

Article 1 (Purpose and Scope of Application)

The Company engages in commercial activities following the principles of fairness, honesty, faithfulness and transparency and in order to fully implement a policy of ethical management and actively prevent unethical conduct, these Procedures for Ethical Management and Guidelines for Conduct (hereinafter referred to as "Procedures and Guidelines") are adopted pursuant to the provisions of the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX-Listed Companies" and the applicable laws and regulations of the places where the Company and its business group operate, with a view to providing all personnel of the Company with clear directions for the performance of their duties.

The Operating Procedure and Guidelines for Conduct are applicable to the Company and its subsidiaries, any foundation to which the Company's direct or indirect contribution of funds exceeds 50 percent of the total funds received and the business group including any institutions or juristic persons with substantial control over the Company.

Article 2. (Applicable Subjects)

The term "personnel of the Company" refers to any director, manager, employee, mandataries or substantial controllers, of the Company and its business group.

Any provision, promise, request or acceptance of improper benefits by any personnel of the Company through a third party will be presumed to be an act by the personnel of the Company.

Article 3 (Unethical Conduct)

The "unethical conduct" referred to herein shall mean that any personnel of the Company, in the course of performance of their duties, directly or indirectly provides, promises, requests or accepts improper benefits or commits a breach of ethics, unlawful act or breach of fiduciary duty for purposes of acquiring or maintaining benefits.

The 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, supervisors, managers, employees or substantial controllers or other stakeholders.

Article 4. (Patterns of Benefits)

The term "benefits" means any money, gratuity, gift, commission, position, service, preferential treatment, rebate, facilitating payment, entertainment, dining or any other item of value in whatever form or name.

Article 5 (Dedicated Unit and Responsibilities)

The Company shall designate the President Office as the dedicated unit (hereinafter referred to as the "Dedicated Unit") under the Board of Directors and provide it with sufficient resources and competent personnel to be 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 implementation. The responsible unit shall be in charge of the following matters and also submit regular reports (at least once a year) to the board of directors:

- I. 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.
- II. Analyzing and assessing on a regular basis the risk of involvement in unethical conduct within the business scope, adopting accordingly programs to prevent unethical conduct and setting out in each program the standard operating procedures and conduct guidelines with respect to the Company's operations and business.
- III. 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.
- IV. Promoting and coordinating awareness and educational activities with respect to ethics policy.
- V. Developing a whistle-blowing system and ensuring its operating effectiveness.

- VI. Assisting the Board of Directors and management in auditing and assessing whether or not the prevention measures taken for the purpose of implementing ethical management are effectively operating and preparing reports on the regular assessment of compliance with ethical management in operating procedures.
- VII. Preparing and retaining properly documented information such as ethical management policy and compliance statements, situations concerning the performance of undertakings and enforcement, etc.

Article 6 (Prohibition of Provision or Acceptance of 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 Company's "Ethical Corporate Management Best-Practice Principles" and the Procedures and Guidelines and the relevant procedures shall have been carried out:

- I. 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.
- II. 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.
- III. 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.
- IV. Attendance at folk festivals that are open to and invite the attendance of the general public.
- V. Rewards, emergency assistance, condolence payments or honorariums from the management.
- VI. Money, property, or other benefits with a market value of NT\$10,000 or less offered to or accepted from a person other than relatives or friends; or gifts of property with a total market value of NT\$10,000 or less given by another party to the majority of the personnel of the Company, provided that the total market value of the property offered to the same counterpart or coming from the same source within a single fiscal year shall be limited to NT\$80,000.
- VII. Property with a market value of NT\$10,000 or less 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 relatives.
- VIII. Other conduct that complies with the Company's requirements.

Article 7 (Procedures for Handling the Acceptance of Improper Benefits)

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 herein by a third party, the matter shall be handled in accordance with the following procedures:

- I. 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 dedicated unit of the Company shall be notified if necessary.
- II. If a conflict 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 this to his or her immediate supervisor and notify the Company's dedicated unit. When the benefit cannot be returned, then within 3 days from the acceptance of the benefit, the personnel shall refer the matter to the dedicated unit for handling.

"The relationship of interest between the party providing or offering the benefit and the official duties of the Company's personnel," as referred to in the preceding paragraph, refers to one of the following circumstances:

- I. When the two parties have commercial dealings, a relationship of direction and supervision or subsidies (or rewards) for expenses.
- II. When a contracting, trading or other contractual relationship is being sought, is in progress or has been established.
- III. 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.

