

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", the "Management Procedure for Antitrust Compliance" 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 management team reported the updates of the policy documents and the implementation status of ethical management to the Company's Board of Directors on November 5, 2024, and will publicly disclose the important implementation thereof on its website and in its annual report.

Implementation Status

Year 2024

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 2024.
 - 1.1 "Development trends and case studies of Anti-Money Laundering", 1.5 hour in-person course with all the 210 designated participants completed the training.
 - 1.2 "Anti-Corruption", 2 hour in-person course with all the 123 participants completed the training.
 - 1.3 "Antitrust", 0.5 hour online learning with all the 51 designated participants completed the training.
 - 1.4 "Disclosing Conflicts of Interest", 1.5 hour online course with 228 designated participants.
 - 1.5 "Basic Legal and Trade Secrets Affairs" for newcomers, 0.5 hour in-person learning with a total of 59 new employees completing the training.
2. In order to implement the "Conflict of Interest Management Procedure", the Company completed and received the conflict-of-interest questionnaires and confirmations from 465 participants for year 2024.
3. Updated the list of the high-risk personnel for Antitrust compliance and provided them with 4 written case studies.
4. For supplier management, as of September 30, 919 out of 947 target suppliers had signed the "Supplier's Statement of Compliance with Sustainable Management".
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 2024. However, the Company discovered and disciplined 1 case of integrity violation, which was announced internally. The employment relationship was ultimately terminated by both parties.

Year 2023

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 2023.
 - 1.1 "Integrity", 1 hour online course with 138 participants.
 - 1.2 "Introduction of TSRC Management Procedure for Insider Trading", 0.5 hour online course with all the 155 designated participants completed the training.

- 1.3 “Antitrust Compliance”, 2 hour in-person learning with all the 93 designated participants completed the training.
 - 1.4 “Corporate Governance is a Responsibility for All (Ethics and Integrity; Anti-Corruption; Gift and Entertainment)”, 1.5 hour online course with all the 114 designated participants completed the training.
 - 1.5 “Trade Secrets” , 1.5 hour online course with all the 203 designated participants completed the training.
 - 1.6 Basic Legal and Trade Secrets Affairs” for newcomers, 0.5 hour in-person learning with a total of 28 new employees completing the training.
2. In order to implement the “Conflict of Interest Management Procedure”, the Company completed and received the conflict-of-interest questionnaires and confirmations from 488 participants for year 2023.
3. Identified the high-risk personnel for Antitrust compliance and provided them with two written case studies.
4. For supplier management, as of September 30, 826 out of 975 target suppliers had signed the “Supplier's Statement of Compliance with Sustainable Management”.
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 has not received any report of violations regarding ethical management as of December 20, 2023. However, the Company investigated its own findings of suspected violation of conflict of interest and ultimately led to separation of the employment.