

# **Code of Conduct for Business Integrity**

## **CHEM**

6/14/2024

### **Article 1: Purpose and application of provisions**

In order to establish a corporate culture of integrity and sound development, this Code is formulated in accordance with the "Code of Business Ethics for Listed and OTC Companies" and the laws and regulations governing the operations of the Company and its group companies and organizations.

Group companies and organizations (hereinafter referred to as "Group companies and organizations"), including the Company, subsidiaries, consortiums of corporations that contribute directly or indirectly to more than 50% of the funds on an aggregate basis, and other institutions or corporations with substantive control.

### **Article 2: Prohibition of Dishonesty**

No director, manager, employee or person in substantial control of the Company (hereinafter referred to as the person in substantial control) shall, in the course of engaging in business practices, directly or indirectly, offer, promise, demand, or accept any improper advantage, or engage in any other dishonest act in breach of good faith, wrongfulness, or breach of fiduciary duty in order to obtain or maintain an advantage (hereinafter referred to as a dishonest act).

The targets of the foregoing include public officials, candidates for political office, members of political parties or party officials, as well as any public or private enterprises or organizations and their directors (councilors), supervisors (supervisors), managers, employees, substantial controllers, or other interested parties.

### **Article 3: Interests**

An interest, as defined in this Code, is anything of value, including any improper interest. Exceptions to this rule are made when it is a normal social courtesy and when it is incidental and does not affect specific rights or obligations.

### **Article 4: Compliance**

The Company complies with the Company Act, Securities and Exchange Act, Business Accounting Act, Political Donation Act, Corruption Prevention Act, Government Procurement Act, Conflict of Interest Avoidance Act for Public Officials, Listing and Stock Exchange Regulations, and other laws and regulations related to business practices as the basic premise for practical and honest management.

#### Article 5: Policy

The Company shall establish policies based on integrity and establish good corporate governance and risk control mechanisms in order to create an operating environment for sustainable development based on the business philosophy of integrity, transparency and accountability.

#### Article 6: Prevention Programs

The Company shall, in accordance with the business philosophy and policy of the preceding Article, clearly and thoroughly set forth in the Code of Conduct a program for the prevention of dishonest behavior (hereinafter referred to as the prevention program), which includes operating procedures, behavioral guidelines, and education and training.

The Company shall establish a prevention program that complies with the laws and regulations of the countries in which the Company and its group companies and organizations operate. The Company shall consult with employees, members of labor unions or other representative organizations, and communicate with relevant interest groups in the process of developing the Precautionary Principles.

#### Article 7: Scope of the Prevention Program

When the Company establishes a prevention plan, it shall analyze the business activities within the scope of business that have a higher risk of dishonest behavior and strengthen the related prevention measures. The Company has established a prevention program that should cover at least the following behaviors:

1. Bribery and acceptance of bribes.
2. Illegal political contributions.
3. Improper charitable donations or sponsorships.
4. Offering or accepting unreasonable gifts, hospitality or other improper benefits.

#### Article 8: Commitment and Enforcement

The Company and its group companies and organizations shall state the policy of honest management in their regulations and external documents, and the board of directors and management shall commit to actively implement it and to execute it in internal management and external business activities.

#### Article 9: Conducting Business in Good Faith

The Company shall conduct its business activities in a fair and transparent manner. The Company shall consider the legitimacy of its agents, suppliers, customers, or other business counterparts and whether there is any record of dishonest behavior before engaging in business transactions, and shall refrain from engaging in transactions with those who have a record of dishonest behavior. When the Company enters into contracts with others, it is appropriate to include provisions for compliance with the policy of operating in good faith and for termination or rescission of the contract at any time if the counterparty is involved in an act of dishonesty.

