

IR071	Procedures for Ethical Management and Guidelines for Conduct	Publication (Revision) Date	Effective Date	Version
		2020/10/30	2020/10/30	01

1. Purpose of adoption and scope of application

- 1.1 The Company engages in commercial activities following the principles of fairness, honesty, faithfulness, and transparency. To fully implement a policy of ethical management and actively prevent unethical conducts, the Company has established “Procedures for Ethical Management and Guidelines for Conduct” in accordance with the Company’s “Ethical Corporate Management Best Practice Principles” and the applicable laws and regulations of the places where the Company operates and specifically regulates the matters that personnel of the Company should pay attention to when carrying out their work.
- 1.2 These Procedures and Guidelines are a part of the Company’s ethical management policy.

2. Applicable subjects

- 2.1 The term “personnel of the Company” mentioned in the Procedures and Guidelines refers to the director, manager, employee, mandatary, and person having substantial control of the Company.
- 2.2 Any provision, promise, request, or acceptance of improper benefit by any personnel of the Company through a third party will be presumed to be an act by the personnel of the Company.

3. Unethical conduct

- 3.1 The term “unethical conduct” mentioned in these Procedures and Guidelines is the conduct defined as Article 2 of the Company’s Ethical Corporate Management Best Practice Principle”.
- 3.2 The counterparty of the aforementioned conduct is an object defined as Article 2 of the Company’s “Ethical Corporate Management Best Practice Principle”.

4. Types of benefits

The term “benefits” mentioned in these Procedures and Guidelines refers to any money, gratitude gift, present, commission, position, service, preferential treatment, rebate, facilitating payment, entertainment, dining, or any other term of value in whatever form or name.

5. Responsible unit and duties

The Company designates the Company’s Ethical Management Promotion Team as the solely responsible unit (hereinafter referred to as the Company’s “Responsible Unit” under the Board of Directors.) The head of General Management Division acts as convener. The Responsible Unit is formed by the Head of Business Development Division, Head of H&R, Head of Accounting and Legal staff, and is in charge of the amendment, implementation, interpretation and advisory services with respect to these Procedures and Guidelines, the recording and filing of reports, and the monitoring of

IR071	Procedures for Ethical Management and Guidelines for Conduct	Publication (Revision) Date	Effective Date	Version
		2020/10/30	2020/10/30	01

implementation. The Responsible Unit shall be in charge of following matters and also submit regular (at least once a year) report to the Board of Directors:

- 5.1 Assisting in incorporating ethics and moral values into the Company’s business strategy, and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.
- 5.2 Analyzing and evaluating the risks of unethical conduct within the business scope on a regular basis (at least once for every half year), and accordingly adopting programs to prevent unethical conduct, and setting out in each program the standard operating procedures and guidelines for conduct with respect to the Company’s operations and business.
- 5.3 Planning the internal organization, structure, and allocation of responsibilities, and setting 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.
- 5.4 Promoting and coordinating awareness and educational activities with respect to ethics policy.
- 5.5 Developing the whistle-blowing system to ensure the effectiveness of execution.
- 5.6 Assisting the Board of Directors and Management to audit and evaluate whether or not the implementation of the preventive measures established for the ethical management operates effectively, and prepare reports on the regular assessment of compliance with ethical management in operating procedures.
- 5.7 Preparing and properly keeping documented information with regard to Ethical Management Policy and its compliance statement, fulfillment of commitments as well as status of execution.

6. Prohibition against providing or accepting improper benefits

Except under one of the following circumstances, when providing, accepting, promising, or requesting directly or indirectly, any benefits as specified in Article 4, the conduct of the given personnel of the Company shall comply with the provisions of the “Ethical Corporate Management Best Practice Principles” and these Procedures and Guidelines, and the relevant procedures shall have been carried out:

- 6.1 The conduct is undertaken to meet business needs and is in accordance with local courtesy, convention, or custom during domestic (or foreign) visits, reception of guests, promotion of business, and communication and coordination.
- 6.2 The conduct has its basis in ordinary social activities that are attended or others are invited to hold in line with accepted social custom, commercial purposes, or developing relationships.

IR071	Procedures for Ethical Management and Guidelines for Conduct	Publication (Revision) Date	Effective Date	Version
		2020/10/30	2020/10/30	01

- 6.3 Invitations to guests or attendance at commercial activities or factory visits in relation to business needs, when the method of fee payment, number of participants, class of accommodations, and the time period for the event or visit have been specified in advance.
- 6.4 Attendance at folk festivals that are open to and invite the attendance of the general public.
- 6.5 Rewards, emergency assistance, condolence payments, or honorariums from the management.
- 6.6 Money, property, or other benefits offered to or accepted from a person other than relatives or friends; or gifts of property given by another party to the majority of the personnel of the Company should be in compliance with general social norm or normal custom.
- 6.7 Property received due to engagement, marriage, maternity, relocation, assumption of a position, promotion or transfer, retirement, resignation, or severance, or the injury, illness, or death of the recipient or the recipient's spouse or lineal relative should be in compliance with general social norm or normal custom.
- 6.8 Other conduct that complies with the rules of the Company.

