

Procedures for Ethical Management and Guidelines for Conduct

The Far Eastone Telecommunications Co., Ltd.

Established on July 2, 2020 and implemented upon the President's approval

Article 1 (Purpose)

The Company engages in commercial activities following the principles of fairness, honesty, faithfulness, and in order to fully implement a policy of ethical management and actively prevent unethical conduct, the Company establishes these Procedures for Ethical Management and Guidelines for Conduct (hereinafter, the "Procedures and Guidelines") in accordance with the Company's "Ethical Corporate Management Best Practice Principles" and applicable laws and regulations of places where the Company operates, with a view to providing all personnel of this Corporation with clear directions for the performance of their duties.

Article 2 (Applicable subjects and scope)

For the purposes of the Procedures and Guidelines, the term "the Company personnel" refers to directors, supervisors, managerial officers, employees, mandataries, or persons having the authority to represent the Company in handling corporate affairs.

The Procedures and Guidelines are applicable to the Company's subsidiaries and group enterprises and organizations, such as institutions or corporations, where the Company has actual control.

Unethical conducts engaged by the Company's employees, either directly or indirectly through a third party, are deemed as engaged by the Company's employees.

Article 3 (Unethical conduct)

For the purposes of the Procedures and Guidelines, the term "unethical conduct" refers to the Company personnel—in order to secure or maintain benefits for themselves or a third party—offer, provide, promise, request, accept, obtain, or enjoy such benefits, either directly or indirectly, engage in conducts which are unethical or illegal, or breach fiduciary duty during the course of performing their duties.

Article 4 (Types of benefits)

For the purposes of the Procedures and Guidelines, the term "benefits" refers to money, gratuity, gifts, commissions, positions, service, special discounts, kickbacks, facilitating payments, entertainment, dining, or any other item of value in any form or name.

Article 5 (Dedicated units and responsibilities)

In order to strengthen the monitoring of ethical management, the Company designates Human Resources department to coordinate all units in promoting the following ethical management measures and report regularly to the board of directors.

- I. Assisting in the incorporation of ethics and moral values into the Company's operation strategy and adopting ensuring ethical management measures in compliance with laws and regulations.
- II. Adopting programs and procedures to prevent unethical conduct.
- III. Setting up supervising mechanisms against business activities with higher unethical conduct risks.
- IV. Promoting and coordinating awareness and educational activities with respect to ethics policy.
- V. Developing a whistle-blowing system to ensure its effective operating.
- VI. Assisting the board of directors and management to audit and assess whether the preventive measures taken for the purpose of implementing ethical management are operating effectively.

Article 6 (Prohibition against the provision or acceptance of illegitimate benefits)

Except for the following circumstances, when the Company personnel offer, accept, promise or request benefits stipulated in Article 4, either directly or indirectly, they shall comply with the "Ethical Corporate Management Best Practice Principles" and the Procedures and Guidelines, and proceed in accordance with relevant procedures:

- I. The conduct is undertaken in accordance with local courtesy, convention, or custom during domestic (or foreign) visits, reception of foreign guests, promotion of business, and communication and coordination for business needs.
- II. Participation in or invitation to ordinary social activities for general social custom, commercial purposes, or developing relationships.
- III. Invitations to customers or attendance at commercial activities or visits for business needs, where the expenses, number of participants, accommodation grade, and duration have been specified in advance.
- IV. Attendance at folk festivals that are open to and invite the participation of the general public.
- V. Rewards, emergency assistance, condolence payments, or honorariums from the management.
- VI. Acceptance of gifts or preferential treatment from any supplier, distributor, or customer as required by local customs and out of courtesy with a value less than NT\$3,600.
- VII. Social customs or other conducts that comply with the Company rules.

Article 7 (Filing)

The Company employees shall actively avoid actual or potential conflicts of interest. If the conflict of interest is unavoidable, employees shall file or report the conflict of interest to the Company. The reporting path is: eHR → e-form → Option 17 (the Company employee reporting form):

- I. The Company's employees or their relatives lease their assets to the Company.
- II. The Company's employees or their relatives work for any of the Company's suppliers and are directly or indirectly involved with finance or business interests (e.g. being the main business contact; a signatory; or a director, supervisor or partner of that company which is a supplier of the Company).
- III. Relatives of the Company's employees have an employment relationship with a competing telecommunications company.
- IV. the Company's employees serve as persons in charge, directors or supervisors of other companies.
- V. The Company's employees engage in external activities which are in direct competition with the Company or any work or responsibility that may hinder their performance at the Company.
- VI. The Company's employees shall obtain permission to use the Company assets (such as information, goods, and properties) for their activities outside of the Company.
- VII. The Company's employees engage in other activities that may conflict with the Company's interests.