#### Article 10: Prohibition of bribery and acceptance of bribes

The Company and its directors, managers, employees and persons under substantive control shall not offer, promise, request or accept, directly or indirectly, any benefits as stipulated in Article 3 in the execution of its business. Except for the circumstances described in the following subparagraphs, the Company shall comply with the "Code of Business Conduct with Integrity for Listed and OTC Companies" and the provisions of the Procedures and Guidelines for Business Conduct of the Company, and shall follow the relevant procedures before doing so:

1. For business purposes, when visiting, receiving foreign guests, promoting business, and communicating and coordinating with others, in accordance with local etiquette, practices, or customs.
2. Participating in or inviting others to a normal social gathering based on normal social etiquette, business purposes, or to promote relationships.
3. For business purposes, customers are invited to participate in specific business activities, factory visits, etc., and the cost of the activities, the number of participants, the level of accommodation, and the duration of the activities have been clearly defined.
4. To participate in folklore festivals that are open to the public and to which the general public is invited.
5. Rewards, aid, condolences or sympathy from supervisors.
6. Offering or accepting money, property, or other benefits from persons other than relatives or frequent friends, the market value of which is less than NT\$1,000; or gifts from others to a majority of the Company's personnel, the total market value of which is less than NT\$3,000. However, the total market value of property provided to the same recipient or received from the same source in the same year shall be limited to NT\$10,000 or less.
7. Gifts of property for the purpose of engagement, marriage, childbirth, housewarming, employment, promotion, retirement, resignation, resignation,

and the injury, illness, or death of oneself, one's spouse, or one's immediate family members, the market value of which does not exceed NT\$2,000.

8. Others in line with the company's regulations.

#### Article 11: Prohibition of Illegal Political Contributions

The Company and its directors, officers, employees and substantial controllers have no interest in political parties or organizations engaged in political activities.

Direct or indirect donations by organizations or individuals should be made in accordance with the Political Contribution Act and the Company's internal operating procedures. It must not be used for commercial gain or trading advantage.

#### Article 12: Prohibition of improper charitable donations or sponsorships

Charitable donations or sponsorships by the Company and its directors, officers, employees and substantial controllers should be in accordance with the following:

The Company shall comply with relevant laws and regulations and internal operating procedures, and shall not engage in bribery in disguise.

#### Article 13: Prohibition of Unreasonable Gifts, Hospitality or Other Improper Advantages

The Company and its directors, officers, employees and substantial controllers shall not, directly or indirectly, offer or receive any unreasonable gift, hospitality or other improper advantage for the purpose of establishing a business relationship or influencing a commercial transaction behavior.

#### Article 14: Organization and Responsibility

The Company's Board of Directors shall exercise its duty of care as a good faith administrator to supervise the Company to prevent dishonest behavior and to follow up with the Company to ensure that the Company is free from dishonest behavior. The Company reviews the effectiveness of its implementation and makes continuous improvements to ensure the fulfillment of its integrity management policy. The Company is committed to the integrity of its operations. The Management Office has been designated as a specialized unit responsible for formulating and supervising the policies and preventive programs for honest business operations. It supervises its execution and report to the Board of Directors on a regular basis.

1. It assists in integrating integrity and ethical values into the company's business strategy and formulate preventive measures in accordance with laws and

- regulations to ensure ethical business practices.
2. It formulates programs to prevent dishonesty and has established standard operating procedures and behavioral guidelines for its business operations under each program.
  3. It plans the internal organization, establishment, and management of the business to deal with the higher risk of dishonest behavior in the business area.
  4. The activities are organized in order to set up a mechanism of mutual supervision and checks and balances. Promoting and coordinating integrity policy training.
  5. It plans the prosecution system to ensure its effectiveness.
  6. It assists the board of directors and management in checking and evaluating whether the precautionary measures established for the implementation of integrity management are operating effectively, and periodically evaluate the compliance situation of the relevant business processes and make reports.

#### Article 15: Compliance with Laws and Regulations for Business Execution

The directors, managers, employees and persons in control of the Company shall comply with the laws and regulations in the performance of their duties and prevention programs.

#### Article 16: Avoidance of Interests of Directors and Managers

The Company shall establish a policy to prevent conflicts of interest and provide appropriate channels for directors and managers to proactively explain the policy. Whether there is a potential conflict of interest with the Company.

The Company's directors, managers and other interested persons attending or participating in the meetings of the Board of Directors shall be entitled to vote on the motions proposed by the Board of Directors.

