer or promise cannot be returned, it should be handed over to the company within three days from the date of acceptance.

Handled by dedicated unit.

The term "interested relationship with one's position" as mentioned in the preceding paragraph refers to a person who has one of the following circumstances:

1. Those with relationships such as business dealings, command and supervision, or expense subsidies (awards).
2. Those who are seeking, conducting or having entered into contract, sale or other contractual relationships.
3. Others who will be favorably or adversely affected by the decision, execution or non-execution of the company's business.

The company's dedicated unit shall, depending on the nature and value of the first benefit, make recommendations such as return, payment, return to the public, transfer to charity, or other appropriate suggestions, which shall be reported to the general manager or chairman for approval before implementation.

#### Article 8 (Prohibition of Facilitation Payments and Processing Procedures)

The Company shall not offer or promise any facilitation payments.

If our company personnel provide or promise facilitation payments due to threats or intimidation, they should record the process and report it to their immediate supervisor, and notify the company's dedicated unit.

The company's dedicated unit should handle it immediately after receiving the notice mentioned in the preceding paragraph and review the relevant situation to reduce the risk of recurrence. If any illegal activity is discovered, the judicial authorities should be notified immediately.

#### Article 9 (Procedures for Handling Political Contributions)

The company's provision of political donations must be handled in accordance with the following regulations. It must be reported to the head of the company for approval and notified to the company's dedicated unit. The amount shall be applied and approved in accordance with the company's approval authority form:

1. It should be confirmed that the political donation recipient complies with the relevant laws and regulations on political donations in the country where the political donation recipient is located, including the provision of political donations.

The upper limit and form of gold, etc.

2. Decisions should be recorded in writing.
3. Political donations should be accounted for in accordance with laws and regulations and relevant accounting procedures.
4. When providing political donations, you should avoid engaging in business dealings with relevant government units, applying for permits, or handling other matters involving the company's interests.

#### Article 10 (Processing Procedures for Charitable Donations or Sponsorships)

The company's charitable donations or sponsorships must be handled in accordance with the following matters. They must be approved by the head of the company and notified to the company's dedicated unit. The amount shall be applied and approved in accordance with the company's approval authority form:

1. It shall comply with the laws and regulations of the place of operation.
2. Decisions should be recorded in writing.
3. Charitable donations should be directed to charitable institutions and should not be used as disguised bribes.

4. The feedback that can be obtained from sponsorship is clear and reasonable, and must not be the object of the company's business dealings or

Persons who have interests in the company's personnel.

5. After making a charitable donation or sponsorship, it should be confirmed that the purpose of the money flow is consistent with the purpose of the donation.

#### Article 11 (Avoidance of Interests)

The company's directors, managers and other interested parties attending or attending the board of directors who have an interest in matters at the board of directors' meeting, or themselves or the legal persons they represent, shall explain the important contents of their interests to the board of directors at that time. If they are harmful to the company, When interests are at stake, they are not allowed to participate in discussions and voting, and they should recuse themselves from discussions and voting, and are not allowed to exercise their voting rights on behalf of other directors. Directors should also exercise self-discipline and support each other appropriately.

If a director's spouse, second degree of consanguinity, or a company that has a controlling or subordinate relationship with the director has an interest in the matter of the meeting referred to in the preceding paragraph, the director shall be deemed to have his or her own interest in the matter.

When an employee of the Company discovers a conflict of interest for himself or the legal person he represents when performing company business, or a situation that may allow him, his spouse, parents, children, or his or her interested parties to gain illegitimate benefits, he or she shall report Relevant matters shall be reported to the direct supervisor and the company's dedicated unit at the same time, and the direct supervisor shall provide appropriate guidance.

Company personnel shall not use company resources for commercial activities outside the company, and shall not affect their work performance by participating in commercial activities outside the company.

#### Article 12 (Organization and Responsibilities of Confidentiality Mechanism)

The company has an administrative unit as a dedicated unit responsible for formulating and implementing operating procedures for the management, preservation and confidentiality of the company's business secrets, trademarks, patents, works and other intellectual property. The implementation results should be reviewed regularly to ensure the continuity of its operating procedures. efficient.

Company personnel shall strictly abide by the relevant operating regulations on intellectual property in the preceding paragraph and shall not disclose the company's business secrets, trademarks, patents, works and other intellectual property that they know to others, and shall not inquire or collect non-duty-related company business secrets, trademarks, works, etc. Intellectual property such as patents and works.

