

Ethical Corporate Management Status

The Company's Board of Directors has formulated the "Code of Ethics" and the "Code of Business Conduct" to emphasize the concepts and principles of ethical corporate management and to establish a framework for compliance. The Company has also established the "Management Procedure for Insider Trading", the "Conflict of Interest Management Procedure", and the "Gift and Entertainment Management Procedure" that provide preventive procedures for dishonest behavior.

The Intellectual Property Management Plan of the Company is made to align with the company's business objectives and development plans. In addition to promoting related businesses in accordance with such plan, the Company regularly reviews various operating procedures to protect the Company's intellectual property and prevent from infringement of others' intellectual property. For business partners, the Company has formulated the "Supplier Assessment Procedure" to ensure that our partners abide by the "TSRC Group Supplier Code of Conduct".

The Company has established an effective accounting system and internal control system under the supervision of the Company's Board of Directors to ensure the accuracy and transparency of the financial and accounting information reported to the relevant authorities or otherwise disclosed to others.

The Company takes a serious attitude toward any behavior that may violate business ethics and integrity. In the event of any such violation, the Company will act pursuant to the "Recognition and Discipline Management Procedure" and take legal actions when appropriate. Meanwhile, the Company has established the "Management Procedure for Whistleblowing" to set up an open reporting channel, with dedicated personnel to handle reported cases and maintain the confidentiality of the information of and related to the whistleblower, and to explicitly prohibit retaliation against the whistleblower.

The Company publicly discloses its policy documents for ethical management and the important implementation results thereof on its website and in its annual report.

Implementation Status

Year 2021

1. In order to promote the Company's ethical management policy and enhance colleagues' understanding of ethical management-related laws, the Company

organized the following education and training courses in 2021 (with 100% target audience participation rate).

- 1.1 “Understanding Insider Trading”, 1 hour online course with 93 designated participants.
 - 1.2 “Disclosing Conflicts of Interest”, 1 hour online course with 316 designated participants.
 - 1.3 “Trade Secrets and Non-compete”, 1 hour online course with 110 participants.
 - 1.4 “Unlawful Conducts at Workplace”, 2.5 hour in-person and online learning with 160 participants.
 - 1.5 “Basic Legal and Trade Secrets Affairs” for newcomers, 0.5hour in-person learning with a total of 51 new employees completing the training in 2021.
2. In order to implement the “Conflict of Interest Management Procedure”, the Company completed and received the conflict of interest questionnaires and confirmations from 697 participants for year 2021.
 3. A supplier in Mainland China attempted to bribe an employee of a subsidiary of the Company, and the employee immediately reported the case to the Company on his own initiative. The subsidiary then negotiated to return the payment and terminated the business relationship with such supplier.
 4. For details of our progress on insider trading prevention, please refer to the Company's “Prevention and Management of Insider Trading”.
 5. The Company did not receive any report of violations regarding ethical management in 2021.

Year 2022

1. In order to promote the Company's ethical management policy and enhance colleagues' understanding of ethical management-related laws, the Company organized the following education and training courses in 2022 (with 100% target audience participation rate).
 - 1.1 “Introduction of TSRC Management Procedure for Insider Trading”, 0.5 hour online course with 222 designated participants.
 - 1.2 “Disclosing Conflicts of Interest”, 1 hour online course with 228 designated participants.
 - 1.3 “Unlawful Conducts at Workplace and the Stalking and Harassment Prevention Act - from the Human Rights Perspective”, 2 hour in-person and online learning with 105 participants.
 - 1.4 “Antitrust Compliance”, 2.5 hour in-person learning with 222 designated participants.

- 1.5 “Corporate Governance is a Responsibility for All (Ethics and Integrity; Anti-Corruption; Gift and Entertainment)”, 1.5 hour online course with 221 designated participants.
- 1.6 “Ethics and Integrity”, 1 hour online course with 97 designated participants.
- 1.7 “Case Studies of Ethics”, 2.5-hour in-person discussion with 14 designated participants.
- 1.8 “Anti-Corruption and Anti-Money Laundering Briefing on the Three Streams Consistency Principle”, 1 hour in-person and online learning with 17 participants.
- 1.9 “Basic Legal and Trade Secrets Affairs” for newcomers, 0.5 hour in-person learning with a total of 43 new employees completing the training in 2022.
2. In order to implement the “Conflict of Interest Management Procedure”, the Company completed and received the conflict of interest questionnaires and confirmations from 1,230 participants for year 2022.
3. The Company has formulated the “Management Procedure for Antitrust Compliance”.
4. For the management of suppliers, the Company has updated its procurement policy and guidelines and posted them on its official website, requiring suppliers to adopt ethical management standards not lower than the Company’s.
5. For details of our progress on insider trading prevention, please refer to the Company's “Prevention and Management of Insider Trading”.
6. The Company did not receive any report of violations regarding ethical management in 2022. However, the Company investigated its own findings of suspected personnel and asset mismanagement and ultimately led to separation of the employment.