

The whistle-blowing and disciplinary method of violating ethical conduct and ethical management

Article 1: This regulation is specifically established to set up appropriate preventive, corrective, and punitive measures for the purpose of guiding the behavior of the Company's manager and other employees in accordance with the "Code of Ethics" and the "Best Practice Principles of Ethical Corporate Management."

Article 2: Unreasonable gifts, hospitality, or other improper benefits as stipulated in the Ethical Corporate Management Best Practice Principles refer to the following behaviors:

1. Company personnel, either directly or indirectly, request any gifts, favors, or special treatment from suppliers, distributors, or customers who have business relationships with or conduct transactions with the Company. This includes special and extravagant dining or other forms of entertainment that are irrelevant to business or customary practices.
2. Company personnel accept any gifts or favors from any supplier, distributor, or customer. However, this does not apply to gifts required by local customs and courtesies where the value of the gifts does not exceed two thousand New Taiwan dollars or customized souvenirs or promotional gifts with the logo of the gifting company. Any other items or cash should be politely declined with an explanation regarding the violation of the rules of the Company. If refusal is impossible, such items should be handed over to the Human Resources Department for appropriate handling.
3. Company personnel accept awards or gifts from vendors during the gifting company's celebratory networking events without prior written notification to the business director.
4. Company personnel accept any hospitality offered during a journey sponsored by suppliers, distributors, or customers outside the context of a business trip or conditions approved by the Company.
5. Company personnel (on business trips) accept improper invitations or entertainment that may lead to malpractice, troubles, or other circumstances that could harm the reputation of the Company.
6. Company personnel borrow from suppliers, distributors, and customers related to the Company's business, or any other behavior involving paid or unpaid rental or use.

Article 3: The Company provides educational training for all personnel at least once a year for the purpose of guiding the behavior of the Company's manager and other employees in accordance with the "Code of Ethics" and the "Best Practice Principles of Ethical Corporate Management."

Article 4: The procedure for handling reports of violations of the “Code of Ethics” and the “Best Practice Principles of Ethical Corporate Management” is as follows:

Company personnel or third parties (hereinafter referred to as the “whistleblowers”) can report violations verbally, through email, or in writing to the department head, the human resource unit of the factories, the auditing dept., or the human resources department. If an initial report is made by phone, a follow-up written report shall be submitted within three days. If a verbal report is made by physical meeting, the receiving personnel or department shall properly record and read it aloud to the whistleblowers, or allow them to review it, ensuring that the content is accurate.

1. The whistleblower's report should include the following information:
 - (1) Details and content of the reported incident.
 - (2) Accessible related evidence or witness testimony.
 - (3) Date of the report.
2. Personnel or department handling the reported cases may refuse to accept the case if any of the following circumstances are met, and must immediately notify the human resources department for reference:
 - (1) No specific facts are presented.
 - (2) A repeated report on the same issue that has already been investigated and closed by the investigation team, or an issue that has been settled through legal proceedings.
 - (3) The content of the report involves malicious attacks, fabrications, or is obviously unfounded.
3. Protection measures for whistleblowers:
 - (1) The Company will keep the identity of the whistleblowers, the content of the report, and any personnel involved in the investigation or discussion confidential.
 - (2) The Company should protect the whistleblowers from dismissal, demotion, pay cuts, and damage to their rights and interests as per regulations, contracts, or customary practices, or any other adverse actions due to the reporting incident. If improper treatment is suspected or reported by the whistleblowers, an investigation should be initiated. If improper treatment is confirmed, the perpetrator should receive appropriate penalties based on the circumstances in accordance with relevant regulations.
4. Investigation reports should be submitted according to the following principles based on the position of the reported individual:
 - (1) For the Deputy Manager level (inclusive) and above, the report should be submitted to the business director of the reported employee. In serious violation, the report should be submitted to the President.
 - (2) For the Assistant Vice President level (inclusive) and above, the report should be submitted to the President and the Chairman should be notified.

Article 5: The investigation procedure for handling reported cases is as follows:

1. Department heads or units should immediately notify the human resources department and deliver related written materials within three days after

accepting a report. The human resources department should then set up an investigation team within five days of receiving these materials to initiate the investigation procedure.

2. The convenor of the investigation team should be a member of the human resources department. The investigation team should also include members from the auditing dept. and the legal affairs office. Any personnel with personal interests in the case should recuse themselves from the investigation team.
3. Within ten days of its establishment, the investigation team should send written notices to the parties involved to state their accounts. Depending on the facts of the case, the team may conduct further investigations, and the reported individual and related parties are obligated to cooperate.
4. All investigation team members and related parties must keep the investigation process and related data confidential and may not disclose information without authorization. Disciplinary actions per the Company's regulations will apply to those who fail to maintain confidentiality thus leading to leakage of case details. The convener of the investigation team may revoke their membership and appoint alternative members, as necessary.
5. At least two-thirds of the team members must be present and more than half of the presented team members must agree for the reported case to be resolved.
6. In principle, the investigation team should complete the investigation and prepare the report within three months from the date of acceptance. This period can be extended if necessary, but the extension should not exceed thirty days.

Article 6: If the whistleblowers wish to withdraw the report after a case has been accepted, they must submit a request in writing and obtain the consent of the reported individual. Once the withdrawal request is received by the investigation team, the case shall be closed and no further reports will be permitted on the same matter.

Article 7: The investigation team may decide to suspend the investigation under any of the following circumstances:

1. The whistleblower requests a suspension of the investigation.
2. The case has entered the legal proceedings.
3. The suspension of the investigation is determined to be necessary.

Article 8: Company personnel with confirmed violations of the “Code of Ethics” and the “Best Practice Principles of Ethical Corporate Management” shall be treated in the following manner:

1. The Company should immediately require the reported individual to stop the relevant behavior and make suitable arrangements in accordance with the laws or internal regulations of the Company.
2. The Company upholds a zero-tolerance principle towards corruption. If the company personnel are involved in exploitation with an intent to gain improper benefits for themselves or others and cause losses to the Company, they will be dismissed from their position and are required to unconditionally compensate all losses incurred to protect the Company’s reputation and interests.
3. All written documents regarding the acceptance, the investigation process, and

the results of the reported case must be kept on file and stored for five years. The documents can be electronically archived. If a lawsuit related to the reported case arises before the expiration of the preservation period, the relevant data should continue to be preserved until the end of the litigation.

4. For reported cases that are confirmed to be true, related departments of the Company shall be held responsible for reviewing the corresponding internal control systems and operational procedures and propose improving measures to prevent similar behaviors from recurring.

Article 9: The investigation results should be confidentially delivered to the whistleblower in writing or via email. This clause does not apply if the report was made anonymously. If the involved parties disagree with the investigation result during the notification, they have ten days following the delivery of the investigation results to present their reasons and supplement any new evidence in a written appeal to the investigation team. The appeal procedure shall follow the same protocol as the investigation process outlined in the regulations for handling reports. An appeal decision cannot be further challenged by the appellant.

Article 10: If the whistleblower has falsified or fabricated information based on the investigation of the reported case, the Company will handle the case in accordance with relevant regulations or pursue legal responsibilities through legal proceedings.

Article 11 : After a reported case is confirmed and settled, the relevant investigation data and report should be filed and retained by the human resources department to ensure the effective implementation of the adjudicative measures.

Article 12: These regulations are to be implemented after being approved by the Assessment Committee and endorsed by the President of the Administration Department. The same rules apply for any amendments.