#### Article 13 (Prohibition of unfair competition)

The Company shall engage in business activities in accordance with the Fair Trade Act and relevant competition regulations. It shall not fix prices, manipulate bids, limit output and quotas, or share or divide the market by allocating customers, suppliers, operating areas or business types, etc.

#### Article 14 (Preventing products or services from harming interested parties)

The company should collect and understand the relevant regulations and international standards that the products and services it provides should abide by, and summarize and announce matters that should be paid attention to, so as to encourage the company's personnel to be involved in the research and development, procurement, manufacturing, and provision of products and services. or sales process to ensure the information transparency and security of products and services.

The company formulates and publishes on the company website a policy to protect the rights and interests of consumers or other stakeholders to prevent products or services from directly or indirectly damaging the rights, health and safety of consumers or other stakeholders.

When there are media reports or there are facts that prove that the company's products and services are at risk of harming the safety and health of consumers or other interested parties, the company should arrange to recall the products or stop their services as soon as possible, and investigate whether the facts are true, and Propose review and improvement plans.

The company's dedicated unit shall report to the board of directors the aforementioned situation, its handling methods and subsequent review and improvement measures.

#### Article 15 (Prohibition of Insider Trading and Confidentiality Agreement)

The Company's personnel shall abide by the provisions of the Securities and Exchange Act and shall not engage in insider trading using unpublished information they know, nor shall they disclose it to others to prevent others from using the undisclosed information to engage in insider trading.

Other institutions or personnel participating in the company's mergers, splits, acquisitions, share transfers, important memorandums, strategic alliances, other business cooperation plans or important contracts should sign a confidentiality agreement with the company and promise not to disclose anything they know about the company. Trade secrets or other important information to others, and the information may not be used without the consent of the Company.

#### Article 16 (Comply with and declare the integrity management policy)

The company should require directors and senior management to issue a statement of compliance with the integrity management policy, and require employees to abide by the integrity management policy as a condition of employment.

The company should disclose its integrity management policy in internal regulations, annual reports, company websites or other publications, and declare it in a timely manner at product launches, corporate briefings and other external activities to inform its suppliers, customers or other business-related institutions and personnel. All can clearly understand its integrity management philosophy and standards.

#### Article 17 (Integrity Management Assessment before Establishing Business Relationship)

Before establishing business relationships with others, the company should first evaluate the legality and integrity management policies of agents, suppliers, customers or other business contacts, and whether they have ever been involved in dishonest behavior.

records to ensure that its business practices are fair, transparent and do not ask for, offer or accept bribes.

When the company conducts the assessment referred to in the preceding paragraph, it may adopt appropriate verification procedures to examine its business dealings partners on the following matters to understand the status of their honest operations:

1. The enterprise's country, place of operation, organizational structure, operating policies and place of payment.
2. Whether the enterprise has formulated an honest management policy and its implementation.
3. Whether the place where the enterprise operates is a country with a high risk of corruption.
4. Whether the business of the enterprise is an industry with high risk of bribery.
5. The long-term operating conditions and goodwill of the enterprise.
6. Consult its business partners for their opinions on the enterprise.
7. Whether the enterprise has any record of dishonest behavior such as bribery or illegal political donations.

#### Article 18 (Explain the integrity management policy to business partners)

When engaging in business activities, the company's personnel should explain the company's integrity management policies and relevant regulations to the transaction partners, and clearly refuse to directly or indirectly provide, promise, request or accept any form or name of improper benefits.

#### Article 19 (Avoid transactions with dishonest operators)

Company personnel should avoid engaging in business transactions with agents, suppliers, customers or other business partners involved in dishonest behavior. If any

business dealings or cooperation partners are found to have dishonest behavior, they should immediately stop business dealings with them and call them. They are listed as objects of refusal to implement the company's integrity management policy.

