

Ethical Corporate Management – Implementation Status and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons

Evaluation item	Implementation status		Summary description	Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No		
<p>1.Establishment of ethical corporate management policies and programs</p> <p>(1) Does the company have an ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?</p>	V		<p>(1)The Company has established the “Ethical Corporate Management Best Practice Principles”, “Procedures for Ethical Management and Guidelines for Conduct” and “Guidelines for the Adoption of Codes of Ethical Conduct” for standardizing the Company’s policy of honest management, and conduct publicity and promotion on a regular basis, as guidelines for all employees, manager and board of directors to follow.</p>	Conform to “Ethical Corporate Management Best Practice Principles
<p>(2) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates, within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the</p>	V		<p>(2)The Company has established an effective accounting system and internal control system, and reviews them at any time to ensure the design and implementation of the system. The Company does not operate high-risk and dishonest business activities, moreover, we prohibit the occurrence of the situations mentioned in Item 2 of Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.”</p>	Conform to “Ethical Corporate Management Best Practice Principles

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activities prescribed in Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies?				
(3) Does the company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan?	V		(3)The Company conducts education, training, and propaganda for directors, supervisors, managers, employees, and substantial controllers appropriately, and has sufficient channels for complaints, to ensure that they can fully understand the Company's determination, policies, and prevention plans for honest management and consequences of any dishonesty.	Conform to “Ethical Corporate Management Best Practice Principles
2. Ethical Management Practice (1) Does the company assess the ethics records of those it has business relationships with and include ethical conduct related clauses in the business contracts?	V		(1)Before doing business, the Company will first evaluate the integrity record of the counterparty, and it is stipulated in the code of integrity management and business contract that no unreasonable gifts, entertainment or other improper benefits should be provided or accepted directly or indirectly in order to establish business trading behavior.	Conform to “Ethical Corporate Management Best Practice Principles
(2) Has the company set up a dedicated unit to promote ethical corporate management under the board of directors, and does it regularly (at least once a year) report to the board of directors on its ethical corporate management policy and	V		(2)The human resources department of the Company handles the business in accordance with the “Ethical Corporate Management Best Practice Principles”, “Procedures for Ethical Management and Guidelines for Conduct”, and “Guidelines for the Adoption of Codes of Ethical Conduct” approved by the Board of Directors. In addition to regularly publicizing the Code of Integrity, it encourages employees to take the initiative to report to the	Conform to “Ethical Corporate Management Best Practice Principles

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program to prevent unethical conduct and monitor their implementation?			management when they suspect or discover violations of laws, regulations or ethical codes of conduct. The human resources department submits work report of integrity management to the board of directors every year. The board of directors of the Company fulfills the duty of care, supervises and prevents dishonest behavior, and reviews its implementation results and continuous improvement to ensure the implementation of the integrity management policy.	
(3) Has the company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies?	V		(3)The Company tries our best to prevent the occurrence of conflicts of interest, and uses the board of directors as a channel for directors, supervisors, managers and all employees to actively elucidate whether they have potential conflicts of interest with the Company.	Conform to “Ethical Corporate Management Best Practice Principles
(4) Does the company have effective accounting and internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits?	V		(4)The Company's internal auditors regularly check compliance and report to the board of directors on a regular basis.	Conform to “Ethical Corporate Management Best Practice Principles
(5) Does the company provide internal and external ethical	V		(5) i. The human resources department of the Company	Conform to “Ethical

