

Global Unichip Corp.
Procedures for Ethical Corporate Management and Guidelines of Conduct

Article 1

Purpose and Scope

The Company conducts business activities based on the principles of fairness, honesty, faithfulness, and transparency, and in order to fully implement a policy of ethical management and actively prevent unethical conduct, these Procedures for Ethical Management and Guidelines for Conduct (hereinafter, "Procedures and Guidelines") are adopted pursuant to the provisions of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies and the applicable laws and regulations of the places where this Corporation and its business groups and organizations operate, with a view to providing all personnel of this Corporation with clear directions for the performance of their duties.

The personnel of this Corporation shall fully understand and abide by the following principles:

Execute the business based on the spirit of honesty, conscientiousness and professionalism.

Dedicate to the work and shall not be involved in any illegal act or act without good faith.

Shall avoid any conflict of interests of individuals or the Company.

Shall not conduct any act that will disgrace the Company.

Abide by regulations based on self-discipline and self-judgment without violating conventions.

The scope of application of these Procedures and Guidelines includes the subsidiaries of this Corporation.

Article 2

Applicable subjects

For the purposes of these Procedures and Guidelines, the term "personnel of this Corporation" refers to any director, supervisor, managerial officer, employee, mandatory or person having substantial control, of this Corporation or its group enterprises and organizations.

Any provision, promise, request, or acceptance of improper benefits such as money, gifts, presents, commissions, jobs, services, privileges, kickbacks, hospitality, facilitation payments, entertainment, and other benefits in any form or title by any personnel of this Corporation through a third party will be presumed to be an act by the personnel of this Corporation.

Article 3

Unethical conduct

For the purposes of these Procedures and Guidelines, "unethical conduct" means that any personnel of this Corporation, 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 conduct 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.

Article 4

Types of benefits

For the purposes of these Procedures and Guidelines, the term "benefits" 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.

Article 5

Responsible Unit

This Corporation shall designate the Human Resources Division as the solely responsible unit (hereinafter, "responsible unit") under the board of directors and in charge of the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines, the recording and filing of reports, and the monitoring of implementation. The responsible unit shall be in charge of the following matters and also submit reports once a year to the board of directors:

Assisting in incorporating ethics and moral values into this Corporation'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.

Regularly evaluating the risk of unethical conduct and 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.

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.

Promoting and coordinating awareness and educational activities with respect to ethics policy.

Developing a whistle-blowing system and ensuring its effectiveness of operating.

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.

Preparing and properly retaining relevant documentation information such as the Procedures and Guidelines and its Statements of Compliance, the fulfillment of commitment and implementation status.

Article 6

Prohibition against providing or accepting improper benefits

For the suppliers, contractors, clients, and other business-related parties (including government agencies), the personnel shall not directly or indirectly provide, accept, undertake, or require money,

gifts, services, privileges, hospitality, entertainment, and other benefits that will affect the regular business relations and judgment based on the best practice of integrity and code of conduct. Bribes in any form shall be absolutely prohibited.

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 this Corporation shall comply with the provisions of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies and these Procedures and Guidelines, and the relevant procedures shall have been carried out:

Acts that comply with the local decrees.

The following situations that do not violate related decrees:

The conduct is 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.

The conduct has its basis in ordinary social activities that are attended or others are invited to hold in line with accepted social custom, commercial purposes, or developing relationships.

The conduct is undertaken to provide or accept money, property, or other interests for or from others outside relatives or friends based on regular social courtesy, practice, or customs.

The conduct is undertaken to receive property due to engagement, marriage, birth, move celebration, inauguration, promotion, retirement, resignation, leave and injuries or deaths of the personnel, spouse or lineal family members based on regular social courtesy, practice, or customs.

Invitations to guests or attendance at commercial activities or factory visits in relation to business needs, when the method of fee payment, number of participants, class of accommodations, and the time period for the event or visit have been specified in advance.

Attendance at folk festivals that are open to and invite the attendance of the general public.

Rewards, emergency assistance, condolence payments, or

honorariums from the management.

Money, property, or other benefits with a market value of NT\$3000 or less offered to or accepted from a person other than relatives or friends; or gifts of property printed a company logo with a total market value of NT\$6000 or less.