7. Procedures for handling the acceptance of improper benefits

- 7.1 Except under any of the circumstances set forth in the preceding article, when any personnel of the Company are provided with or are promised, either directly or indirectly, any benefits as specified in Article 4 by a third party, the matter shall be handled in accordance with the following procedures:
 - 7.1.1 If there is no relationship of interest between the party providing or offering the benefit and the official duties of the Company's personnel, the personnel shall report to their immediate supervisor within 3 days from the acceptance of the benefit, and the Responsible Unit shall be notified if necessary.
 - 7.1.2 If a relationship of interest does exist between the party providing or offering the benefit and the official duties of the Company's personnel, the personnel shall return or refuse the benefit, and shall report to his or her immediate supervisor and notify the Responsible Unit. If the benefit cannot be returned, then within 3 days from the acceptance of the benefit, the personnel shall refer the matter to the Responsible Unit for handling.
- 7.2 "A relationship of interest between the party providing or offering the benefit and the official duties of the Company's personnel," as described in the preceding paragraph, refers to one of the following circumstances:
 - 7.2.1 When the two parties have commercial dealings, a relationship of direction and supervision, or subsidies (or rewards) for expenses.

IR071	Procedures for Ethical Management and Guidelines for Conduct	Publication (Revision) Date	Effective Date	Version
		2020/10/30	2020/10/30	01

7.2.2 When a contracting, trading, or other contractual relationship is being sought, is in progress, or has been established.

7.2.3 Other circumstances in which a decision regarding the Company's business, or the execution or non-execution of business, will result in a beneficial or adverse impact.

7.3 The Responsible Unit of the Company shall make a proposal, based on the nature and value of the benefit under Article 7.1, that it be returned, accepted on payment, given to the public, donated to charity, or handled in another appropriate manner. The proposal shall be implemented after being reported and approved by the General Manager

8. Prohibition of and handling procedure for facilitating payments

8.1 The Company shall neither provide nor promise any facilitating payment.

8.2 If any personnel of the Company provides or promises a facilitating payment under threat or intimidation, they shall submit a report to their immediate supervisor stating the facts and shall notify the Responsible Unit.

8.3 Upon receiving notification described in the preceding Article 21.5, the Responsible Unit shall take immediate action and undertake a review of relevant matters in order to minimize the risk of recurrence. In a case involving alleged illegality, the Responsible unit shall also immediately report to the relevant judicial agency.

9. Procedures for handling political contributions

Political contributions by the Company shall be made in accordance with the laws and regulations governing political contributions in the country in which the recipient is located, and the Company's relevant internal operating procedures, and shall not be used to seek commercial benefits or trading advantages, and a notification should be given to the Responsible Unit of the Company.

10. Procedures for handling charitable donations or sponsorship

Charitable donations or sponsorships by the Company shall be provided in accordance with related laws and regulations the Company's internal operating procedures, and shall not become bribery in disguise, and a notification should be given to the Responsible Unit of the Company

11. Recusal

11.1 Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph,

IR071	Procedures for Ethical Management and Guidelines for Conduct	Publication (Revision) Date	Effective Date	Version
		2020/10/30	2020/10/30	01

such director shall be deemed to have a personal interest in the matter.

11.2 If in the course of conducting company business, any personnel of the Company discovers that a potential conflict of interest exists involving themselves or the juristic person that they represent, or that they or their spouse, parents, children, or a person with whom they have a relationship of interest is likely to obtain improper benefits, the personnel shall report the relevant matters to both his or her immediate supervisor and the Responsible Unit, and the immediate supervisor shall provide the personnel with proper instructions.

11.3 No personnel of the Company may use company resources on commercial activities other than those of the Company, nor may any personnel's job performance be affected by his or her involvement in the commercial activities other than those of the Company.

12. Special unit in charge of confidentiality regime and its responsibilities

12.1 The Company shall set up a special unit charged with formulating and implementing procedures for managing, preserving, and maintaining the confidentiality of the Company's trade secrets, trademarks, patents, works and other intellectual properties and it shall also conduct periodical reviews on the results of implementation to ensure the sustained effectiveness of the confidentiality

12.2 All personnel of the Company shall faithfully follow the operational directions pertaining to intellectual properties as mentioned in the preceding paragraph and may not disclose to any other party any trade secrets, trademarks, patents, works, and other intellectual properties of the Company of which they have learned, nor may they inquire about or collect any trade secrets, trademarks, patents, and other intellectual properties of the Company unrelated to their individual duties.

