

## **Ethical Corporate Management**

### **Article 1**

The Principles are maintained to engage a corporate culture of ethical management.

The principles are applicable to our business groups and other institutions or juridical persons which are substantially controlled by such company ("business group").

### **Article 2**

When engaging in commercial activities, directors, managers, employees, and mandataries of the company 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, managers, employees or substantial controllers or other stakeholders.

### **Article 3**

"Benefits" in these 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**

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, the company rules, or other laws or regulations regarding commercial activities, as the underlying basic premise to facilitate ethical corporate management.

### **Article 5**

The company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith, and

establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.

#### **Article 6**

In order to implement the business philosophy and policies of the preceding article, the company has formulated prevention plans.

When establishing the prevention programs, the company shall comply with relevant laws and regulations of the territory where the companies and their business group are operating.

#### **Article 7**

The company shall analyze a regular basis business activities within their business scope which are at a higher risk of being involved in unethical conduct, and strengthen the interrelated provision.

It's 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. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights.
6. Engaging in unfair competitive practices.
7. Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services.

#### **Article 8**

The business group shall clearly specify in their rules and external documents and on the company website the ethical corporate management policies and the commitment by the board of directors on rigorous and thorough implementation of such policies, and shall carry out the policies in internal management and in commercial activities.

#### **Article 9**

The company shall engage in commercial activities in a fair and transparent manner.

Prior to any commercial transactions, the company shall take into consideration the legality of their 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.

When entering into contracts with their agents, suppliers, clients, or other trading counterparties, the company 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**

When conducting business, the company and their directors, managers, employees, mandataries, and substantial controllers, may not directly or indirectly offer, promise to offer, request, or accept any improper benefits.

#### **Article 11**

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

#### **Article 12**

When making or offering donations and sponsorship, the company and their directors, managers, 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**

The company and their directors, managers, 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**

The company and their directors, managers, employees, mandataries, and substantial controllers shall observe applicable 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**

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**

In the course of research and development, procurement, manufacture, provision, or sale of products and services, the company and their directors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations and international standards to ensure the transparency of information about, and safety of, their products and services. They shall also adopt 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 their 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**

The directors, managers, employees, mandataries, and substantial controllers of the company shall exercise the due care 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 its ethical corporate management policies.

To achieve sound ethical corporate management, the audit shall incorporate the integrity management and report to the board of directors on a regular basis (at least once a year)

#### **Article 18**

The company and their directors, managers, employees, mandataries, and substantial controllers shall comply with laws and regulations and the prevention programs when conducting business.

## **Article 19**

The company shall adopt 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, supervisors, managers, 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, managers, and other stakeholders attending or present at board meetings of the company, 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 director, manager, employees, mandataries, and substantial controllers shall not take advantage of their positions or influence in the companies to obtain improper benefits for themselves, their spouses, parents, children or any other person.

## **Article 20**

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 internal audit unit of the company shall check accounting systems and internal control systems and report to the board of directors on a regular basis

## **Article 21**

The company shall establish operational procedures and guidelines in accordance with Article 6 hereof to guide directors, supervisors, managers, employees, and substantial controllers on how to conduct business. The procedures and guidelines should at least contain the following matters:

1. Standards 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 ordinary 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 these Principles.
8. Disciplinary measures on offenders.

#### **Article 22**

The company shall periodically organize training and awareness programs for directors, managers, employees, mandataries, and substantial controllers that they understand the companies' resolve 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**

The company shall provide the legal tubing and protect the identity of the reporting person and contents.

The company shall clearly establish a disciplinary system for violations of integrity management regulations. Any violation that is verified to be true will be regarded as a serious violation of the company's rules and regulations and will be dealt with in accordance with the company's relevant management regulations and relevant local laws and regulations.

#### **Article 24**

The company shall disclose the ethical corporate management on their company websites, annual reports, and prospectuses.

#### **Article 25**

The company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage their directors, supervisors, managers, and employees to make suggestions, based on which the adopted ethical corporate management policies

and measures taken will be reviewed and improved with a view to achieving better implementation of ethical management.

**Article 26**

The regulation shall be implemented after the board of directors grants the approval. The same procedure shall be followed when the principles have been amended.

**Article 27**

The regulation is revised on 2019/11/13.

The regulation is revised on 2020/11/12.