

Management Procedure for Antitrust Compliance

December 6, 2022 first edition

1. Objective

This Management Procedure for Antitrust Compliance (the “Procedure”), made based on the Code of Ethics of TSRC Corporation (TSRC), is established to prevent the Personnel (defined below) from violating the antitrust laws (also called the competition laws, anti-monopoly laws or the fair-trade laws) when they conduct commercial activities and thus being investigated or punished.

2. Scope

2.1 Every personnel (individually or collectively, the “Personnel”) of TSRC and its subsidiaries (each, a “Company”) shall comply with this Procedure and the applicable local antitrust laws during their conduct of commercial activities. If the applicable local antitrust laws are stricter than this Procedure, then such local laws shall take precedence.

2.2 Any violation or potential violation of antitrust laws by the Personnel of TSRC and its subsidiaries shall be subject to this Procedure.

3. References

3.1 Code of Ethics

3.2 Code of Business Conduct

4. Definitions

The purpose of antitrust laws is to prevent any behaviors that restrict fair competition in the market. Common forms of antitrust violations in a company are generally as follows:

4.1 Concerted Actions:

4.1.1 Refer to competing enterprises at the same production and/or marketing stage, by way of any contract, agreement or other mutual understanding, jointly determining the price, quantity, technology, products, facilities, trading counterparts, or trading territories of goods or services, or conducting other behavior that restricts each

other's business activities and affects market functions with respect to production, trade, supply, and demand of goods or services.

4.1.2 The foregoing "Concerted Action" does not have to be in writing or by express words. Any mutual understanding among the parties, whether legally binding, either in any formal or informal, verbal or written, or express or implied consent, in conversation or behavior, that might in fact lead to any concerted action also constitutes "Concerted Action".

4.1.3 Common Forms of Concerted Actions

(1) Price Fixing:

Discussion or agreement among the competitors on the marketing price or other relevant pricing information, such as price adjustment time and method.

(2) Limitation on Production Capacity or Volume:

Discussion or agreement among the competitors on capacity utilization, allocation of production capacity or production volume, including a decision on shutdown or reduction of production.

(3) Customer Allocation:

Discussion or agreement among the competitors on allocation of sales territories or customers.

(4) Market Allocation:

Discussion or agreement among the competitors on market segmentation.

(5) Joint Purchasing:

Enterprises with a common need for goods or services jointly purchase from certain suppliers to bring down costs. Given that the competition authorities in respective jurisdictions may have different regulatory measures over joint purchasing, and that joint purchasing is not "per se illegal" (inherently illegal), the legality of joint purchasing shall be determined on a case-by-case basis. However, it may be perceived as "illegal" when such joint

purchasing has the effect of restricting competition. For example, it is illegal when enterprises collaborate to boycott certain suppliers or exclude other competitors from their joint purchasing.

4.2 Abuse of Monopoly or Dominant Market Positions

4.2.1 It is not illegal for any enterprise to enjoy a monopoly or dominant position in a certain market, but it is illegal to abuse such market position for the purpose of excluding other competitors.

4.2.2 The market share and dependence of counterparties on the business shall be factored in determining the foregoing “market position”. Given the local antitrust laws may have different evaluations for market positions, if there is any question, please consult the Legal Department in accordance with Article 5.6 of the Procedure.

4.2.3 Common Forms of Abuse of Market Positions

- (1) **Predatory Pricing:** setting low prices that cannot cover the costs and therefore force other competitors to exit the market.
- (2) **Tie-in Sale:** seller tying two or more products or services and requiring that consumers must buy them altogether.
- (3) **Refusal to Deal:** for the purpose of restricting competition, refusing to deal with a certain competitor, customer or supplier in any profitable transactions.
- (4) **Exclusive Rights:** requiring suppliers to offer unreasonable exclusive rights to force other competitors out of the market.