Other conduct that complies with the rules of this Corporation.

Article 7

Procedures for handling the acceptance of improper benefits

Except under any of the circumstances set forth in the preceding article, when any personnel of this Corporation 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:

If there is no relationship of interest between the party providing or offering the benefit and the official duties of this Corporation's 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.

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, then within 7 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 Corporation's personnel," as referred to in the preceding paragraph, refers to one of the following circumstances:

When the two parties have commercial dealings, a relationship of direction and supervision, or subsidies (or rewards) for expenses.

When a contracting, trading, or other contractual relationship is being sought, is in progress, or has been established.

Other circumstances in which a decision regarding this Corporation's business, or the execution or non-execution of business, will result in a beneficial or adverse impact.

The responsible unit of this Corporation 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 and approved.

Article 8

Prohibition of any handling procedure for facilitating payments

This Corporation shall neither provide nor promise any facilitating payment.

If any personnel of this Corporation provides or promises a 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 immediately inform Legal Department, which is responsible to report to the relevant juridical agency.

Article 9

Procedures for handling political contributions

This Corporation does not provide political contributions.

Article 10

Procedures for handling charitable donations or sponsorships

Charitable donations or sponsorships by this Corporation 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. Upon the internal approval, the charitable donations or sponsorship shall be provided.

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.

A written record of the decision making process shall be kept.

A charitable donation shall be given to a valid charitable institution and may not be a disguised form of bribery.

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.

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 **Recusal from Conflicts of Interest**

A Company director, supervisor, officer or other stakeholder Should uphold a high level of self-discipline. While 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 this Corporation 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.

If in the course of conducting company business, any personnel of this Corporation 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 sign the “Report on Conflict of Interests” (11-00-90-001) and 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 this Corporation may use company resources on commercial activities other than those of this Corporation, nor may any personnel's job performance be affected by his or her involvement in the commercial activities other than those of this

Corporation.

- Article 12 **Prohibition of Violating Intellectual Property**
The personnel of this Corporation shall abide by the relevant laws and regulations of intellectual property, the company's internal operating procedures and contract provisions. Without the consent of the intellectual property owner, the personnel shall not use, leak, dispose of, damage or otherwise violate intellectual property rights.
- Article 13 **Protect Confidential Information**
Each unit of this Corporation shall manage, archive, and hold the proprietary information confidential based on the types of business operations and related regulations. This Corporation shall set up the PIP Commission to review the control procedures and policy of confidential information protection and the results of its implementation on a regular basis.
- Article 14 **Prohibition against disclosure of confidential information**
All personnel of this Corporation shall faithfully follow the operational directions pertaining to confidential information as mentioned in the preceding paragraph and may not disclose to any other party any confidential information of this Corporation of which they have learned, nor may they inquire about or collect any confidential information of this Corporation unrelated to their individual duties.
- Article 15 **Prohibition against unfair competition**
This Corporation 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 16 **Prevention any hazard products or services from Stakeholders**
This Corporation 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 cause personnel of this Corporation to 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. Where there are sufficient facts to determine, that this Corporation's products or services are likely to pose any hazard to the safety and health of customers or other stakeholders, this Corporation shall recall those products or suspend the services, verify the facts and present a review and improvement plan.

Article 17 **Prohibition against insider trading & compliance of
Non-disclosure Agreement**

The Personnel shall adhere to the regulation of Securities and Exchange Act and are also prohibited from divulging undisclosed information to any other party, in order to prevent others from using such undisclosed information to engage in insider trading. Any organization or person outside of this Corporation 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 this Corporation 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 Corporation acquired as a result, and that they may not use such information without the prior consent of this Corporation.

Article 18 **Compliance and Public Declaration of Ethical Corporate
Management Policy**

This Corporation shall require directors and executives to sign the Statement of Compliance with the Procedures and Guidelines and require personnel to comply with the Procedures and Guidelines in terms of employment.

This Corporation shall 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 such as product launches and investor press conferences, in order 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 19

Ethical management assessment prior to development of commercial relationships

Before establishing a commercial relationship with another party, such as an agent, supplier, customer, or other counterparty in commercial dealings, this Corporation shall assess the legality and ethical management policy of the party and ascertain whether the party has a record of involvement in 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:

The enterprise's nationality, location of business operations, organizational structure, and management policy, and place where it will make payment.

