
Procedures for Ethical Management and Guidelines for Conduct Walsin Lihwa Corporation

The amendment was adopted by the Board of Directors on April 9, 2021

- Article 1** Walsin Lihwa (hereafter referred to as the Company) engages in commercial activities following the principles of fairness, honesty, faithfulness, and transparency and, in order to fully implement its policy of ethical management and actively prevent unethical conducts, these Procedures for Ethical Management and Guidelines for Conduct (hereinafter referred to as Procedures and Guidelines) are adopted pursuant to the Company's Ethical Corporate Management Best Practice Principles and the applicable laws and regulations of the places where the Company as well as its affiliated enterprises and organizations operate to provide all personnel of the Company with clear directions for the performance of their duties.
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- Article 2** The term "personnel of the Company" in the Procedures and Guidelines refers to any director, managerial officer, employee, mandatary or person having substantial control, of the Company as well as its affiliated 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 the Company.
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- Article 3** "Unethical conducts" in the Procedures and Guidelines mean that any personnel of the Company, in the course of their duties, directly or indirectly provides, promises, requests, or accepts improper benefits or commits a breach of ethics, unlawful act, or breach of fiduciary duty for purposes of acquiring or maintaining benefits.
The counterparties of the unethical conducts under the preceding paragraph include public officials, political candidates, political parties or their staffs, and government-owned or private-owned enterprises or institutions and their directors, supervisors, managerial officers, employees, persons having substantial control, or other interested parties.
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- Article 4** The term "benefits" in the Procedures and Guidelines means any money, gratuity, gift, commission, position, service, preferential treatment, rebate, facilitating payment, entertainment, dining, or any other item of value in whatever form or name.
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- Article 5** The Company's designated Business Integrity Promotion Group as the solely / concurrently responsible unit (hereinafter referred to as responsible unit) under the board of directors with sufficient resources and competent personnel oversees the amendment, implementation, interpretation, and advisory services with respect to the Procedures and Guidelines, the recording and filing of reports, and the monitoring of implementation. The responsible unit shall oversee the following matters and submit regular (at least annual) reports to the board of directors:
1. Assisting in incorporating ethics and moral values into this Company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of
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laws and regulations.

2. Periodically analyzing and assessing the risk of unethical conduct within the scope of business, and adopting programs to prevent unethical conduct accordingly and setting out in each program the standard operating procedures and conduct guidelines.
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 conducts.
4. Promoting and coordinating awareness and educational activities with respect to the Company's ethics policy.
5. Developing a whistleblowing system and ensuring its effectiveness.
6. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.
7. Producing and properly maintaining documented information about the Company's ethical business policy and the compliance representation thereof, as well as the implementation and execution of the Company's commitments.

Article 6 Except under one of the following circumstances, when providing, accepting, promising, or requesting, directly or indirectly, any benefits as specified in Article 4, the conduct of the given personnel of the Company shall comply with the Company's Ethical Corporate Management Best Practice Principles as well as the Procedures and Guidelines:

1. The conduct undertaken to meet business needs and is in accordance with local courtesy, convention, or custom during domestic (or foreign) visits, reception of guests, promotion of business, and communication and coordination.
2. Attendance to or invitation of others to ordinary social activities held in line with accepted social custom for commercial purposes or relationship development.
3. Attendance to or invitation of customers to specific commercial events or factory visits because of business needs when how related expenses should be paid, the number of participants, classes of accommodation, and duration of such events or visits have been specified in advance.
4. Attendance to folk festivals that are open to and invite the general public.
5. Rewards, emergency assistance, condolence payments, or honorariums from the management.
6. Money, property, or other benefits with a market value of NT\$3,000 or less offered to or accepted from a person, with the total market value of what is offered to or comes from the same counterparty or the same source within a single fiscal year limited to NT\$12,000.
7. Property with a market value of NT\$6,000 or less received due to engagement, marriage, maternity, relocation, assumption of a position, promotion or transfer, retirement, resignation, or severance, or the injury, illness, or death of the recipient

or the recipient's spouse or lineal relative, with the total market value of what comes from the same counterparty or the same source within a single fiscal year limited to NT\$12,000. Unless the Company's relevant regulations and rules stipulate otherwise or competent superiors approve otherwise.