13. Prohibition against unfair competition

The Company shall follow the Fair Trade Act and applicable competition laws and regulations when engaging in business activities, 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.

14. Prevention of damage caused by products or services to stakeholders

14.1 The Company shall collect and understand the applicable laws and regulations and international standards governing its products and services which it shall observe and gather and publish all guidelines to cause personnel of the Company to ensure the transparency of information about, and safety of, the products and services in the course of their research and development, procurement, manufacture, provision, or sale of products and services.

IR071	Procedures for Ethical Management and Guidelines for Conduct	Publication (Revision) Date	Effective Date	Version
		2020/10/30	2020/10/30	01

14.2 The Company shall adopt and publish on its website a policy on the protection of the rights and interests of consumers or other stakeholders to prevent its products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders.

14.3 Where there are media reports, or 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, within the deadline, recall those products or suspend the services, verify the facts and present a review and improvement plan.

14.4 The Responsible Unit of the Company shall report the event as in the preceding paragraph, actions taken, and subsequent reviews and corrective measures taken to the Board of Directors.

15. Prohibition against insider trading and non-disclosure agreement

15.1 All personnel of the Company shall adhere to the provisions of the Securities and Exchange Act, and may not take advantage of undisclosed information of which they have learned to engage in insider trading. Personnel are also prohibited from divulging undisclosed information to any other party, in order to prevent other party from using such information to engage in insider trading.

15.2 Any organization or person outside of the Company that is involved in any merger, demerger, acquisition and share transfer, major memorandum of understanding, strategic alliance, other business partnership plan, or the signing of a major contract by the Company shall be required to sign a non-disclosure agreement in which they undertake not to disclose to any other party any trade secret or other material information of the Company acquired as a result, and that they may not use such information without the prior consent of the Company.

16. Compliance and announcement of policy of ethical management

The Company shall disclose its policy of ethical management in its internal rules, annual reports, on the company's websites, and in other promotional materials, and shall make timely announcements of the policy in events held for outside parties such as product launches and investor press conferences, in order to make its suppliers, customers, and other business-related institutions and personnel fully aware of its principles and rules with respect to ethical management.

17. Ethical management evaluation prior to development of commercial relationships

Before developing a commercial relationship with another party, such as an agent, supplier, customer, or other counterparty in commercial dealings, the Company shall evaluate the legality and ethical management policy of the party and ascertain whether

IR071	Procedures for Ethical Management and Guidelines for Conduct	Publication (Revision) Date	Effective Date	Version
		2020/10/30	2020/10/30	01

the party has a record of involvement in unethical conduct, in order to ensure that the party conducts business in a fair and transparent manner and will not request, offer, or take bribes.

18. Statement of ethical management policy to counterparties in commercial dealings

Any personnel of the Company, when engaging in commercial activities, shall make a statement to the trading counterparty about the Company's ethical management policy and related rules, and shall clearly refuse to provide, promise, request, or accept, directly or indirectly, any improper benefit in whatever form or name.

19. Avoidance of commercial dealings with unethical operators

All personnel of the Company shall avoid business transactions with an agent, supplier, customer, or other counterparty in commercial interactions that is involved in unethical conduct. When the counterparty or partner in cooperation is found to have engaged in unethical conduct, the personnel shall immediately cease dealing with the counterparty and blacklist it for any further business interaction in order to effectively implement the Company's ethical management policy.

20. Stipulation of terms of ethical management in contracts

Before entering into a contract with another party, the Company shall gain a thorough knowledge of the status of the other party's ethical management, and shall make observance of the ethical management policy of the Company part of the terms and conditions of the contract.

21. Handling of unethical conduct by personnel of the Company

- 21.1 As an incentive to insiders and outsiders for informing of unethical or unseemly conduct, the Company will grant a reward depending on the seriousness of the circumstance concerned. Insiders having made a false report or malicious accusation shall be subject to disciplinary action and be removed from office according to related laws and regulations or the Company's personnel regulations, if the circumstance concerned is material.
- 21.2 The Company shall establish and publicly announce an independent mailbox and hotline on its website, for insiders and outsiders of the Company to submit reports.
- 21.3 A whistleblower shall at least furnish the following information:
 - 21.3.1 The whistleblower's name and I.D. number, and an address, telephone number and e-mail address where it can be reached.
 - 21.3.2 The informed party's name or other information sufficient to distinguish its identifying features.
 - 21.3.3 Specific facts available for investigation.