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corporate management training programs on a regular basis?			<p>formulates an annual education and training plan every year by targeting new employees and employees on duty, including professional functions and on-the-job general education, and conducts education, training, or publicity on integrity management during courses or internal meetings, to ensure that the employees fully understand the meaning and importance of honest management to implement it in daily operations.</p> <p>ii. The company's board of directors approved the "Procedures for Handling Material Information" on December 25, 2012, and has subsequently revised and updated it. This measure has been posted on the company's website and all employees, managers and directors have been notified in writing to avoid insider trading.</p> <p>iii. The company pre-schedules the annual board meeting date and schedule and the closed period before the announcement date of the annual financial report and quarterly financial report (annual report is thirty days before the announcement, and quarterly report is fifteen days before the announcement) to facilitate advance planning by the directors.</p> <p>Integrity management (including insider trading) education and training</p> <table border="1"> <thead> <tr> <th>Time</th> <th>Training unit</th> <th>Course content</th> <th>Hours</th> <th>number</th> </tr> </thead> <tbody> <tr> <td>2023/01/12</td> <td>CNFI</td> <td>2022 Cross-Strait Business Secret Protection Practice Development Online Seminar</td> <td>3</td> <td>3</td> </tr> </tbody> </table>	Time	Training unit	Course content	Hours	number	2023/01/12	CNFI	2022 Cross-Strait Business Secret Protection Practice Development Online Seminar	3	3	Corporate Management Best Practice Principles
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2023/01/12	CNFI	2022 Cross-Strait Business Secret Protection Practice Development Online Seminar	3	3										

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			2023/03/08	ALLTOP IR	Insider Legal Advocacy	e-mail	10	
			2023/04/07	TMU/ Law School	New technology and business secrets, national security information security legal system	5.5	1	
			2023/05/12	ALLTOP IR	Insider Legal Advocacy	e-mail	9	
			2023/05/26	ARDF	Illegal forms, legal responsibilities and case analysis of corporate "business competition behavior"	3	1	
			2023/07/12	ALLTOP IR	Insider Legal Advocacy	e-mail	16	
			2023/10/18	IIA	Case analysis of trade secret law and non-competition	6	1	
			2023/11/02	ALLTOP HR	Strengthen corporate governance - Internal education and training promotion of integrity management, corporate social responsibility and human rights protection	0.5	10	
			2023/11/29	ALLTOP HR	Case studies on integrity management/prevention of insider trading	e-mail	83	
3. Implementation of Complaint Procedures (1)Has the company established	V		(1)The Company encourages employees to report to					Conform to "Ethical Corporate

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specific whistle-blowing and reward procedures, set up conveniently accessible whistle-blowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistle-blowers?			supervisors, managers, internal audit supervisors or other appropriate personnel when there are violations of laws and regulations. For the punishment of violating the integrity management regulations, according to the severity of the case, the Company will pursue the legal investigation, and according to the case, immediately disclose the content of the violation and handling situation on the company's internal website.	Management Best Practice Principles
(2)Has the company established standard operation procedures for investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled in a confidential manner?			(2)The Company establishes and announces internal independent reporting mailboxes and special lines on the company's website and internal website, or entrusts other external independent organizations to provide reporting mailboxes and special lines for internal and external personnel of the Company. The Company also has a dedicated agency to deal with the relevant protection measures and confidentiality behaviors of whistleblowers, and according to relevant measures as a processing procedure.	Conform to "Ethical Corporate Management Best Practice Principles
(3)Has the company adopted proper measures to protect whistle-blowers from retaliation for filing complaints?			(3)The Company will keep the whistleblower's identity and the contents of the report confidential in a written statement, and the Company promises that the whistleblower will not be punished improperly due to the whistleblowing.	Conform to "Ethical Corporate Management Best Practice Principles
4.Strengthening Information Disclosure Does the company disclose its ethical corporate management policies and the results of their	V		The Company's website has a corporate governance section to disclose information related to honest management, which is also disclosed on MOPS, Market Observation Post	Conform to "Ethical Corporate Management Best Practice

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implementation on its website and the Market Observation Post System (MOPS)?			System.	Principles

5. If the company has adopted its own ethical corporate management best practice principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviations between the principles and their implementation:

