

Implementation of Ethical Corporate Management Best Practice and the differences compared to the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons

Item	Operation		Summary description	The differences compared to the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No		
I. Formulate integrity management policies and plans				
(I) Has the Company formulated the Ethical Corporate Management Policies approved by the Board of Directors and specified in its rules and external documents the ethical corporate management policies and practices and the commitment of the Board of Directors and senior management to the rigorous and thorough implementation of such policies?	V		(I) "Ethical Corporate Management Best Practice Principles" of the Company was passed by the Board of Directors on March 19, 2020, and the corporate governance was conducted in accordance with the Principles.	No difference
(II) Has the company established a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within its business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly, which shall at least include the preventive measures specified in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?	V		(II) The Company stipulated "Code of Ethical Conducts". Where the conducts of employees is in violation of the Code, proper disciplinary actions will be applied based on the seriousness of the conduct. The Company also have relevant appeal system for those who violates the Code of Ethical Conducts. In addition, directors, supervisor, managers and employees of the Company shall abide by the regulations of the Securities and Exchange Act, the Company Act, Business Entity Accounting Act, and other laws and regulations relating to business actions, as well as internal regulations of the Company and shall perform duties in an honest manner. No employee of the Company has breached the Ethical Corporate Social Management Principles in 2020. The Company already released announcement and applied disciplinary action of demerit.	No difference
(III) Has the Company specified in its prevention programs the operating procedures, guidelines, punishments for violations, and a grievance system and implemented them and review the prevention programs on a regular basis?	V		(III) The Company have legal personnel to review contracts to prevent illegal contracts, and the Audit Office performs irregular audits and keeps track to the improvement of illegal matters.	No difference

II. Ethic Management Practice				
(I) Does the company assess the ethics records of whom it has business relationship with and include business conduct and ethics related clauses in the business contracts?	V		(I) To create an operating environment for sustainable development, the Company established an excellent corporate governance and risk control system based on integrity. We engage in business activities in a fair and transparent manner. The Company does not offer illegal finance nor receive inappropriate donations or sponsor, gifts, hospitality or other unjustified benefits.	No difference
(II) Has the Company set up a dedicated unit under the Board of Directors to promote ethical corporate management and regularly (at least once every year) report to the Board of Directors the implementation of the ethical corporate management policies and prevention programs against unethical conduct?	V		(II) The solid operation for the control of ethical management by the Company's Chairman Office is to clearly specify duties, strengthen employee performance evaluation, and perform audits on all major operations and on special projects in the organization through the Audit Office on a regular basis, and request management level to propose reports to the Board of Directors every year. In addition, the result of internal audit performed by internal audit personnel shall be directly reported to Chairman, General Manager and supervisors, and the management level shall make improvements concerning the deficiencies of the operating management.	No difference
(III) Does the company establish policies to prevent conflict of interests, provide appropriate communication and complaint channels and implement such policies properly?	V		(III) "Rules and Procedures of Board of Director Meetings" of the Company provide a recusal system for directors. Board of Directors may make statements and respond to inquiries but may not join the discussion and voting if he/she or the corporation that he/she represents has conflict of interest which may jeopardize the interests of the Company. During the discussion and voting, such directors shall recuse from the discussion or voting and shall not exercise the voting power as the agent of other directors. Supervisors of the company review audit reports on a regular basis to acknowledge the conflict of interests of the Company, as well as to maintain a smooth communication with stakeholders.	No difference
(IV) Does the company establish effective accounting and internal control systems that are audited by internal auditors or CPA on a regular basis to implement relevant policies on ethical conducts?	V		(IV) To ensure the implementation of ethical management, the Group established an effective accounting system and internal control system, and our internal audit personnel performs audit on the implementation of audit system on a regular basis.	No difference

<p>(V) Does the company provide internal and external ethical conduct training programs on a regular basis?</p>	<p>V</p>	<p>(V) In order to ensure the company's integrity and compliance with laws, it is necessary to conduct supervision and publicity in the monthly management meeting.</p>	<p>No difference</p>
<p>III. Implementation of Complaint Procedures</p> <p>(I) Does the company establish specific complaint and reward procedures, set up conveniently accessible complaint channels, and designate responsible individuals to handle the complaint received?</p> <p>(II) Does the company establish standard operation procedures for investigating the complaints received and ensuring such complaints are handled in a confidential manner?</p> <p>(III) Does the company adopt proper measures to prevent a complainant from retaliation for his/her filing a complaint?</p>	<p>V V V</p>	<p>(I) The Company has already established "Standard Operating Procedures to Investigating Reporting Items and Enforcement Rules for Confidentiality". To ensure that appropriate personnel are designated to handle the matter, reporting channels have also been established on the Company's website.</p> <p>(II) and (III) The Company has already established 'Standard Operating Procedures to Investigating Reporting Items and Enforcement Rules for Confidentiality'. Employees may make complaints to the Company with concrete evidences if they suspect or discover any action that is in violation of laws and regulations or Code of Ethical Conducts. Complaints of the Company are classified. The Company will make every effort to prevent the complainant from retaliation.</p>	<p>No difference No difference</p>
<p>IV. Strengthen Information Disclosure</p> <p>(I) Does the company disclose its ethical management as well as information about implementation of such guidelines on its website and Market Observation Post System?</p>	<p>V</p>	<p>The Company stipulated "Ethical Corporate Management Best Practice Principles".</p> <p>Company information is disclosed on our official website and Market Observation Post System.</p> <p>The Company will further strengthen the disclosure of information relating to Ethical Corporate Management Best Practice Principles.</p>	<p>No difference</p>
<p>V. If the Company has established its Ethical Corporate Management Best Practice Principles in accordance with "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies", please describe the operational status and differences: The Company established Ethical Corporate Management Best Practice Principles in accordance with relevant regulations and complied with the regulations of "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies".</p>			
<p>VI. Other important information to facilitate better understanding of the Company's corporate conduct and ethics compliance practices (e.g., review the company's Ethical Corporate Management Best Practice Principles).</p> <p>The Company pays attention to the development of ethical management principles domestically and internationally at all times and encourages directors, supervisors, managerial officers and employees to propose suggestions to review and improve our ethical management principles.</p>			