Whether the enterprise has adopted an ethical management policy, and the status of its implementation.

Whether enterprise's business operations are located in a country with a high risk of corruption.

Whether the business operated by the enterprise is in an industry with a high risk of bribery.

The long-term business condition and degree of goodwill of the enterprise.

Consultation with the enterprise's business partners on their opinion of the enterprise.

Whether the enterprise has a record of involvement in unethical conduct such as bribery or illegal political contributions.

Article 20

Statement of ethical management policy to counterparties in commercial dealings

Any personnel of this Corporation, when engaging in commercial activities, shall make a statement to the trading counterparty about this Corporation'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. This Corporation's suppliers shall respect and abide by the Company's ethical standard and culture by signing "GUC Third Party Supplier Letter of Commitment to Code of Conduct (Commercial Activity)" (11-00-90-002) as a guarantee.

Article 21

Avoidance of commercial dealings with unethical parties

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

Article 22

Stipulation of terms of ethical management in contracts

Before entering into a contract with another party, this Corporation 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 this Corporation part of the terms and conditions of the contract, stipulating at the least the following matters:

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 damage from the other party based on the contract, and may also deduct the full amount of the damages from the contract price payables.

Where a party is discovered to be engaged in unethical conduct in its commercial activities, the other party shall terminate or rescind the contract unconditionally at any time.

Specific and reasonable payment terms, including the place and method of payment and the requirement for compliance with related tax laws and regulations.

Article 23 **Handling of unethical conduct by personnel of this Corporation**

If a person being informed of is confirmed to have indeed violated the applicable laws and regulations or this Corporation's policy and regulations of ethical management, this Corporation shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, this Corporation will institute legal proceedings and seek damages to safeguard its reputation and its rights and interests.

If the personnel discovers unethical conduct, the whistleblower is responsible to report to the immediate supervisor and may report to the Responsible Unit directly or through employees' communication channel, if necessary. This Corporation also undertakes to protect the whistleblowers from improper treatment due to their whistle-blowing.

With respect to a confirmed information, this Corporation shall charge relevant units with the task of reviewing the internal control system and relevant procedures and proposing corrective measures to prevent recurrence.

The Responsible Unit of this Corporation shall submit to the board of directors a report on the whistleblowing case, actions taken, and subsequent reviews and corrective measures.

Article 24 **Actions upon event of unethical conduct by others towards this Corporation**

If any personnel of this Corporation discovers that another party has engaged in unethical conduct towards this Corporation, and such unethical conduct involves alleged illegality, the Responsible Unit of this Corporation shall report the relevant facts to the judicial and prosecutorial authorities; where a public service agency or public official is involved, this Corporation shall additionally notify the governmental anti-corruption agency. Establishment of a system for rewards, penalties, and complaints, and related disciplinary measures

Article 25

Establishment of a system for rewards, penalties, and complaints, and related disciplinary measures

This Corporation shall establish a system for complaints and execute in accordance, and the system at least will include the following:

This Corporation 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.

This Corporation shall appoint ombudsman to handle complaints and establish Standard Operation Procedures. An information shall be reported to the department head if involving the rank and file and to an independent director or supervisor if involving a director or a senior executive. Generally the whistleblowers should reveal identity, yet anonymous case will be exception.

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.

Company personnel handling whistle-blowing matters shall 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.

This Corporation rewards justified whistleblowing. Whistleblowers having made a false report or malicious accusation shall be subject to disciplinary action.

This Corporation shall deploy training courses at least once a year and link ethical management to employee performance evaluations and human resources policy, and establish clear and effective systems for rewards, penalties, and complaints.

If any personnel of this Corporation seriously violates ethical conduct, this Corporation shall report to the independent directors in written format and dismiss the personnel from his or her position or terminate his or her employment in accordance with applicable laws and regulations or the personnel policy and procedures of this

Corporation.

Article 26 **Implementation and Amendment**

These Procedures and Guidelines, and any amendments hereto, shall be implemented after adoption by resolution of the board of directors and be reported at Shareholders' Meetings.