



Taiwan Hon Chuan Enterprise Co., Ltd

Guidelines for the Adoption of Codes of Ethical Conduct for Directors (Including Independent Directors) and Managers

General Provisions

1. Purpose of and basis for adoption

These Guidelines are established with reference to the “Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies” to ensure that directors (including independent directors) and managers (including president, vice presidents, assistant vice presidents, chief financial officer, chief accounting officer, and other persons involved in company management and authorized to sign documents on behalf of the Company) adhere to ethical behavior when performing business activities based on their authority. The aim is to prevent unethical conduct and actions that may harm the interests of the Company and its shareholders.

Ethical Standards

1. Directors (including independent directors) and managers shall handle company affairs with integrity, trustworthiness, lawfulness, fairness, impartiality, and ethical self-discipline.

2. Prevention of conflicts of interest:

Directors (including independent directors) and managers shall avoid conflicts of interest where personal interests interfere or may interfere with the overall interests of the Company. This includes, but is not limited to, circumstances where the individual is unable to handle company affairs objectively and efficiently, or gains improper benefits for themselves, their spouse, or relatives within the second degree of kinship due to their position.

To prevent conflicts of interest, any loans, guarantees, or major asset transactions between the Company and the aforementioned persons or their affiliated enterprises must be reviewed and approved by the Board of Directors in advance. Related procurement and sales shall be handled in the best interest of the Company.

3. Minimizing incentives to pursue personal gain:



Directors (including independent directors) and managers from engaging in any of the following activities:

- (1) Seeking an opportunity to pursue personal gain by using company property or information or taking advantage of their positions.
- (2) Obtaining personal gain by using company property or information or taking advantage of their positions.
- (3) Competing with the company.

4. Confidentiality:

Directors (including independent directors) and managers shall be bound by the obligation to maintain the confidentiality of any information regarding the company itself or its suppliers and customers, except when authorized or required by law to disclose such information. Confidential information includes any undisclosed information that, if exploited by a competitor or disclosed, could result in damage to the company or the suppliers and customers.

5. Fair trade:

Directors (including independent directors) and managers shall treat all suppliers and customers, competitors, and employees fairly, and may not obtain improper benefits through manipulation, nondisclosure, or misuse of the information learned by virtue of their positions, or through misrepresentation of important matters, or through other unfair trading practices.

6. Safeguarding and proper use of company assets:

All directors (including independent directors) and managers are responsible for safeguarding company assets and to ensure that they can be effectively and lawfully used for official business purposes; any theft, negligence in care, or waste of the assets will all directly impact the company's profitability.

7. Legal compliance:

Directors (including independent directors) and managers must comply with all applicable laws and internal company policies.

8. Encouraging reporting on illegal or unethical activities:

Employees who become aware of any violations of laws or these Guidelines by directors (including independent directors) or managers shall report such violations



with sufficient information to the Board of Directors, immediate supervisors, internal auditors, or other appropriate personnel. Verified reports may result in rewards according to the Company's personnel management regulations. All reports will be handled confidentially and the Company will make every effort to protect the whistleblower from any form of retaliation.

9. Disciplinary measures:

Any director (including independent directors) or manager found to be in violation of these Guidelines shall be reported to the Board of Directors. The individual shall bear full civil, criminal, or administrative liability in accordance with the law. The Company shall disclose on MOPS the date, cause, provision violated, and any action taken.

Procedures for exemption

In exceptional circumstances where it is proposed to waive compliance with these Guidelines by any director (including independent directors) or manager, such waiver shall require a resolution passed by at least two-thirds of the directors present at a Board meeting attended by two-thirds or more of all directors. The exemption resolution, including the date of approval, any objections or reservations by independent directors, the exemption period, reasons for, and applicable provisions, shall be disclosed on MOPS for shareholders to evaluate its appropriateness. This is to prevent arbitrary or questionable waivers and ensure proper control mechanisms are in place to protect Company interests.

Method of disclosure

The Company shall disclose the code of ethical conduct it has adopted, and any amendments to it, on its company website, in its annual reports and prospectuses and on the MOPS.

Enforcement

1. The Company's code of ethical conduct, and any amendments to it, shall enter into force after it has been adopted by the board of directors, submitted to a shareholders meeting.
2. These Articles of Incorporation were adopted on 18 December 2014.
The First Amendment was made on 8 August 2025.