#### Article 20 (Contract clearly stipulates honest management)

When the company signs a contract with another person, it should fully understand the other party's integrity management status, and incorporate compliance with the company's integrity management policy into the terms of the contract. At least the following matters should be clearly stated in the contract:

1. When either party learns that someone has violated the terms of the contract prohibiting the acceptance of commissions, kickbacks or other improper benefits, it shall immediately and truthfully report the identity of such personnel, the manner of providing, promising, requesting or receiving, the amount or other improper benefits. Inform the other party, provide relevant evidence and cooperate with the other party's investigation. If one party suffers damage as a result, he may claim damages from the other party, and the full amount may be deducted from the contract price payable.
2. If any party is involved in dishonest conduct in business activities, the other party may unconditionally terminate or terminate the contract at any time.
3. Set clear and reasonable payment contents, including payment location, method, relevant tax regulations that need to be complied with, etc.

#### Article 21 (Handling of company personnel involved in dishonest behavior)

The Company encourages internal and external personnel to report dishonesty or misconduct. Depending on the severity of the reported matter, a bonus of up to NT\$6,000 will be awarded at the discretion. Internal personnel who make false reports or malicious accusations shall be subject to disciplinary sanctions if the circumstances are serious. Those who do so should be dismissed.

The company has established and announced an internal independent reporting mailbox and dedicated line on the company website and internal website, or entrusted other external independent organizations to provide reporting mailboxes and dedicated lines for use by internal and external personnel of the company.

The whistleblower should provide at least the following information:

1. The name and ID card number of the whistleblower may also be reported anonymously, as well as the address, phone number, and email address where the whistleblower can be contacted.
2. The name of the person being reported or other information sufficient to identify the identity of the person being reported.
3. Specific evidence available for investigation.

Relevant personnel of the Company handling the reporting matter shall declare in writing that the identity of the reporting person and the content of the reporting will



be kept confidential. The Company also promises to protect the reporting person from being improperly dealt with due to the reporting matter.

The company's dedicated unit shall handle reports in accordance with the following procedures:

1. If the report involves ordinary employees, it should be reported to the department head. If the report involves a director or senior supervisor, it should be reported to the independent director.
2. The company's dedicated unit and the supervisor or person who received the report in the preceding paragraph should immediately ascertain the relevant facts, and if necessary, the compliance or other relevant departments will provide assistance.
3. If it is confirmed that the person being reported has indeed violated relevant laws or the company's integrity management policies and regulations, the person being reported should immediately be required to stop the relevant behavior and be dealt with appropriately. If necessary, the person being reported should be reported to the competent authority and transferred to the judicial authority. Investigate, or request damages through legal procedures to protect the company's reputation and rights.
4. The report acceptance, investigation process, and investigation results shall be retained in written documents and kept for five years, and they shall be preserved electronically. If a lawsuit related to the reported content occurs before the retention period expires, the relevant information shall continue to be retained until the conclusion of the lawsuit.
5. If the report is verified to be true, the relevant units of the company should be responsible for reviewing the relevant internal control systems and operating procedures and proposing improvement measures to prevent the same behavior from happening again.
6. The company's dedicated unit should report to the board of directors the report, its handling methods and subsequent review and improvement measures.

#### Article 22 (Handling of others' dishonest behavior towards the company)

When a company employee encounters someone else engaging in dishonest behavior against the company, and if the behavior involves illegality, the company should notify the judicial and procuratorial organs of the relevant facts; if a public agency or public servant is involved, the company should also notify the government's anti-corruption agency.

#### Article 23 (Internal propaganda, establishment of reward and punishment, appeal system and disciplinary sanctions)

The company's dedicated unit should hold an internal promotion once a year and arrange for the chairman, general manager or senior management to convey the importance of integrity to directors, employees and appointees.

The company should incorporate honest management into employee performance appraisals and human resources policies, and establish a clear and effective reward, punishment and grievance system.

The Company shall dismiss or dismiss any Company personnel who have serious breaches of integrity in accordance with relevant laws or in accordance with the Company's personnel regulations.

The company should disclose on the internal website information such as the title, name, date of violation, content of the violation and handling of the person who violated integrity.

#### Article 24 (Implementation)

These operating procedures and behavioral guidelines are implemented upon approval by the board of directors and should be submitted to the shareholders' meeting report; the same applies to revisions.

When these operating procedures and behavioral guidelines are submitted to the board of directors for discussion, the opinions of each independent director should be fully considered, and their objections or reservations should be recorded in the minutes of the board meeting; if an independent director is unable to attend the board of directors in person to express his objections or reservations , unless there are legitimate reasons, written opinions should be issued in advance and recorded in the minutes of the board of directors meeting.