

Business Integrity Code of Conduct

Passed during the board of directors meeting held on December 19, 2019

Article 1 The following code of conduct has been established in accordance with "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" to maintain a corporate culture of honest business dealing.

This Business Integrity Code of Conduct applies to the Company and all subsidiaries included in the consolidated income statement (collectively referred to as "The Company and Subsidiaries").

Article 2 The Company shall manage its businesses in the utmost integrity, and develop robust corporate governance and risk management practices to ensure continuity of its business activities.

The Company and Subsidiaries shall comply with laws and rules applicable at places where business activities take place, and treat them as the foundation for integrity management.

Article 3 The Company's and subsidiaries' directors, supervisors, managers, employees or any empowered personnel (collectively referred to as "Controllers" below) are prohibited from offering, committing, requesting or accepting any illegitimate benefit and involving in any conduct that would be construed as dishonest, illegal, or in breach of trust (collectively referred to as Dishonest Conducts below), whether directly or indirectly, when carrying out business activities, in an attempt to obtain or maintain gains.

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 The term "gains" mentioned in the code of conducts shall refer to anything of value, including money, gifts, commissions, positions, services, privileges, and kickbacks of any form and purpose. 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 5 The Company may develop preventive measures against dishonest conducts (referred to as "Preventions" below) based on the Code of Conduct. When developing Preventions, the Company shall identify business activities that are prone to high risk of dishonesty and adopt enhanced preventive measures accordingly.

The above Preventions shall prevent at least the following misconducts:

1. Offering and acceptance of bribe.
2. Offering of illegal political donations.
3. Inappropriate donation or sponsorship.

4. Offering or acceptance of inappropriate gift, treatment or benefit.
5. Infringement of business secret, trademark, patent, copyright and other intellectual property rights.
6. Engagement in unfair competition.
7. Direct or indirect damage to consumers' or stakeholders' interest, health or safety during research, development, procurement, manufacturing, offering or sale of products and services.

Article 6 The Company shall ensure fair competition, legitimacy and compliance in all business activities performed.

Prior to engaging in commercial transactions, the Company is required to evaluate the legitimacy of its counterparties and investigate whether they were previously involved in dishonest conducts. The Company shall avoid dealing with entities that demonstrate poor integrity.

Contracts signed by the Company with distributors, suppliers, customers or other counterparties shall include an integrity clause.

Article 7 The Company, subsidiaries and directors, supervisors, managers, employees, agents and controllers thereof shall adhere to the following rules when performing business activities:

1. Do not offer, guarantee, request or accept any form of illegitimate benefit with customers, distributors, contractors, suppliers, government officials or stakeholders, whether directly or indirectly, when carrying out business activities.
2. Any donations made directly or indirectly to political parties, campaigns or individuals comply with the Political Donations Act and the Company's internal procedures. These donations cannot be exploited as means to obtain commercial benefit or advantage.
3. Any donations or sponsorships made to charity organizations shall comply with relevant laws and the Company's internal procedures. These donations and sponsorships cannot be exploited as means of bribery.
4. Do not offer or accept inappropriate gifts, treatments or benefits, whether directly or indirectly, as a means to establish commercial relationship or affect commercial outcomes.
5. Comply strictly with intellectual property laws, internal procedures and contract terms. Except with the consent of the intellectual property rights owner, the Company may not use, reveal, disclose, dispose, destroy or commit any action that constitutes infringement of intellectual property right.

For the purpose of highlighting business practices that require attention for directors, managers, employees and controllers of The Company and Subsidiaries, the Company may develop a set of operating procedures and behavioral guidelines to address at least the following:

1. Definitions on the offering/acceptance of improper gains.
2. Procedures for offering legitimate political donations.
3. Procedures for offering legitimate donations or sponsorships, and limits.
4. Rules against conflict of interest, including reporting and handling procedures.
5. Confidentiality rules for secrets and sensitive information obtained through business activity.
6. Rules and procedures for suppliers, customers and business counterparties involved in dishonest conducts.
7. Procedures for handling violation against the Business Integrity Code of Conduct.
8. Disciplinary actions against violators.

Article 8 The Company shall comply with competition laws when engaging in business activities, and shall avoid actions that may be construed as an attempt to undermine market competition, such as: price fixing, bid rigging, use of output restriction or quota, or share or divide market by allocating customers, suppliers, territories, or business activities.