The Company's dedicated unit shall make a proposal, based on the nature and value of the benefit under Paragraph 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 to and approved by the Chairman.

- Article 8 (Prohibition of and Handling Procedure for Facilitating Payments)  
The Company shall neither provide nor promise any facilitating payment.  
If any personnel of the Company provide or promise a facilitating payment under threat or intimidation, they shall submit a report to their immediate supervisor stating the facts and shall notify the dedicated unit.  
Upon receipt of the report under the preceding paragraph, the dedicated unit shall take immediate action and undertake a review on relevant matters in order to minimize the risk of recurrence. In a case involving alleged illegality, the dedicated unit shall also immediately report to the relevant judicial agency.
- Article 9 (Procedures for Handling Political Donations)  
Political donations by the Company shall be made in accordance with the following provisions, reported to the Chairman for approval, with a notification given to the dedicated unit:
- I. It shall be ascertained that the political donations are in compliance with the laws and regulations governing political donations in the country in which the recipient is located, including the maximum amount and the form in which a donations may be made.
  - II. A written record of the decision-making process shall be kept.
  - III. Account entries shall be made for all political donations in accordance with applicable laws and regulations and relevant procedures for accounting treatment.
  - IV. In making political donations, commercial dealings, applications for permits, or processing of any other matters involving the interests of the Company with the related government agencies shall be avoided.
- Article 10 (Procedures for Handling Charitable Donations or Sponsorships)  
Charitable donations or sponsorships by the Company shall be made in accordance with the following provisions, reported to the Chairman for approval, with a notification given to the dedicated unit:
- I. The donations or sponsorship shall be in compliance with the laws and regulations of the country where the Company is doing business.
  - II. A written record of the decision-making process shall be kept.
  - III. A charitable donation shall be given to a valid charitable institution and may not be a disguised form of bribery.
  - IV. The returns received as a result of any sponsorship shall be specific and reasonable and the subject of the sponsorship may not be a counterpart of the Company's commercial dealings or a party with which any personnel of the Company has a relationship of interest.
  - V. After a charitable donation or sponsorship has been given, it shall be ascertained that the destination to which the money flows is consistent with the purpose of the donation.
- Article 11 (Recusal for Conflict of Interest)  
When the agenda of a given Board of Directors' meeting concerns the personal interest of or the interest of the juristic person represented by, any of the Company's directors, managers and other stakeholders attending or present at the Board meeting 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 a proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings.  
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, such director shall be deemed to have a personal interest in the matter.  
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 dedicated unit and the immediate supervisor shall provide the personnel with proper instructions.  
No personnel of the Company may use the Company's 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.

- Article 12 (Special Unit in Charge of Confidentiality Regime and its Responsibilities)  
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 procedures.  
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.
- Article 13. (Prohibition of Engagement in Unfair Competition Practices)  
The Company shall engage in business activities in accordance with The Fair Trade Act and 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 14. (Prevention of Products or Services from Damaging Stakeholders)  
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.  
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.  
Where there are media reports or sufficient facts to determine that the Company's products or services are likely to pose any hazards to the safety and health of consumers or other stakeholders, the Company shall verify the facts and present a review and improvement plan.  
The Company's dedicated unit shall report the event as in the preceding paragraph, actions taken and subsequent reviews and corrective measures taken to the Board of Directors.
- Article 15. (Prohibition against Insider Trading and Non-Disclosure Agreements)  
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.  
Any organization or person outside of the Company that is involved in any merger, demerger, acquisition and transfer of shares, 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 thereof and that they may not use such information without the prior consent of the Company.
- Article 16 (Compliance and Announcement of Ethical Management Policies)  
The Company shall request their 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 shall disclose its ethical management policy in its internal rules, annual reports on its official 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 ethical management philosophy and regulations.
- Article 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 counterparts in commercial dealings, the Company shall evaluate the legality and ethical management policy of the party and ascertain whether or not 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.

When the Company carries out the evaluation under the preceding paragraph, it may adopt appropriate audit procedures for a review of the counterpart with which it will have commercial dealings with respect to the following matters, in order to gain a comprehensive knowledge of its ethical management:

- I. The enterprise's nationality, location of business operations, organizational structure and management policy and place where it will make payment.
- II. Whether or not the enterprise has adopted an ethical management policy and the status of its implementation.
- III. Whether or not the enterprise's business operations are located in a country with a high risk of corruption.
- IV. Whether or not the business operated by the enterprise is in an industry with a high risk of bribery.
- V. The long-term business condition and degree of goodwill of the enterprise.
- VI. Consultation with the enterprise's business partners on their opinion of the enterprise.
- VII. Whether or not the enterprise has a record of involvement in unethical conduct such as bribery or illegal political contributions.