4.3 Resale Price Maintenance

4.3.1 Antitrust laws permit price recommendation on the condition that downstream distributors shall have the freedom to decide their own product prices. It is illegal to impose price constraint on the resale products of downstream distributors, including direct means of jointly agreeing a minimum resale price, fixing a minimum resale price or a floor price at or above which clients can sell, or indirect means of controlling distribution margins or the maximum rebate or discount that the distributors can offer, or controlling the conditions precedent for using any rebate or discount.

5. Procedures

5.1 Dos and Don'ts

To reduce the risk of antitrust violations by the Personnel, the Legal Department shall consider the common forms of antitrust violations and prepare a “Dos and Don'ts” list attached to this Procedure for compliance by the relevant Personnel.

5.2 Audit and Control

To reduce the risk of antitrust violations by the relevant Personnel, TSRC will regularly assess violation risks, and conduct audit and control on high-risk Personnel (such as executives, marketing personnel, procurement personnel, personnel who participate regularly in industry activities or meetings of industry associations, personnel who constantly deal with competitors, personnel involving price determination, and personnel of the Company who perform the same duties as they used to do for their former competitor employers).

5.3 Notification and Whistleblowing

5.3.1 Procedure for Handling Antitrust Violations

If any Personnel discovers any violation or potential violation of this Procedure or any relevant antitrust laws, he or she shall submit relevant evidence and notify the line manager and the Head of the Legal Department. Such notification may be made via written mail or the Whistleblowing on TSRC website. If necessary, cooperation with the Company's internal preliminary investigation process is mandatory, including verification of involved personnel, inspection of relevant documents and interview with involved personnel.

5.3.2 Leniency Reporting Measures

If any foregoing violation or potential violation is found to be true, and a leniency program is provided under the relevant laws, TSRC will follow the applicable requirements and procedures to report such situation to the competent authority.

5.3.3 Violation Announcement

Apart from items that are required to be announced by the law, TSRC may publish how this Procedure, or the relevant antitrust laws have

been complied or violated by the Company.

5.3.4 Non-Retaliation

In any report related to the violation of this Procedure or antitrust laws, the identity of the whistleblower and the information provided shall be kept confidential. The identity of the whistleblower shall not be disclosed for no legitimate reason and the Company shall strictly prohibit anyone from making any threat or retaliation against the whistleblower. This provision does not apply if the whistleblower is subject to any legal responsibility or disciplinary action under clause 5.4 below.

5.4 Recognition and Discipline

Apart from relevant responsibilities that shall be sought under the law, the Company will handle cases of any violation against the Procedure or local antitrust laws in accordance with the recognition and discipline procedure of the Company.

5.5 Education and Training

5.5.1 To implement the Procedure, the Legal Department will provide the Personnel with regular fair trade education and training, and will, from time to time depending on actual needs, hold seminars on fair trade or share case experience with high-risk Personnel of the Company. The relevant educational and training materials will be available to all Personnel on the Company's intranet and will be shared in the new employee orientation package.

5.5.2 Antitrust laws may vary in different jurisdictions, so each subsidiary may outsource local counsel or expert to hold educational and training sessions if needed.

5.6 Assistance and Advice

Antitrust laws may vary in different jurisdictions. This Procedure only lists out the basic principle of antitrust laws to assist relevant Personnel in identifying behavior that may violate antitrust laws. If any Personnel has any question or doubt regarding the content or applicability of the Procedure, or whether his or her commercial activity has violated or may violate antitrust laws, he or she shall seek help or advice from the Legal Department promptly.

5.7 Miscellaneous

This Procedure, as amended from time to time, shall be implemented upon being approved by the CEO. The attached “Dos and Don’ts” may be amended with approval of the Head of the Legal Department.

5.8 Matters not contained in this Procedure shall be governed by the applicable laws and the regulations of TSRC.

6. Appendices

6.1 “Dos and Don’ts” regarding Common Forms of Antitrust Violations.

