

WPG Holdings Limited

Ethical Corporate Management Best Practice Principles

Approved by the Board of Directors on January 29, 2013
Amended and approved by the Board of Directors on October 26, 2021

Article 1 (Purpose and the Scope of Application)

To establish a corporate culture of integrity management and offer a framework to establish good commercial practices, WPG Holdings Limited (hereinafter referred to as the "Company") refers to the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" formulated by the Taiwan Stock Exchange and related laws and regulations to formulate the Ethical Corporate Management Best Practice Principles (hereinafter referred to as the "Principles").

The Principles shall apply to the Company's subsidiaries, any foundation constituted as a juristic person to which the Company's direct or indirect accumulated contribution of funds exceeds 50% of the total funds received, and other institutions or juridical persons which are substantially controlled by the Company (hereinafter referred to as "business group").

Article 2 (Prohibition Against Unethical Conduct)

When engaging in commercial activities, directors, managers, employees, mandataries of the Company, or persons having substantial control over the Company (hereinafter referred to as "substantial controllers") shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty (hereinafter referred to as "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, supervisors, managers, employees or substantial controllers or other stakeholders.

Article 3 (Types of Benefits)

"Benefits" in the Principles mean any valuable things, including money, endowments, commissions, positions, services, preferential treatment, rebates, and any other goods which have monetary worth (such as gift vouchers, equity/debt securities) or interests, etc., 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 (Legal Compliance)

The Company shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act, Act on Recusal of Public Servants Due to Conflict of Interest, TWSE/GTSM-listing related rules, or other laws or regulations regarding

commercial activities, as the underlying basic premise to facilitate ethical corporate management.

Article 5 (Policy)

The Company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith, and establish good corporate governance and risk control and management mechanism to create an operational environment for sustainable development.

Article 6 (Prevention Program and Scope)

To implement the operational philosophies and policies of the preceding article, the Company shall stipulate operation rules of the Principles to implement ethical management and programs that forestalls unethical conduct (“prevention programs”).

When establishing the prevention programs of preceding paragraph, the Company shall comply with relevant laws and regulations of the territory where the Company is operating.

The Company shall conduct, analyze and assess business activities within their business scope which are at a higher risk of being involved in unethical conduct, establish prevention programs accordingly and review their adequacy and effectiveness on a regular basis. The Company shall refer to prevailing domestic and foreign standards or guidelines in establishing 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, services, 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.
8. Money laundering and counter-terrorism financing
9. Insider trading

Article 7 (Commitment and Execution)

The Company shall clearly specify ethical corporate management principles in their internal rules and external documents. The board of directors and management shall promise to rigorously and thoroughly enforce ethical management for internal management and external commercial activities.

Article 8 (Engaging in Commercial Activities under Ethical Corporate Management Policies, Anti-Money Laundering and Counter-Terrorism Financing)

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

Prior to the conclusion of any commercial transaction, the Company shall take into consideration the legality of their agents, suppliers, clients or other trading counterparties, and whether they have conducted Unethical Conduct before, if any, and avoid having any dealings with persons who have or have been involved with any record of Unethical Conduct.

Directors, managers, employees, mandataries of the Company, or persons having substantial control over the Company shall not hide any illegally-gained proceeds or terrorism financing, or support transforming the foregoing into ostensibly legitimate money or other assets.

Article 9 (Prohibition of Offering and Accepting Bribes)

When conducting business, the Company and its directors, managers, employees, mandataries and Substantial Controllers shall not directly or indirectly offer, promise to offer, request or accept any improper Benefits in any form to or from clients, agents, contractors, suppliers, public servants, or other stakeholders.

Article 10 (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 own relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.

Article 11 (Prohibition of Improper Charitable Donations or 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 12 (Prohibition of Unjustifiable Presents, 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 unjustifiable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.

Article 13 (Prohibition of Intellectual Property Infringement)

The Company and its directors, managers, employees, mandataries and Substantial Controllers shall comply with the laws, regulations, internal process procedures, and applicable contracts pertaining to intellectual property. The Company shall not use, disclose, dispose, destroy, or make any other infringement to intellectual property without prior written consent of the owners of the intellectual property rights.

Article 14 (Prohibition of Unfair Competition)

The Company shall follow the applicable competition laws and regulations when engaging in business activities, and shall 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 15 (Prohibition of Damages on Products or Services against Stakeholders)

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, their products and services. The Company shall adopt and announce a policy on the protection of the rights and interests of the consumers or other stakeholders, and carry out the policy in their operations, with a view to preventing their products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders.

