

Wiwynn Corporation

Ethical Corporate Management Best Practice Principles

- Article 1 **Purpose of adoption and scope of application**
These Ethical Corporate Management Best Practice Principles (hereunder referred to as “the Principles”) are promulgated to assist Wiwynn Corporation (hereunder referred to as “the Company”) to foster a corporate culture of ethical management and sound development.
The Principles are applicable to business groups and organizations of the Company. The business groups and organization are comprised of subsidiaries, any foundation to which the Company’s direct or indirect contribution of funds exceeds 50 percent of the total funds received, and other institutions or juridical persons which are substantially controlled by the Company (“business group”).
- Article 2 **Prohibition of unethical conduct**
When engaging in commercial activities, directors, managers, employees, mandataries of the Company or persons having substantial control over the Company (“substantial controllers”) shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, or commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty (“unethical conduct”) for purposes of acquiring or maintaining benefits.
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, managers, employees or substantial controllers or other stakeholders.
- Article 3 **Types of benefits**
“Benefits” in the Principles means any valuable things, including money, endowments, commissions, positions, services, preferential treatment or rebates of any type or in any name. 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 4 **Compliance with applicable laws or regulations**
The Company complies with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Statute, Government Procurement Act, Intellectual Properties Laws, TWSE/GTSM-listing rules or other laws or regulations regarding commercial activities, as the underlying basic premise to facilitate ethical corporate management
- Article 5 **Internal policy**
The Company abides by the operational philosophies of honesty, transparency, and responsibility. The Company establishes internal policies based on the principle of good faith, as well as good corporate governance, risk control, and management mechanisms so as to create an operational environment for sustainable development.
- Article 6 **Prevention program**
The Company shall, in its own ethical management policy, clearly and thoroughly prescribe the specific ethical management practices and the programs to forestall unethical conduct (“prevention programs”), including operational procedures, guidelines, and training.
When establishing the prevention programs, the Company shall comply with relevant laws and regulations of the territory where the companies and its business group are operating.
In the course of developing the prevention programs, the Company is advised to negotiate with staff, labor unions members, important trading counterparties, or other stakeholders.
- Article 7 **The scope of prevention program**
The Company shall establish a risk assessment mechanism against

unethical conduct, analyze and assess on a regular basis business activities within its business scope which is at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly and review its adequacy and effectiveness on a regular basis. The Company establishes the prevention programs, which shall at least include preventive measures against the following:

1. Offering and acceptance of bribes.
2. Illegal political donations.
3. Improper charitable donations or sponsorship.
4. Offering or acceptance of unreasonable presents or hospitality, or other improper 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.

Article 8 **Commitment and implementation**

The directors and senior management of the Company shall 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 and its respective business groups shall clearly specify in internal rules, external documents and on the Company's website the ethical management policy and the commitment by the board of directors and senior management on rigorous and thorough implementation of the ethical management policies, and shall carry out the policies in internal management and in commercial activities.

The Company shall compile documented information on the ethical management policy, statement, commitment and implementation mentioned in the first and second paragraphs and retain said information properly.

Article 9 **Commercial transactions in ethics**

The Company shall engage in commercial activities in a fair and transparent manner based on the principle of ethical management.

Prior to any commercial transactions, the Company will take into consideration the legality of its agents, suppliers, clients or other trading counterparties, and its records of unethical conduct, and shall avoid any dealings with persons with such records.

Article 10 **Prohibition of bribery**

When conducting business, the Company and its directors, managers, employees, mandataries, and substantial controllers, may not directly or indirectly offer, promise to offer, request, or accept any improper benefits in whatever form to or from clients, agents, contractors, suppliers, public servants, or other stakeholders.

Article 11 **Prohibition of offering illegal political donations**

When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the Company and its directors, managers, employees, mandataries, and substantial controllers, shall comply with the Political Donations Act and its relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.

Article 12 **Prohibition of improper donations and sponsorship**

When making or offering donations and sponsorship, the Company and its directors, managers, employees, mandataries, and substantial controllers shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.

Article 13 **Prohibition of unreasonable presents, service, hospitality or other**

improper benefits

The Company and its directors, managers, employees, mandataries, and substantial controllers shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.

Article 14 **Prohibition of Intellectual Property Right Infringement**

The Company and its directors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations, the Company's internal operational procedures, and contractual provisions concerning intellectual property. Unless obtaining the prior consent from the owner, the Company may not use, disclose, dispose, or destroy any intellectual property or otherwise infringe such intellectual property rights.

Article 15 **Prohibition of conducting unfair competition**

The Company shall engage in business activities in accordance with 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 16 **Preventing product or service from damaging interested party**

In the course of research and development, procurement, manufacture, provision, or sale of products and services, The Company and its directors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations and international standards to ensure the transparency of information about, and safety of, its products and services. The Company shall also adopt and publish a policy on the protection of the rights and interests of consumers or other stakeholders, and carry out the policy in its operations, with a view to preventing its products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders. Where there are 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, in principle, recall those products or suspend the services immediately.

Article 17 **Organization and responsibility**

The directors, managers, employees, mandataries, and substantial controllers of the Company shall exercise the due care of good administrators to urge the Company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies.

To achieve sound ethical corporate management, the Company has assigned its HR Department acting as a dedicated unit and avail itself of adequate resources and staff itself with competent personnel, responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs. The dedicated unit shall be in charge of the following matters, and shall report to the board of directors on a regular basis (at least once per year):

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.
2. 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.
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.