The board of directors of the Company passed the “Guidelines for the Adoption of Codes of Ethical Conduct” on December 22, 2008; the “Ethical Corporate Management Best Practice Principles” on March 21, 2011; and the “Procedures for Ethical Management and Guidelines for Conduct” on March 20, 2015. The designated unit is responsible for relevant publicity, punishment, and complaints to ensure a corporate culture of honest management and a good business operation structure. The Company regularly reviews the operation of the code, and timely amends and revises, and there have been no significant differences ever since. °

6. Other important information to facilitate a better understanding of the status of operation of the company’s ethical corporate management policies (e.g., the company’s reviewing and amending of its ethical corporate management best practice principles):

- i. The board of directors of the Company has established complete regulations for the operation of honest management, regularly reviews the operation situation and timely amends and revises.
- ii. For major asset transactions, an appraisal report issued by a professional appraiser shall be obtained in accordance with regulations. For legal matters, relevant legal advisors shall be consulted for confirmation according to the professional nature.
- iii. The accounting department reviews transaction accounts in accordance with accounting principles, and consults accountants for confirmation of major cases or doubtful cases.
- iv. Effectively implementing relevant regulations on corporate governance, establishing laws and regulations, internal control and audit systems, risk management mechanisms, strengthening the function of the board of directors, playing the role of supervisor, respecting the rights and interests of stakeholders, and improving the transparency of information.
- v. Matters related to major operating policies, investment and financing projects, acquisition and disposal of assets, endorsement guarantees, capital lending, derivative commodity transactions, etc., are all in accordance with the laws or the authority list approved by the board of directors. After being evaluated and signed by the relevant responsible supervisors, if necessary, the board of directors will make the resolution and handle relevant information announcement declaration matters.

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vi. The audit office conducts regular and irregular audits on various departments, makes forward improvement suggestions and tracks the improvement situation. vii. Encouraging directors, supervisors, managers and all employees to make suggestions as a reference for reviewing and improving the effectiveness of the Company's integrity management policy, to enhance the effectiveness of the Company's integrity management. viii. Paying great attention to honest transactions and information transparency, and communicates honest management policies with the Company's suppliers to prevent dishonest transactions.				

(7) If the Company has formulated corporate governance and related regulations, the inquiry methods shall be disclosed.

Please refer to the Investor Area/Corporate Governance of the company website for investors' inquiries, the website:

http://www.alltopconnector.com/zh-tw/Page/corporate_governance

(8) Other important information sufficient to enhance the understanding of the operation of corporate governance shall be disclosed as well.

i. The Company's board of directors currently has a total of 10 directors, including 3 independent directors, 7 general directors, 3 of the general directors are held by the management team, and the board of directors also has an audit committee with 3 independent directors as members, and the remuneration committee is composed of 2 independent directors and 1 external professional.

ii. The Company has been certified by the CG6004, CG6005, and CG6007 corporate governance evaluation of Taiwan Corporate Governance Association. On April 2, 2015, the Company was awarded A+ certification by the 12th listed company Information Disclosure and Transparency Ranking System conducted by TWSE and Taipei Exchange. The Company attaches great importance to corporate governance and demonstrates a responsible attitude towards investors. The results of previous corporate governance evaluations are as follows.

Session	Year	Evaluation results grade
1 st	2014	~5%
2 nd	2015	6% ~ 20%
3 rd	2016	21% ~ 35%
4 th	2017	21% ~ 35%
5 th	2018	36% ~ 50%
6 th	2019	6% ~ 20%
7 th	2020	6% ~ 20%
8 th	2021	6% ~ 20%
9 th	2022	6% ~ 20%
10 th	2023	6% ~ 20%

- iii. To establish a good internal material information processing and disclosure mechanism for the Company and avoid improper information leakage, the Company has established "internal material information processing procedures", as the principle for the Company's directors, managers, and employees to follow.
- iv. The Company's website has set up a corporate governance area, which contains corporate governance regulations for internal and external reference, and timely discloses important information to the public.