Article 16 (Organization and Responsibility)

The directors, managers, employees, mandataries and Substantial Controllers of the Company shall exercise due care in urging the Company to prevent Unethical Conduct, and review, from time to time, the results of the preventive measures and continually make adjustments.

To achieve sound ethical corporate management, the Company shall establish a dedicated unit, 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 annually:

1. Stipulating organization regulations and operation rules of the dedicated unit to implement the Principles.
2. Promoting and coordinating awareness and educational activities with respect to ethics policy.
3. Developing the whistleblowing mechanism and ensuring its operating effectiveness.
4. Assisting the board of directors and management team in auditing and assessing whether ethical management is effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.

Article 17 (Legal Compliance for Conducting Business)

The directors, managers, employees, mandataries and Substantial Controllers of the Company shall comply with the laws, regulations, the internal principles and obligation of confidentiality for confidential and business sensitive information when conducting business.

Article 18 (Avoiding Conflicts of Interest)

The Company shall establish regulations for preventing conflicts of interest, to distinguish, supervise, and manage the potential risks of Unethical Conduct resulting from conflict interests, and offer appropriate means for directors, managers, and any other supervisor with authority to voluntarily explain whether their interests would potentially conflict with those of the Company. A director, manager, and any other stakeholder attending or present at the board meeting, or the juristic person represented thereby, has a stake in a proposal at the meeting, shall state the important aspects of the stake in the meeting. Such person shall be prohibited from discussing and participating in voting on any proposals if there is likelihood that the interests of this Company would be prejudiced, shall recuse himself or herself from any discussion and voting, and shall not exercise voting rights as proxy on behalf of another director. The directors shall exercise self-discipline and should not support one another in improper ways.

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.

The Company's directors, mandataries and supervisors with authority 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 19 (Accounting and Internal Control)

The Company's accounting system and internal control system shall be designed and implemented in accordance with the principles of ethical corporate management and conduct reviews regularly to ensure that the design and enforcement of the systems are showing results.

The internal audit department of the Company shall inspect the Company's compliance with the system mentioned in the preceding paragraph and prepare and submit audit reports to the board of directors on a regular basis. The Company may assign accountants to perform the inspection, and may request assistance from other professionals if required.

Article 20 (Operational Procedures and Guidelines)

Operation rules and Code of Ethical Conduct established by the Company for the prevention of Unethical Conduct shall specifically regulate the rules of business conduct for directors, supervisors, managers, employees, and substantial controllers

of the Company.

Article 21 (Training, Review, Whistle-blowing and Punishment)

The Chairman, Chief Executive Officer, or senior management shall communicate the importance of ethics to its directors, employees, and mandataries on a regular basis. The Company shall combine the Principles with its employee performance evaluation system and human resource policies to establish a clear and effective reward and punishment system.

The Company shall regularly organize training and awareness programs for its directors, managers, employees, mandataries and Substantial Controllers so they understand the companies' resolve to implement ethical corporate management, the related policies, prevention programs, the consequences of committing unethical conduct, as well as their responsibilities and obligations to report to the Company when material misconduct or likelihood of material impairment comes to their awareness. The Company shall provide a proper and independent whistle-blowing channel and adopt a concrete whistle-blowing system to guarantee the confidentiality of the identity of whistle-blowers and the content of reported cases, and to protect whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing. The whistle-blowing system shall be established and operated by the dedicated unit of the Principles.

The Company shall adopt a well-defined disciplinary and appeal system for handling violations of the ethical corporate management rules. If any violation of the Principles is confirmed, a disciplinary action shall be imposed and related information of the violation shall be announced on the Company's internal website depending upon the nature and degree of such violation. If supervisors at all levels are aware of direct subordinates violating relevant provisions of the Principles but fail to address such matters, they shall be deemed to have violated the Principles and must also accept relevant punishment.

Article 22 (Information Disclosure)

The Company shall disclose the status of the enforcement of the Principles on its website, annual reports, and public prospectuses.

Article 23 (Review and Improvement of the Principles)

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

Article 24 (Implementation)

The Ethical Corporate Management Best Practice Principles of the Company shall be implemented after the Principles are reviewed by the Audit Committee and resolved by the board of directors. The same procedure shall apply to any amendment thereto.