8. Other conducts that comply with the rules of the Company.

Article 7 Except under any of the circumstances set forth in the preceding article, when any personnel of the Company are provided with or are promised, either directly or indirectly, any benefits as specified in Article 4 by a third party, the matter shall be handled in accordance with the following procedures:

1. If there is no relationship of interest between the party providing or offering the benefit and the official duties of the Company personnel, the personnel shall report to their immediate supervisor within 3 days from the acceptance of the benefit, and the responsible unit shall be notified if necessary.
2. If a relationship of interest does exist between the party providing or offering the benefit and the official duties of this Corporation's personnel, the personnel shall return or refuse the benefit, and shall report to his or her immediate supervisor and notify the responsible unit. When the benefit cannot be returned, within 3 days from the acceptance of the benefit, the personnel shall refer the matter to the responsible unit for handling.

A relationship of interest between the party providing or offering the benefit and the official duties of this Company's personnel, as referred to in the preceding paragraph, refers to one of the following circumstances:

1. When the two parties have commercial dealings, a relationship of direction and supervision, or subsidies (or rewards) for expenses.
2. When a contracting, trading, or other contractual relationship is being sought, is in progress, or has been established.
3. Other circumstances in which a decision regarding this Company's business, or the execution or non-execution of business, will result in a beneficial or adverse impact.

The responsible unit of this Company shall make a proposal, based on the nature and value of the benefit under paragraph 1, that it be returned, accepted on payment, given to the public, donated to charity, or handled in another appropriate manner. The proposal shall be implemented after being reported to and approved by the President of the Company.

Article 8 The Company shall neither provide nor promise any facilitating payment.

If any personnel of the Company provide or promise any facilitating payment under threat or intimidation, they shall submit a report to their immediate supervisor stating the facts and shall notify the responsible unit.

Upon receipt of the report under the preceding paragraph, the responsible unit shall take immediate action and undertake a review of relevant matters in order to minimize the risk of recurrence. In a case involving alleged illegality, the responsible unit shall also immediately report to the relevant judicial agency.

Article 9 Political contributions by the Company shall be made in accordance with the following provisions, reported to the supervisor in charge for approval, and a notification given to the responsible unit. Any political contributions to a related party shall not be made unless submitted to and approved by the board of directors; in the case of any political contributions to a non-related party, and when the accumulated value of such contributions to a same recipient in a same fiscal year is expected to amount to NT\$3 million, such contributions shall be made only after being reported to and approved by the board of directors:

1. It shall be ascertained that the political contribution complies 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. When making political contributions, the Company shall refrain from engaging in business dealings with, applying for permits to, or carrying out other matters involving its interests with, relevant governmental bodies.
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Article 10 Charitable donations or sponsorships by this Company shall be provided in accordance with the following provisions and reported to the supervisor in charge for approval, and a notification shall be given to the responsible unit. Any charitable donations to a related party shall not be made unless submitted to and approved by the board of directors; in the case of any charitable donations to a non-related party, when the accumulated value of donations or sponsorships to a same recipient in a same fiscal year is expected to amount to NT\$10 million, such donations or sponsorships shall be provided only after being reported to and approved by the board of directors:

1. It shall be ascertained that the donation or sponsorship complies with the laws and regulations of the country where the Company 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 reward that may be obtained as a result of the Company's sponsorship shall be clear and reasonable and shall not be any party with whom the Company have business dealings or any person who has an interest in the Company's personnel.
 5. After giving a charitable donation or sponsorship, the Company should confirm that the money flow thereof is consistent with the purpose of the donation.
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Article 11 When any director, officer or other stakeholder of the Company attending or present at a board meeting, or the juristic person represented thereby, has a stake in a proposal at the meeting, that director, supervisor, 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 Company's 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.

