

# The Ethical Corporate Management Operational Procedures and Guidelines

## Article 1

Based on the principles of fair, honesty, abidance, and transparency when engaging in commercial activities, the Company promulgates “The Ethical Corporate Management Operational Procedures and Guidelines” (Operational Procedures and Guidelines) in order to implement the ethical corporate policy and to prevent Unethical Conducts according to the regulations from Article 18 of the “Concord Securities Co. Ltd , The Ethical Corporate Management Best Practice Principles.”

The Operational Procedure and Guidelines is applicable to the Company and its subsidiary business groups and organizations, any foundation to which the Company's direct or indirect contribution of funds exceeds 50% of the total funds received, and other institutions or juridical persons which are substantially controlled by such company ("Business Group")

## Article 2

The term "personnel of The Company" refers to any director, supervisor, managerial officer, employee, mandatary or person having substantial control, of The Company or its group enterprises and organizations.

Any provision, promise, request, or acceptance of improper benefits by any personnel of The Company through a third party will be presumed to be an act by the personnel of this Corporation.

## Article 3

The Unethical Conduct mentioned in Operational Procedures and Guidelines refers to the conduct of a direct or indirect offering, 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 during the profession practice of the Company’s personnel.

“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 (or the members of the council), supervisors, managers, employees or substantial controllers or other interested parties.

## Article 4

“Benefits” in the Operational Procedures and Guidelines means any valuable things, including money, endowments, commissions, positions, services, preferential treatment, rebates, lobbying fee, hospitality, or social engagement of any type or in any name.

## Article 5

The Company assigns the Secretary's office as the dedicated unit that is in charge of 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 a 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. All responsible units are required to analyzing and assessing the risks of unethical conduct within the business scope on a regular basis and accordingly adopting programs to prevent unethical conduct and setting out in each program the standard operating procedures and conduct guidelines with respect to this Corporation'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.
7. Preparing and retaining properly documented information such as ethical management policy and compliance statements, situations concerning the performance of undertakings and enforcement etc.

#### Article 6

When engaging in directly or indirectly offering, promising to offer, requesting or accepting the benefits defined in Article 4, the Company's personnel shall comply with the regulations of the "Concord Securities Co. Ltd , The Ethical Corporate Management Best Practice Principles" and the Operational Procedures and Guidelines following the relevant procedures. The personnel are allowed to do such under the situations listed below:

1. When doing domestic and overseas visits, receiving foreign guests, expanding business, communicating, and coordinating, the conduct is based on the business demand following the local manners, practices, and customs.
2. Attending normal social activities or inviting others to such activities based on the normal social customs, business purposes, or to boost ties.
3. The personnel invites clients or to be invited to participate specific business activities based on the business demand, which clarifies the means of bearing expenses, number of people attended, accommodation level and period of the activities mentioned above.
4. Participating in festivals that are publicly held and open to the public.
5. Reward, assistance, amenities, or appreciation from a superior.
6. Other activities meets the regulations of the Company.

#### Article 7

Apart from the situations prescribed in all paragraphs of preceding article, the Company personnel shall follow the procedures listed below when engaging in directly or indirectly offering, promising to offer, requesting or accepting the benefits defined in Article 4:

1. The Company personnel shall report to the department superior and inform the Dedicated Unit if necessary, within three days after receiving the benefits if the person of offering or promising to offer has any interests with the personnel.
2. The Company personnel shall return or refuse the benefits if the person of offering or promising to offer has any interest with the personnel, and the personnel shall report to the department superior and inform the Dedicated Unit. When it is unable to return the benefits, the Company personnel shall hand in the benefits to the Dedicated Unit

within three days after receiving the benefits.

The conflict of interest to the position prescribed in preceding paragraphs refers to following situations:

1. Having relations of business contacts, directing and supervising, expense subsidies and allowances.
2. Seeking and progressing to establish a contractual relation, or contracted purchase and sale agreement or other contracts.
3. Other interests suffering from beneficial or unfavorable influences based on the decision and implementation of the business.

The Company's Dedicated Unit shall put forward proposals of Benefit returning, paying to receive, donating to charity organizations, or other proper proposals. The proposals shall be reported to and approved by the general manager before implementation.

#### Article 8

The Company shall not offer or promise to offer any lobbying fee.

The Company personnel who offer or promise to offer lobbying fee due to intimidation or threats shall record the process of intimidation or threats and report to the department superior and inform the Dedicated Unit.