In the event that the Board of Directors has an interest in the Company or the corporation it represents, the Board of Directors shall state its interest at the Board of Directors' meeting at which the Board of Directors is convened.

The Company shall not discuss or vote on important matters that may be harmful to the

Company's interests, and shall refrain from discussing or voting on such matters when doing so.

They shall abstain from voting and shall not exercise their voting rights on behalf of other Directors. The Directors shall also exercise self-discipline among themselves and shall not exercise their voting rights in a manner inconsistent with their duties as Directors.

Mutual support. A director or manager of the Company shall not, by virtue of his or her office in the Company, enable himself or herself, his or her spouse, parent or child or any other person has been unjustly enriched.

#### Article 17: Accounting and Internal Controls

The Company should establish an effective accounting system and internal control over its business activities that pose a higher risk of dishonest behavior. The system should not have outside accounts or maintain secret accounts, and should be reviewed from time to time to ensure that the system is designed and implemented in a timely manner.

The Company's internal auditors shall periodically review the compliance with the foregoing system and prepare an audit report to be submitted to the Board of Directors.

#### Article 18: Operational Procedures and Behavioral Guidelines

The Company shall, in accordance with the provisions of Article 6, establish operating procedures and behavioral guidelines to specifically regulate the activities of directors, managers, and persons subject to the authority of the Company. Employers and substantial controllers should pay attention to the matters to which they should pay attention in the execution of their business, which should cover at least the following matters:

1. Criteria for determining the offer or acceptance of an improper advantage.
2. Procedures for handling legal political contributions.
3. Provide procedures and criteria for proper handling of charitable donations or sponsorships.
4. Regulations on avoidance of conflicts of interest related to official duties and procedures for reporting and handling such conflicts of interest.
5. Confidentiality of business secrets and commercially sensitive information obtained in the course of business.
6. Regulations and procedures for dealing with suppliers, customers and business counterparts involved in dishonest behavior.

7. Sequence and procedures for handling violations of the Code of Business Integrity.
8. Disciplinary actions against violators.

#### Article 19: Education, Training and Assessment

The Company shall periodically conduct educational training and awareness-raising programs for directors, managers, employees, and persons in control of the Company's affairs. The Company shall invite those who are engaged in business with the Company to participate in the process so that they can fully understand the Company's commitment to honest management, the Company's policies, prevention programs, and the consequences of a breach of bad faith. The Company should integrate its integrity management policy with its employee performance appraisal and human resources policy and establish a clear and effective policy, and the system of incentives and penalties.

#### Article 20: Reporting and Punishment

The Company shall provide a proper channel for reporting, and shall keep the identity of the complainant and the content of the report confidential. The Company shall establish a system of penalties and complaints for violations of the integrity management regulations, and immediately disclose such violations on the Company's intranet site, including the title, name, date of violation, content of the violation, and disposition of the case of the violator.

#### Article 21: Disclosure of Information

The Company should disclose its implementation of the Code of Conduct on the Company's website, annual report and public statement.

#### Article 22: Review and Amendment of the Code of Business Conduct with Integrity

The Company shall keep abreast of the development of domestic and international regulations related to integrity management and encourage directors, managers and employees to make suggestions to review and improve the Company's Code of Conduct in order to enhance the effectiveness of the Company's integrity management.

#### Article 23: Implementation

The Company's Code of Conduct on Business Integrity is implemented after it is approved by the Board of Directors and sent to the Audit Committee and presented to the shareholders' meeting, and the same applies when it is amended.

When these operating procedures and behavioral guidelines are submitted to the Board of Directors for discussion, the opinions of the independent directors shall be fully considered and their objections or reservations shall be set forth in the minutes of the Board of Directors' meetings; if the independent directors are unable to attend the Board of Directors' meetings in person to express their objections or reservations, they shall, unless they have a justifiable reason for doing so, issue a written opinion in advance and set it forth in the minutes of the Board of Directors' meetings.

This Code was established on 3/29/2017, the first amendment on 6/14/2024