If in the course of conducting company business, any personnel of the Company discovers that a potential conflict of interest exists involving themselves or the juristic person that they represent, or that they or their spouse, parents, children, or a person with whom they have a relationship of interest is likely to obtain improper benefits, the personnel shall report the relevant matters to both his or her immediate supervisor and the responsible unit, and the immediate supervisor shall provide the personnel with proper instructions.

No personnel of the Company may use company resources on commercial activities other than those of the Company, nor may any personnel's job performance be affected by his or her involvement in the commercial activities other than those of the Company

Article 12 The Company shall set up a special unit charged with formulating and implementing procedures for managing, preserving, and maintaining the confidentiality of this Company's trade secrets, trademarks, patents, works and other intellectual properties and it shall also conduct periodical reviews on the results of implementation to ensure the sustained effectiveness of the confidentiality procedures.

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 the Company of which they have learned, nor may they inquire about or collect any trade secrets, trademarks, patents, and other intellectual properties of the Company unrelated to their individual duties.

Article 13 The Company shall follow the Fair Trade Act and applicable competition laws and regulations when engaging in business activities, 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 14 The Company shall collect and understand the applicable laws and regulations and international standards governing its products and services which it shall observe and gather and publish all guidelines to help personnel of the Company ensure the transparency of information about, and safety of, the products and services in the course of their research and development, procurement, manufacture, provision, or sale of products and services.

The Company shall adopt and publish on its website a policy on the protection of the rights and interests of consumers or other stakeholders to prevent its products and services from directly or indirectly damaging the rights and interests, health, and

safety of consumers or other stakeholders.

Where there are media reports, or 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 immediately recall those products or suspend the services, verify the facts and present a review and improvement plan.

The responsible unit of the Company shall report the event as in the preceding paragraph, actions taken, and subsequent reviews and corrective measures taken to the board of directors.

Article 15 All personnel of the Company shall adhere to the provisions of the Securities and Exchange Act and may not take advantage of undisclosed information of which they have learned to engage in insider trading. They are also prohibited from divulging undisclosed information to any other party in order to prevent any other party from using such information to engage in insider trading.

Any organization or person outside of the Company that is involved in any merger, demerger, acquisition and share transfer, major memorandum of understanding, strategic alliance, other business partnership plan, or the signing of a major contract by the Company shall be required to sign a non-disclosure agreement in which they undertake not to disclose to any other party any trade secret or other material information of this Company acquired as a result, and that they may not use such information without the prior consent of the Company.

Article 16 The Company shall require its directors and senior management to issue a statement that they follow the integrity business policy, and shall require its employees to follow the same in their terms of employment.

The Company is advised to disclose its policy of ethical management in its internal rules, annual reports, on the Company's websites, and in other promotional materials, and shall make timely announcements of the policy in events held for outside parties to make its suppliers, customers, and other business-related institutions and personnel fully aware of its principles and rules with respect to ethical management.

Article 17 Before developing a commercial relationship with another party, such as an agent, supplier, customer, or any other counterparty in commercial dealings, this Company shall evaluate the legality and ethical management policy of the party and ascertain whether the party has a record of involvement in unethical conduct to ensure that the party conducts business in a fair and transparent manner and will not request, offer, or take bribes.

When this Company 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 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.
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2. Whether the enterprise has adopted an ethical management policy, and the status of its implementation.
 3. Whether the 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 involvement in unethical conducts such as bribery or illegal political contributions.
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Article 18 Any personnel of the Company, when engaging in commercial activities, shall make a statement to the trading counterparty about this Company's ethical management policy and related rules, and shall clearly refuse to provide, promise, request, or accept, directly or indirectly, any improper benefit in whatever form or name.

Article 19 All personnel of this Company shall avoid business transactions with an agent, supplier, customer, or any other counterparty that is involved in unethical conducts. When the counterparty or partner in cooperation is found to have engaged in unethical conducts, the personnel shall immediately cease dealing with the counterparty and blacklist it for any further business interaction to effectively implement the Company's ethical management policy.