The Company's Dedicated Unit shall cope with the report immediately and review relevant situation after receiving the notice prescribed in order to lower the risk of the same circumstances from happening again. If any illegal matter was found, the Dedicated Unit shall inform juridical authorities immediately.

#### Article 9

Political contributions by The Company shall be made in accordance with the relevant regulations and the following provisions, and be authorized according to the Hierarchical Responsibility Checklist :

1. It shall be ascertained that the political contribution is in compliance with the laws and regulations governing political contributions in the country in which the recipient is located, including the maximum amount and the form in which a contribution may be made.
2. A written record of the decision-making process shall be kept.
3. Account entries shall be made for all political contributions in accordance with applicable laws and regulations and relevant procedures for accounting treatment.
4. In making political contributions, commercial dealings, applications for permits, or carrying out other matters involving the interests of this Corporation with the related government agencies shall be avoided.

#### Article 10

Charitable donations or sponsorships by this Corporation shall be provided in accordance with the following provisions and be authorized according to the Hierarchical Responsibility Checklist:

1. It shall be ascertained that the donation or sponsorship is in compliance with the laws and regulations of the country where this Corporation is doing business.
2. A written record of the decision making process shall be kept.
3. A charitable donation shall be given to a valid charitable institution and may not be a disguised form of bribery.
4. The returns received as a result of any sponsorship shall be specific and reasonable, and the subject of the sponsorship may not be a counterparty of this Corporation's commercial dealings or a party with which any personnel of this Corporation has a relationship of interest.
5. After a charitable donation or sponsorship has been given, it shall be ascertained that the destination to which the money flows is consistent with the purpose of the contribution.

#### Article 11

When a Company director , officer or other stakeholder attending or present at a board meeting, or the juristic person represented thereby, has a stake in a matter under discussion in the meeting , that director, officer or stakeholder shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of The Company would be prejudiced, may not participate in the discussion or vote on that proposal, shall recuse himself or herself from any discussion and voting, and may not exercise voting rights as proxy on behalf of another director. The directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner. 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.

When Company personnel implement company business and discover themselves or the juristic person that they represent have conflict of interests, or possibly obtain improper benefits for themselves, their spouses, parents, children or any other person is an interested party, they shall report the relevant situation to the department superior and the Company's Dedicated Unit, and the department superior shall offer proper guidance.

The Company personnel shall neither put the Company's resources in business activities that are irrelevant to the Company, nor affect their working performance from participating in business activities that are irrelevant to the Company.

#### Article 12

All units of the Company shall pay attention to the operations of the management, storage, and security of the Company's trade secrets, trademarks, patents, and other intellectual properties in each unit.

All personnel of The Company shall faithfully follow the operational directions pertaining to intellectual properties as mentioned in the preceding paragraph and may not disclose to any other party any trade secrets, trademarks, patents, works, and other intellectual properties of this Corporation of which they have learned, nor may they inquire about or collect any trade secrets, trademarks, patents, and other intellectual properties of this Corporation unrelated to their individual duties.

#### Article 13

The company shall engage in business activities in accordance with the Fair Trade Act and relevant competition laws and shall not engage in unfair competition.

#### Article 14

When the company conducts business, it should follow relevant laws and international standards, implement them in operational activities, and set up a special area for interested parties on the website to prevent damage to the rights and interests of interested parties.

When it is reported by the media or there are sufficient facts to confirm that the company's products and services may endanger the rights and interests of stakeholders, the company shall immediately investigate whether the facts are true and propose a review and improvement plan.

Relevant units of the company shall report to the board of directors the matter in the preceding paragraph, how to deal with it, and follow-up review and improvement measures.

#### Article 15

The Company's personnel shall comply with the regulations of the "Securities and Exchange Act" that neither uses the learned undisclosed information to engage in insider trading, nor leaks out to other in order to prevent them from using the undisclosed information to engage in insider trading.

Institutions or persons participated in the Company's mergers, spin offs, acquisitions, share assignments, crucial memorandums, strategic alliances, other business cooperation plans, or crucial contracts shall sign the non-disclosure agreement with the Company, promising not to leak the learned commercial confidential of the Company or other crucial information to others, nor use the information without the Company's approval.

#### Article 16

This Corporation shall request its directors and senior management to 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 shall promulgate the ethical corporate management policy in the internal regulations, annual reports, company website or the prospectus, and declare the policy in external activities such as investor conference so that suppliers, clients or other relevant institutions or personnel can clearly understand the concepts and norms of the Company's ethical corporate management.

