

Status of Ethical Corporate Management

Evaluation Item	Implementation Status		Reason for Non-implementation
	Yes	No	
<p>1. Establishment of ethical corporate management policies and programs</p> <p>(1) Does the company declare its ethical corporate management policies and procedures in its guidelines and external documents, as well as the commitment from its board to implement the policies?</p> <p>(2) Does the company establish policies to prevent unethical conduct with clear statements regarding relevant procedures, guidelines of conduct, punishment for violation, rules of appeal, and the commitment to implement the policies?</p> <p>(3) Does the company establish appropriate precautions against high-potential unethical conducts or listed activities stated in Article 2, Paragraph 7 of the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>None</p> <p>The Board of Directors approved Ethical Corporate Management Best-Practice Principles on 03/10/2015. Ethical Corporate Management Policy is clearly stated in the internal policy and external documents. The Board of Directors and management team are fully committed to implement such policies rigorously and thoroughly on internal management and external business dealings.</p> <p>The Company established “Ethical Corporate Management Best-Practice Principles”, “Codes of Ethical Conduct” and “Employees for Code of Ethical Conduct”, establish policies to prevent unethical conduct, integrity mailbox and hotline, punishment for violation and rules of appeal.</p> <p>The Company’s Ethical Corporate Management Best-Practice Principles have established preventive measures against the following:</p> <ol style="list-style-type: none"> 1. Offering and accepting bribes. 2. Illegal political donations. 3. Improper charitable donations or sponsorship. 4. Offering or accepting unreasonable gifts or hospitality, or other inappropriate 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. <p>The aforementioned related regulations were announced and disseminated to employees, managers and the Board of Directors.</p>
<p>2. Fulfill operations integrity policy</p> <p>(1) Does the company evaluate business partners’ ethical records and include ethics-related clauses in business contracts?</p> <p>(2) Does the company establish an exclusively (or concurrently) dedicated unit supervised by the Board to be in charge of corporate integrity?</p>	<p>✓</p> <p>✓</p>		<p>None</p> <p>Prior any business engagement, the Company checks the counterparty’s legitimacy and record of unethical conduct. All suppliers and customer are required to sign “ethical clauses”, When breach the ethical rule the companies is entitled to termination of business contract.</p> <p>To strengthen ethical corporate management, the Company had its president office enact, supervise and implement the execution of Ethical Corporate Management Policy and prevention solutions. The president reports to the Board of Directors as least once a year.</p> <p>The Company's implementations of ethical corporate management in 2019</p> <ol style="list-style-type: none"> 1. New employees who are required to sign the “Code of Ethic Commitment” on their first day of work. 2. Participants of Code of Ethic training total 214 personnel. 3. The Company has not any matters about discipline of unethical conduct in 2019.

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(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	✓		Abstract Illustration The Company established “Ethical Corporate Management Best-Practice Principles”, “Codes of Ethical Conduct” and “Employees for Code of Ethical Conduct”, to policies to prevent conflicts of interest and provide appropriate communication channels, and implement it.
(4) Has the company established effective systems for both accounting and internal control to facilitate ethical corporate management, and are they audited by either internal auditors or CPAs on a regular basis?	✓		
(5) Does the company regularly hold internal and external educational trainings on operational integrity?	✓		
3. Operation of the integrity channel			None
(1) Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?	✓		
(2) Does the company establish standard operating procedures for confidential reporting on investigating accusation cases?	✓		
(3) Does the company provide proper whistleblower protection?	✓		<p>The Company's Ethical Corporate Management Best-Practice Principles have established whistle-blowing system the following:</p> <ol style="list-style-type: none"> 1. Either internally established and publicly announced independent mailbox and hotline, to allow company insiders and outsiders to submit reports. 2. Dedicated personnel appointed to handle whistle-blowing system and establish standard operating procedures. 3. Documentation of case acceptance, investigation processes, investigation results, and relevant documents. 4. Confidentiality of the identity of whistle-blowers and the content of reported cases. 5. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing. 6. Whistle-blowing incentive measures. <p>The Company encourages its employees to report to a company Audit Committee, Independent directors and chief internal auditor, upon discovery of any activity in violation of a law or regulation. The Company provides protection to whistleblower and personnel involved in the investigation against any unfair treatment or retaliation.</p>
4. Strengthening information disclosure			None
(1) Does the company disclose its ethical corporate management policies and the results of its implementation on the company's website and MOPS?	✓		
5. If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the policies and their implementation: There have been no differences.			
6. Other important information to facilitate a better understanding of the company's ethical corporate management policies (e.g., review and amend its policies): None.			