IR071	Procedures for Ethical Management and Guidelines for Conduct	Publication (Revision) Date	Effective Date	Version
		2020/10/30	2020/10/30	01

- 21.4 Personnel of the Company handling whistle-blowing matters shall keep the whistleblowers' identity and contents of information confidential. The Company also undertakes to protect the whistleblowers from improper treatment due to their whistleblowing.
- 21.5 The Responsible Unit of the Company shall observe the following procedure in handling whistleblowing matters:
- 21.5.1 The Responsible Unit of the Company being reported to in the preceding subparagraph shall carefully study the content of the report and consider the degree of impact. The report shall be submitted to the Audit Committee if involving a director or a senior management including general manager and vice-president.
- 21.5.2 After the report data are received or the report records are prepared, regardless of a confirmed or non-confirmed case, the Responsible Unit of the Company shall reply to the whistle-blower and shall provide specific reasons for the non-confirmed case.
- 21.5.3 After a case is reported and confirmed, related facts shall be verified immediately, and when necessary, related units, external lawyers or experts are invited for assistance after the personal data of the whistle-blower are concealed.
- 21.5.4 If a person being informed of is confirmed to have indeed violated the applicable laws and regulations or the Company's policy and regulations of ethical management, the Company shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, the Company will report to the competent authority, refer said person to judicial authority for investigation institute legal proceedings and seek damages to safeguard its reputation and its rights and interests. If no specific evidence is found after the investigation, the case will be closed immediately and filed for reference.
- 21.5.5 If the Responsible Unit of the Company finds specific violations that cause damages to the Company, the Responsible Unit shall prepare a report in writing or notify independent directors via email.
- 21.5.6 After completing the necessary investigation procedure, the Responsible Unit of the Company shall issue an investigation report according to the verified facts and report to units of relevant levels, and the related adjudication units are listed in the table below and a decision shall be made according to the work rules of the Company and reported to the Board of Directors.
- The content of investigation report should include reported matters, their handling methods, follow-up comments and improvement measures.

IR071	Procedures for Ethical Management and Guidelines for Conduct	Publication (Revision) Date	Effective Date	Version
		2020/10/30	2020/10/30	01

Violating Unit	Adjudication Unit
Staff	Chairperson
Managers	Audit Committee
Directors (including Chairperson)	Audit Committee
Independent Director	Audit Committee and Board of Directors

21.5.7 Documentation of case acceptance, investigation processes and investigation results shall be retained for five years and may be retained electronically. In the event of a suit in respect of the whistleblowing case before the retention period expires, the relevant information shall continue to be retained until the conclusion of the litigation.

21.5.8 With respect to a confirmed information and due to the imperfection of the internal control system, the Company shall charge relevant units with the task of reviewing the internal control system and relevant procedures and proposing corrective measures to prevent recurrence.

22. Actions upon event of unethical conduct by others towards the Company

If any personnel of the Company discovers that another party has engaged in unethical conduct towards the Company, and such unethical conduct involves alleged illegality, the Company shall report the relevant facts to the judicial and prosecutorial authorities; where a public service agency or public official is involved; the Company shall additionally notify the governmental anti-corruption agency.

23. Internal awareness sessions and establishment of a system of rewards, penalties, and complaints, and related disciplinary measures

23.1 The Responsible Unit of the Company shall organize internal awareness sessions irregularly and arrange for the chairperson, general manager, or senior management to communicate the importance of ethics to its directors, employees, and mandataries.

23.2 If any personnel of the Company seriously violate ethical conduct, the Company shall dismiss the personnel from his or her position or terminate his or her employment in accordance with applicable laws and regulations or the personnel policy and procedures of the Company.

24. Enforcement

24.1 These Procedures and Guidelines, and any amendment hereto, shall be implemented after adoption by resolution of the Board of Directors, and shall be reported to the shareholders' meeting.

24.2 When these Procedures and Guidelines are submitted to the Board of Directors for discussion, each independent director's opinions shall be taken into full

IR071	Procedures for Ethical Management and Guidelines for Conduct	Publication (Revision) Date	Effective Date	Version
		2020/10/30	2020/10/30	01

consideration, and their objections and reservations expressed shall be recorded in the minutes of the Board of Directors meeting. An independent director that is unable to attend a board meeting in person to express objection or reservation shall provide a written opinion before the board meeting unless there is a legitimate reason to do otherwise, and the opinion shall be recorded in the minutes of the Board of Directors meeting.

24.3

Version	Publication (Revision) Date	Effective Date	Reason
01	2020/10/30	2020/10/30	Establishment.