#### Article 17

Before developing a commercial relationship with another party, The Company shall evaluate the legality and ethical management policy of the party and ascertain whether the party has a record of unethical conduct, in order to ensure that the party conducts business in a fair and transparent manner and will not request, offer, or take bribes.

When this Corporation carries out the evaluation under the preceding paragraph, it may adopt appropriate audit procedures for a review of the counterparty with which it will have commercial dealings with respect to the following matters, in order to gain a comprehensive knowledge of its ethical management:

- 1.The enterprise's nationality, location of business operations, organizational structure, and management policy, and place where it will make payment.
- 2.Whether the enterprise has adopted an ethical management policy, and the status of its implementation.
- 3.Whether enterprise's business operations are located in a country with a high risk of corruption.
- 4.Whether the business operated by the enterprise is in an industry with a high risk of bribery.
- 5.The long-term business condition and degree of goodwill of the enterprise.
- 6.Consultation with the enterprise's business partners on their opinion of the enterprise.
- 7.Whether the enterprise has a record of unethical conduct such as bribery or illegal political contributions.

#### Article 18

The Company personnel shall explain the ethical corporate management policy and relevant regulations of the Company to the trade parties when engaging in the process of business activities, and they shall explicitly refuse to directly or indirectly offer, promise to offer, request or accept benefits in any form or any name.

#### Article 19

The Company personnel shall avoid engaging in business transactions with unethical business parties. If the Company personnel discover unethical conduct from the business or cooperation parties, the personnel may suspend the business contacts with them and list them in the blacklist account in order to carry out the Company's ethical

corporate management policy.

#### Article 20

When signing contracts with others, the Company shall fully understand the situation of the ethical corporate management of the counter party, and the ethical corporate management clause and the matters listed below shall also be included in the contract:

- 1.If any party learns if any personnel has violated the regulations of commission, rebate or other unethical benefits in the clauses of the contract, it shall immediately inform the counter party with the violator's identity, means of offering, promising to offer, requesting or receiving benefits, amount of benefits or other benefits, and it shall also provide relevant evidence and cope with the counter party's investigation. If any party suffers loss from such an act, it shall claim the compensation to the counter party and deduct the same amount of money from the contract payment claimed..
- 2.If any party is involved in the unethical corporate management conduct in the business activities, the counter party may terminate or dissolve without precondition.
- 3.Explicitly and reasonably stipulating the contents of the payment, including payment location, means and relevant tax law and regulation.

#### Article 21

As an incentive to insiders and outsiders for informing of unethical or unseemly conduct, this Company will grant a reward depending the seriousness of the circumstance concerned.

This Company shall internally establish and publicly announce on its website and the intranet, or provide through an independent external institution, an independent mailbox or hotline, for Company insiders and outsiders to submit reports. A whistleblower shall at least furnish the following information:

- 1.the whistleblower's name and I.D. number, and an address, telephone number and e-mail address where it can be reached.
- 2.the informed party's name or other information sufficient to distinguish its identifying features.
- 3.specific facts available for investigation, such as audio or video files.

Company personnel handling whistle-blowing matters shall represent in writing they will keep the whistleblowers' identity and contents of information confidential. This Corporation also undertakes to protect the whistleblowers from improper treatment due to their whistle-blowing.

#### Article 22

If the Company personnel encounter unethical conducts, which involve in illegal situation, from others, the Company shall inform judicial and procurement authorities with relevant facts; if government institutions or civil servants are involved in the unethical conducts, the Company shall inform the agency against corruption.

#### Article 23

The Company shall combine the ethical corporate management with employee performance appraisal and human resource policies and establish explicit and effective reward and punishment and complaint system.

If Company personnel violate serious matters of unethical conducts, the Company shall discharge or dismiss the personnel according to the relevant laws and regulations or the Company's personnel regulations.

The Company shall reveal the information of the title, name, violation date, contents of violation, and the situation of process of the unethical conduct.

#### Article 24

The Operational Procedure and Guidelines shall be implemented after the Board grants the approval, and shall be reported at a shareholders' meeting. The same procedure shall be followed when the principles have been revised. When these Procedures and Guidelines are submitted to the board of directors for discussion, each independent director's opinions shall be taken into full consideration, and their objections and reservations expressed shall be recorded in the minutes of the board of directors meeting. An independent director that is unable to attend a board meeting in person to express objection or reservation shall provide a written opinion before the board meeting unless there is a legitimate reason to do otherwise, and the opinion shall be recorded in the minutes of the board of directors meeting.