The term "relatives" referred to in this Article is defined as:

- I. The spouses or relatives of first-degree kinship (i.e., parents or children) of the Company's employees.
- II. First degree in-laws (i.e., father-in-law, mother-in-law, daughter-in-law, and son-in-law) of the Company's employees.
- III. Brothers and sisters of the Company's employees.

Article 8 (Reporting)

The Company's employees shall take the initiative to report to their immediate supervisors pursuant to this Article and retain the reporting data for future reference when they become aware of circumstances described in the following paragraphs of this Article:

- I. The Company's employees engage in any non-gratuitous activities outside of working hours.
- II. The Company's employees engage in or participate in activities outside of the Company during working hours.

- III. The Company's employees or their families engage in or participate in actions related to the Company's business.
- IV. When carrying out the Company's business, the Company's employees become aware of conflicts of interest with themselves or the legal person they represent, or situations where the employees and their spouses, parents, children, or stakeholders may obtain illegitimate benefits.

Article 9 (Procedures for political contributions)

The Company's political donations shall comply with the Political Donations Act and be handled in accordance with the Company's level of authority.

Article 10 (Procedures for charitable donations or sponsorships)

The Company's charitable donations or sponsorships shall comply with relevant laws and regulations and be handled in accordance with the Company's level of authority.

Article 11 (Recusal)

When the Company director, supervisor, officer or other stakeholder 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.

Where the spouse, a relative within a second-degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in meeting proposals prescribed in the preceding paragraph, the director shall be deemed to have a personal interest in the proposal.

No Company personnel may use company resources on commercial activities other than those of the Company, nor may any personnel's work performance be affected by their involvement in commercial activities other than those of the Company.

Article 12 (Confidentiality and compliance with intellectual property regulations)

All personnel of the Company shall faithfully follow the operational directions pertaining to intellectual properties 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 (Prohibition against unfair competitive practices)

The Company shall engage in business activities in accordance with the Fair Trade Act and applicable competition laws and regulations. It may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, operation regions, or lines of commerce.

Article 14 (Prevention of damage from products or services to stakeholders)

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 cause personnel of the Company 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.

Article 15 (Prohibition against insider trading and non-disclosure agreement)

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

Other agencies or personnel that participate in the Company's mergers, divisions, acquisitions, share transfers, important memoranda, strategic alliances, and other business cooperation plans or important contracts shall sign a non-disclosure agreement with the Company, promising not to disclose the Company's trade secrets or other important information that they are aware of to others nor to use such information without the Company's approval.

Article 16 (Compliance and announcement)

The Company shall disclose its ethical management policy in internal regulations, annual reports, corporate websites, or other documents, so that the suppliers, customers or other business-related organizations and personnel can clearly understand the Company's business philosophy and norms of ethics.

Article 17 (Clarifying ethical management policy to business partners)

Any personnel of the Company, when engaging in commercial activities, shall make a statement to the trading counterparty about the 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 18 (Avoidance of business with unethical operators)

All personnel of the Company shall avoid business transactions with an agent, supplier, customer, or other counterparties 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 the Company's ethical management policy.

Article 19 (Handling of the Company personnel's unethical conduct)

In order to strengthen the monitoring of ethical management and promote corporate ethical management, the Company establishes the "Ethical Management Violation Reporting Policy" for internal and external personnel to comply with. The Policy stipulates procedures of reporting, acceptance, handling, and punishment and rewards for violation of ethical management to ensure the effectiveness of ethical management in implementation.

Article 20 (Promotion)

The Company's dedicated unit responsible for the board of directors and the remuneration committee undertakes educational promotion of Ethical Corporate Management Best Practice Principles for members of the board of directors and the remuneration committee at least once a year.

The Company's human resources department undertakes educational promotion of Ethical Corporate Management Best Practice Principles for the Company personnel at least once a year and shall incorporate ethical management into the employee performance assessment. The Company's dedicated unit responsible for the suppliers undertakes educational promotion of Ethical Corporate Management Best Practice Principles for suppliers at least once a year.

Article 21 (Implementation)

The Procedures for Ethical Management and Guidelines for Conduct was formulated by the Human Resources department and implemented upon the President's approval. The same rules apply to any amendments hereto.