4. Promoting and coordinating awareness and educational activities with respect to ethics policy.
5. Developing a whistle-blowing system and ensuring its operating effectiveness.
6. Assisting the board of directors and management in auditing and assessing whether 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.

Article 18 **Compliance with applicable laws and regulations**

The directors, managers, employees, mandataries, and substantial controllers of the Company shall comply with laws and regulations and the prevention programs when conducting business.

Article 19 **Avoiding conflicts of interest**

The Company shall adopt policies for preventing conflicts of interest to identify, monitor, and manage risks possibly resulting from unethical conduct, and shall also offer managers, and other stakeholders attending or appropriate means for directors, present at board meetings to voluntarily explain whether their interests would potentially conflict with those of the Company. Detailed regulations are written in “Codes of Ethical Conduct” of the Company.

The Company’s directors, managers and other stakeholders attending or present at board meetings shall exercise a high degree of self-discipline. When a proposal at a given board of directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, managers, and other stakeholders attending or present at board meetings 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 proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings.

The directors, managers, employees, mandataries, and substantial controllers of the Company shall not take advantage of their positions or influence in the Company to obtain improper benefits for themselves, their spouses, parents, children or any other person.

Article 20 **Accounting and Internal Control**

The Company shall establish effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in an unethical conduct, not have under-the-table accounts or keep secret accounts, and periodically evaluate so as to ensure that the design and enforcement of the systems are showing results.

The internal audit unit of the Company shall, based on the high risk items resulting from the assessment of the risk of involvement in unethical conduct, devise relevant audit plans and implements inspection for the high risk item. If necessary, the internal audit unit may engage a certified public accountant to carry out the audit, or may engage professionals to assist.

The results of examination in the preceding paragraph shall be submitted in the form of an audit report to the board of directors.

Article 21 **Operational procedures and guidelines**

The Company establishes operational procedures and guidelines in accordance with Article 6 hereof to guide directors, managers,

employees, and substantial controllers on how to conduct business. The procedures and guidelines should at least contain the following matters:

1. Standards for determining whether improper benefits have been offered or accepted.
2. Procedures for offering legitimate political donations.
3. Procedures and the standard rates for offering charitable donations or sponsorship.
4. Rules for avoiding work-related conflicts of interests and how they should be reported and handled.
5. Rules for keeping confidential trade secrets and sensitive business information obtained in the ordinary course of business.
6. Regulations and procedures for dealing with suppliers, clients and business transaction counterparties suspected of unethical conduct.
7. Handling procedures for violations of these Principles.
8. Disciplinary measures on offenders.

Article 22 **Training and assessment**

The chairperson, general manager, or senior management of the Company shall communicate the importance of corporate ethics to its directors, employees, and mandataries on a regular basis.

The Company shall periodically organize training and awareness programs for directors, managers, employees, mandataries, and substantial controllers and invite the Company's commercial transaction counterparties so they understand the Company's resolve to implement ethical corporate management, the related policies, prevention programs and the consequences of committing unethical conduct.

The Company shall incorporate the ethical management policy into its employee performance appraisal system as well as integrate with human resource and reward and discipline policies.

Article 23 **Whistle-blowing system**

The Company shall adopt a concrete whistle-blowing system including the following:

1. An independent mailbox or hotline, either internally established and publicly announced or provided by an independent external institution, to allow internal and external personnel of the Company to submit reports.
2. Dedicated personnel or unit appointed to handle the whistle-blowing system. Any tip involving a director or senior management shall be reported to the independent directors or the chief of Auditing Office. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted.
3. Follow-up measures to be adopted depending on the severity of the circumstances after investigations of cases reported are completed. Where necessary, a case shall be reported to the competent authority or referred to the judicial authority.
4. Documentation of case acceptance, investigation processes, investigation results, and relevant documents.
5. Confidentiality of the identity of whistle-blowers and the content of reported cases.
6. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing.
7. Whistle-blowing incentive measures.

When material misconduct or likelihood of material impairment to the Company comes to its awareness upon investigation, the dedicated personnel or unit handling the whistle-blowing system shall immediately prepare a report and notify the independent directors in written form.

Article 24 **Discipline and appeal system**

The Company shall adopt and publish a well-defined disciplinary and

appeal system for handling violations of the ethical corporate management rules, and shall make immediate disclosure on the Company's internal website in regard of the title and name of the violator, the date and details of the violation, and the actions taken in response.

Article 25 **Information disclosure**

The Company may collect quantitative data about the promotion of ethical management and continuously analyze and assess the effectiveness of the promotion of ethical management policy. The Company shall also disclose the measures taken for implementing ethical corporate management, the status of implementation, the foregoing quantitative data, and the effectiveness of promotion on the Company websites, annual reports, and prospectuses, and shall disclose its ethical corporate management best practice principles on the Market Observation Post System.

Article 26 **Review and improvement of the principles**

The Company shall at all times monitor the development of relevant domestic and international regulations concerning ethical corporate management and encourage their directors, managers, and employees to make suggestions, based on which the adopted ethical corporate management policies will be reviewed and improved with a view to achieving better implementation of ethical management.

Article 27 **Enforcement**

The Principles shall be approved by the audit committee and be submitted to the board of directors for a resolution, then be reported to the shareholders meeting. The same procedure shall be followed when the Principles have been amended.

When the Company submits its ethical corporate management best practice principles to the board of directors for discussion pursuant to the preceding paragraph, 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 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.

Article 28 The Principles were enacted on October 15, 2017. The 1st amendment was made on August 6, 2018.

The 2nd amendment was made on December 24, 2019.