Article 9 The Company, subsidiaries and directors, supervisors, managers, employees, agents and controllers thereof shall comply with laws and international standards when researching, developing, procuring, manufacturing, supplying and selling products and services to prevent products/services from causing direct or indirect damage to consumers or compromising the rights, health and safety of other stakeholders.

Article 10 The Company, subsidiaries and directors, supervisors, managers, employees, agents and controllers thereof shall exercise the duty of care as prudent managers to supervise and prevent dishonest conducts, while constantly review performance to ensure ongoing improvement and sound execution of integrity policy.

For the purpose of enforcing integrity management, the Company has assigned its HR Central Division the duty of overseeing the establishment and execution of business integrity policies and Preventions, for which the division is required to report to the board of directors on a regular basis (at least once a year).

Article 11 The Company shall implement a conflicting interest policy to identify, supervise and manage potential conflicts of interest that may give rise to dishonest behaviors, and implement channels for directors, supervisors, managers, stakeholders and board meeting participants to state their conflicting interests with the Company.

If a director of The Company and Subsidiaries, or the corporate entity a director represents, is considered a stakeholder to the motion discussed during board meeting, the director shall state the stakes involved during the current meeting session and shall disassociate from all discussions and voting. In addition, the director may not exercise voting rights on behalf of other directors.

The Company, subsidiaries and directors, supervisors, managers, employees, agents and controllers thereof shall not exploit their vested authorities or influences for improper gains,

whether for themselves or for spouse, parents, children, or any other parties.

Article 12 The Company shall implement effective accounting and internal control systems and perform timely reviews to ensure ongoing effectiveness of its policies.

The internal audit unit has the duty to audit the Company's compliance with the above policies on a regular basis, and report findings to the board of directors in the form of an audit report. The internal audit unit may also engage CPAs to perform audit, and seek help from professionals if necessary.

Article 13 The board of directors and management shall commit to enforcing business integrity. Chairman, President and senior managers shall constantly convey the importance of integrity with directors, employees and agents, and enforce them in internal management as well as external business activities.

The Company shall organize regular training or adopt other means to convey its integrity values, so that stakeholders are made fully aware of the Company's commitment as well as policies, Preventions and disciplinary measures imposed to enforce business integrity.

The integrity policy shall be incorporated into the human resource policy and enforced with an effective reward/disciplinary system.

Article 14 The Company shall develop and implement a whistleblower system that encompasses at least the following:

1. Misconduct reporting channels available to insiders and outsiders, including mailboxes and hotlines that are operated by the Company or by independent third-party institutions.
2. Personnel or unit assigned specifically to handle reported misconducts, along with classification criteria and standard operating procedures for reported misconducts. Misconduct reports that involve directors or the senior management are to be escalated to independent directors.
3. Procedures for acceptance and investigation of reported misconducts, and documentation and preservation of investigation outcome.
4. Protection of informant's identity and details of reported misconduct.
5. Protection for informants against retaliation.
6. Whistleblowing incentives.

The unit or personnel responsible for handling whistleblowing is required to file report and notify independent directors in writing upon discovery of any major violation or any occurrence that has the potential to cause significant damage to the Company.

Article 15 The Company shall establish a system that facilitates the reporting and discipline of conducts that violate the integrity policy. Any personnel who commit violation will have their names, titles, misconducts, date of violation, and disciplinary actions disclosed on the Intranet.

Article 16 This code of conduct shall be disclosed on website and in annual reports.

The Company shall disclose via website, annual report, prospectus and Market Observation Post System the measures it adopts to enforce business integrity, as well as the execution and effectiveness of such measures.

Article 17 The Company shall observe local and foreign integrity guidelines and encourage directors, supervisors, managers and employees to raise suggestions that would help improve the integrity policy and its implementation, and thereby enhance integrity performance.

Article 18 The Business Integrity Code of Conduct shall be implemented upon approval of the board of directors and raised for acknowledgment by the Audit Committee and at shareholder meeting. The same applies to subsequent amendments.

Independent directors' opinions shall be fully taken into consideration when the Business Integrity Code of Conduct is raised for discussion among the board of directors. All objections and reservations expressed by independent directors shall be detailed in board of directors meeting minutes. If the independent director is unable to express objections or reservations in person during board meeting, the opinion shall be expressed in writing in advance and recorded in board meeting minutes unless there is justifiable reason not to do so.