Article 20 Before entering into a contract with another party, this Company shall gain a thorough knowledge of the status of the other party's ethical management, and shall make observance of the ethical management policy of the Company part of the terms and conditions of the contract, stipulating at the least the following matters:

1. When a party to the contract becomes aware that any personnel has violated the terms and conditions pertaining to prohibition of acceptance of commissions, rebates, or other improper benefits, the party shall immediately notify the other party of the violator's identity, the manner in which the provision, promise, request, or acceptance was made, and the monetary amount or other improper benefit that was provided, promised, requested, or accepted. The party shall also provide the other party with pertinent evidence and cooperate fully with the investigation. If there has been resultant damage to either party, the party may claim compensation for the damage from the other party.
 2. Where a party is discovered to be engaged in unethical conducts in its commercial activities, the other party may terminate or rescind the contract unconditionally at any time.
 3. Specific and reasonable payment terms, including the place and method of payment and the requirement for compliance with related tax laws and regulations.
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Article 21 The Company encourages internal and external personnel to report unethical acts or

misconduct, and shall reward them according to the severity of the circumstances they report; any internal personnel who make false reports or malicious allegations shall be subject to disciplinary actions, and those under serious circumstances shall be dismissed.

The 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 (an anonymous compliant may be made), and an address, telephone number and e-mail address where the whistleblower can be reached.
2. The name of the party informed against or other information sufficient to distinguish the party's features.
3. Specific facts available for investigation.

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

The responsible unit of the Company shall handle the complaints in compliance with the following procedures:

1. It shall report to the Auditing Office if the rank and file are involved and reporting to the Audit Committee if any director or senior executive is involved.
2. The responsible unit of this Company and the department head or personnel being reported to in the preceding subparagraph shall immediately verify the facts in accordance with relevant regulations and rules of the Company and, where necessary, with the assistance of the legal compliance or other related departments.
3. If a person being informed against is confirmed to have indeed violated the applicable laws and regulations or the Company's policy and regulations of ethical management, this Company shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, the Company will report the same to the competent authorities, transfer the same to the judicial authorities for investigation, or institute legal proceedings and seek damages to safeguard its reputation and its rights and interests.
4. Documentation of case acceptance, investigation processes and investigation results shall be retained for five years and may be retained electronically. In the event of a suit in respect of the whistleblowing case before the retention period expires, the relevant information shall continue to be retained until the conclusion of the litigation.
5. With respect to a confirmed information, this Company shall charge relevant units with the task of reviewing the internal control system and relevant procedures and proposing corrective measures to prevent recurrence.
6. The responsible unit of the Company shall submit to the board of directors a report

on the whistleblowing case, actions taken, and subsequent reviews and corrective measures.

Article 22 Should any personnel of the Company discover that another party has engaged in unethical conducts towards this Company, and such unethical conducts involve alleged illegality, the Company shall report the relevant facts to the judicial and prosecutorial authorities. If any public service agency or public servant is involved, this Company shall additionally notify the governmental anti-corruption agency.

Article 23 The responsible unit of the Company shall organize at least one awareness session each year and arrange for the chairperson, president, or senior management to communicate the importance of ethics to the Company's directors, employees, and mandataries.

This Company shall link ethical management to its employee performance evaluations and human resources policy, and establish clear and effective systems for rewards, penalties, and complaints.

If any personnel of the Company violates ethical conducts, the Company shall punish the violator in accordance with applicable laws and regulations or the personnel policy and procedures of the Company. The punishment includes but is not limited to dismissing the violator from his or her position or terminating his or her employment, as well as disclosing on the Company's intranet the name and title of the violator, the date and details of the violation, and the actions taken in response.

Article 24 These Procedures and Guidelines, and any amendments hereto, shall be implemented after adoption by resolution of the board of directors, and shall be reported at the shareholders' meeting.

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.

Enacted on January 14, 2015, these Procedures and Guidelines were first amended on January 19, 2018, secondly amended on April 10, 2020 and thirdly amended on April 9, 2021.