Article 18 (Statement of Ethical Management Policy to Counterparts in Commercial Dealings)

Any personnel of the Company, when engaging in commercial activities, shall make a statement to the trading counterpart 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 benefits in whatever form or name.

Article 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 who is involved in unethical conduct. When the counterpart or partner in cooperation is found to have engaged in unethical conduct, the personnel shall immediately cease dealing with the counterpart and blacklist it for any further business interactions in order to effectively implement the Company's ethical management policies.

Article 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 include the ethical management policy of the Company into the terms and conditions of the contract, stipulating at the least the following matters:

- I. When a party to the contract becomes aware that any personnel has violated the terms and conditions pertaining to prohibition of acceptance of commissions, rebates, or other improper benefits, the party shall immediately notify the other party of the violator's identity, the manner in which the provision, promise, request or acceptance was made, and the monetary amount or other improper benefit that was provided, promised, requested or accepted. The party shall also provide the other party with pertinent evidence and cooperate fully with the investigation. If there has been resultant damage to either party, the party may claim from the other party the damages per the contract and may also deduct the full amount of the damages from the contract price payable.
- II. Where a party is discovered to have engaged in unethical conduct in its commercial activities, the other party may terminate or rescind the contract unconditionally at any time.
- III. Specific and reasonable payment terms, including the place and method of payment and the requirement for compliance with related tax laws and regulations.

Article 21 (Handling of Unethical Conduct by personnel of the Company)

As an incentive to insiders and outsiders for informing of unethical or unseemly conduct, the Company will grant a reward depending 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 if the circumstance concerned is material.

The Company shall internally establish and publicly announce on its website and the intranet or provide through an independent external institution, an independent mailbox or hotline, for insiders and outsiders of the Company to submit reports.

A whistleblower shall at least furnish the following information:

- I. the whistleblower's name and ID number (whistleblowing reports may be submitted anonymously), and an address, telephone number and e-mail address where he/she can be reached.
- II. the informed party's name or other information sufficient to distinguish his/her identifying features.
- III. Specific facts available for investigation.

The Company's personnel handling whistle-blowing matters shall represent in writing they will keep the whistleblowers' identity and contents of information confidential. The Company also undertakes to protect the whistleblowers from improper treatment due to their whistleblowing.

The Company's dedicated unit shall observe the following procedure in handling whistleblowing matters:

- I. An information shall be reported to the department head if involving the rank and file, and to an independent director if involving a director or a senior executive.
- II. The Company's dedicated unit and the department head or personnel being reported to in the preceding sub-paragraph shall immediately verify the facts and, where necessary, with the assistance of the legal compliance or other related department.
- III. If the informed person 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 a judicial agency for investigation, or institute legal proceedings and seek damages to safeguard its reputation and its rights and interests.
- IV. Documentation of case acceptance, investigation processes and investigation results shall be retained for five years and may be retained in an electronic form. 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.
- V. With respect to a confirmed information, 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.
- VI. The Company's dedicated unit shall report the whistle-blowing case, actions taken and subsequent reviews and corrective measures taken to the Board of Directors.

Article 22 (Handling of Unethical Conduct by Others Toward the Company)

If any personnel of the Company discover 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.

Article 23 (Internal Awareness Sessions and Establishment of a System for Rewards, Penalties, and Complaints and Related Disciplinary Measures)

The Company's dedicated unit shall organize the awareness session once per year and arrange for the Chairman, president, or senior management to communicate the importance of ethics to its directors, employees and mandataries.

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

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.

The Company shall disclose on its intranet information the name and title of the violator, the date and details of the violation, and the actions taken in response.

Article 24 (Enforcement)

The Procedures and Guidelines shall be submitted to the Board of Directors for resolution after being approved by the Audit Committee and then to a shareholders' meeting for approval. The same shall apply where the Procedures and Guidelines are amended.

When the Company submits its Procedures for Ethical Management and Guidelines for Conduct to the Board of Directors for discussion, the Board of Directors shall take into full consideration each independent director's opinions. Any objections or reservations 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 date of 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.