Attachment 6.1: “Dos and Don’ts” regarding Common Forms of Antitrust Violations

1. Concerted Actions

Dos	Don’ts
<p>Before attending any industry activity or meeting of industry associations, shall ask the organizer to provide written agenda specifying the purpose of the activity or meeting to confirm there would be no violation of antitrust laws.</p>	<p>Unless with legitimate reason and irrelevant to competition, do not have any contact or make any agreement with the competitors.</p>
<p>When the competitors intend to discuss any sensitive information related to market competition such as (previous, current and future) price or information that may affect pricing, production volume, stock volume, trading parties, transaction terms, business strategies, and market share allocation, you shall (1) reject any such discussion, (2) leave immediately, (3) confirm the aforementioned rejection and absence are recorded in writing, and (4) reporting the foregoing immediately to the line manager and the Head of the Legal Department.</p>	<p>Do not discuss with the competitors any sensitive information related to market competition (such as price, quantity, capacity utilization, and trading parties) via email, phone call, text, meeting, or other social occasions with industry associations.</p>
<p>Stay on high alert to the correspondences, emails, calls, and texts in the industry, and keep written records of the meetings and calls with the competitors, or the</p>	<p>Do not discuss any business affair or matter with any friend working for the competitors, and do not use personal email or phone to conduct business contact.</p>

<p>time, place and content of such meetings and calls.</p>	
<p>Clearly communicate that you cannot discuss any sensitive topic related to price, market, and pricing strategy.</p>	<p>Do not use any improper or reckless remark that may be misunderstood as against antitrust laws when handling company documents or public statements.</p>
<p>Collect competitors' price information only from public platforms or past data compiled by industry associations, and retain such information properly to verify sources.</p>	<p>Do not create any chance, either by announcement or press release, or by holding meetings on behalf of industry associations where the competitors can discuss sensitive information related to market competition and negotiate price or production capacity.</p>
<p>Consider the company's own strategy, cost, market condition, customer needs and competitive price to make independent judgments and business decisions for pricing, marketing conditions, and territories of customers and distribution.</p>	<p>Do not mention any current or future pricing information of the company when responding to questions of industry analysts, market surveyors and media.</p>
<p>Before participating in any joint purchasing, shall review whether it would pose any concern of illegality under local procedures, laws, and legality standards.</p>	<p>Do not exclude other competitors from participating in joint purchasing, and do not group boycott any specific supplier.</p>
<p>The joint purchasing price shall correspond to the international market and maintain a reasonable profit for the suppliers.</p>	<p>The joint purchasing volume shall be freely taken by the participating parties, and shall not be used or distributed by only a certain group of companies.</p>

2. Abuse of Monopoly or Dominant Market Positions

Dos	Don'ts
<p>May reference alternative products of the geographically neighboring areas to decide prices.</p>	<p>Do not fix excessive prices because of the dominant (or monopoly) position in the market. Do not fix prices lower than the cost to restrict competition with the competitors (i.e., predatory pricing).</p>
<p>May adopt exclusive distribution for legitimate reasons.</p>	<p>Unless with legitimate reasons, do not refuse to deal or have differential treatment with trading parties.</p>
<p>When using tie-in sales strategy, allow trading parties to purchase single items separately.</p>	<p>Unless for legitimate reasons, do not adopt any tie-in sales strategy.</p>
	<p>Do not agree on a too long period for exclusive distribution when the market share is high.</p>
	<p>Unless for legitimate reasons, do not limit any distributor to certain marketing territories only.</p>

3. Resale Price Maintenance

Dos	Don'ts
<p>May recommend prices to distributors on a non-mandatory basis with no mechanism for recognition and discipline.</p>	<p>Do not limit the distributor's resale price, and do not set any minimum resale price.</p>



	<p>Do not require the distributors to have fixed resale price through discount, rebate, or cost sharing.</p>
	<p>Do not link our own distributors' resale price to that of the competitors' distributors.</p>
	<p>Do not force any distributor to keep the resale price through coercion, inducement, or postponing or canceling supply.</p>