

Mega Financial Holding Co., Ltd. Procedures for Ethical Management and Guidelines for Conduct

Established in the 18th Meeting of the 6th Board of Directors on August 23, 2016

Amended in the 17th Meeting of the 7th Board of Directors on October 22, 2019

Amended in the 29th Meeting of the 7th Board of Directors on October 27, 2020

The Board of Directors authorized correcting the name of the unit on October 27, 2020;
the amendments took effect on January 1, 2021

Article 1 (Purpose of adoption and scope of application)

Mega Financial Holding Co., Ltd. (hereinafter, the “Company”) engages in commercial activities following 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 Company’s Ethical Corporate Management Best Practice Principles and the applicable laws and regulations, with a view to providing all personnel of the Company with clear directions for the performance of their duties.

The subsidiaries of the Company and enterprises or corporations, directly or indirectly, controlled by the Company, shall, in adherence to the spirit of these Procedures and Guidelines, set their own procedures and guidelines, which shall be approved forthwith by the board of directors.

Article 1-1 (Responsible unit)

The responsible unit for these Procedures and Guidelines is the Administration Department.

Article 2 (Applicability)

For the purposes of these Procedures and Guidelines, the term “personnel of the Company” refers to any director supervisor, managerial officer, employee, mandatory or person having substantial control (hereinafter, “substantial controller”), of the Company or its group enterprises and organizations.

Any provision, promise, request, or acceptance of improper benefits by any personnel of the Company through a third party will be presumed to be an act by the personnel of the Company.

Article 3 (Unethical conduct)

For the purposes of these Procedures and Guidelines, “unethical conduct” means that any personnel of the Company, 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.

Parties referred to in the preceding paragraph include civil servants, political candidates, political parties or members of political parties, state-run or private-

owned businesses or institutions, and their directors, supervisors, managers, employees or substantial controllers 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 and duties)

The Company shall designate the Ethical Management Committee as the solely responsible unit and provide it with sufficient resources and competent personnel to supervise the Administration Department, which is in charge of, among other relevant operations and implementation thereof, the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines, and the recording and filing of reports. The responsible unit shall be in charge of the following matters and also submit reports to the board of directors at least once a year:

- I. Assisting in incorporating ethics and moral values into the Company’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.
- II. Adopting programs to prevent unethical conduct, and setting out in each program the standard operating procedures and conduct guidelines with respect to operations and business.
- III. 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.
- IV. Promoting and coordinating awareness and educational activities with respect to ethics policy.
- V. Reviewing the whistle-blowing system and ensuring its operating effectiveness.
- VI. 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.
- VII. Preparing and retaining properly documented information such as ethical management policy and compliance statements, situations concerning the performance of undertakings and enforcement.

The matters in the preceding paragraph concerning the responsibilities of each department and shall be handled with the assistance of each department.

Enterprises or corporations other than the Company subject to these Procedures and Guidelines shall designate a responsible unit to handle the matters specified in Paragraph 1.

Article 6 (Prohibition against providing or accepting improper benefits)

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 the Company shall comply with the provisions of the Company's Ethical Corporate Management Best Practice Principles and these Procedures and Guidelines, and the relevant procedures shall have been carried out:

- I. 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.
- II. 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 for the development of relationships.
- III. 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.
- IV. Attendance at traditional festival events that are open to and welcome the attendance of the general public.
- V. Rewards, emergency assistance, condolence payments, or honorariums from the management.
- VI. Benefits received or given occasionally in accordance with accepted social customs and that do adversely affect specific rights and obligations.
- VII. Other conduct that complies with the rules of the Company.

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 the Company 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:

- I. If there is no relationship of interest between the party providing or offering the benefit and the official duties of the Company's personnel, the personnel shall report to their immediate supervisor within 3 days from the acceptance of the benefit, and the Administration Department shall be notified if necessary.
- II. If a relationship of interest does exist between the party providing or offering the benefit and the official duties of the Company's personnel, the personnel shall return or refuse the benefit, and shall report to his or her immediate supervisor and notify the Administration Department. When the benefit cannot be returned, then within 3 days from the acceptance of the benefit, the personnel shall refer the matter to the Administration Department for handling.

"A relationship of interest between the party providing or offering the benefit and the official duties of the Company's personnel," as referred to in the preceding paragraph, refers to one of the following circumstances:

- I. When the two parties have commercial dealings, a relationship of direction and supervision, or subsidies (or rewards) for expenses.
- II. When a contracting, trading, or other contractual relationship is being sought, is

in progress, or has been established.

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

The Administration Department of the Company 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 to and approved by the President.

Article 8 (Prohibition of and handling procedure for facilitating payments)

The Company shall neither provide nor promise any facilitating payment.

If any personnel of the Company provide 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 Administration Department.

Upon receipt of the report under the preceding paragraph, the Administration Department 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 unit shall also immediately report to the relevant judicial agency.

Article 9 (Political contributions)

The Company is prohibited by law from making political donations.

Article 10 (Charitable donations or sponsorship)

Charitable donations or sponsorships made by the Company shall be subject to the Company's Measures for the Administration of External Donation and Sponsorship.

Article 11 (Avoidance of conflicting interests)

When a director, managerial officer or other stakeholder of the Company attending or present at a board meeting, or the juristic person represented thereby, has a stake in a matter under discussion in the meeting, that director, managerial officer or stakeholder shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of the Company 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 blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in the matter.

If in the course of conducting company business, any personnel of the Company 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 report the relevant matters to both his or her immediate supervisor and the Administration Department of the Company, and the immediate supervisor

shall provide the personnel with proper instructions.

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

- Article 12 (Special unit in charge of confidentiality regime and its responsibilities)
The Company's Administration Department is charged with managing, preserving, and maintaining the confidentiality of the Company's trade secrets, trademarks, patents, works and other intellectual properties.
All personnel of the Company shall faithfully follow the operational directions pertaining to intellectual properties as mentioned in the preceding paragraph and may not disclose to any other party any trade secrets, trademarks, patents, works, and other intellectual properties of the Company of which it has 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 competition)
The Company shall follow the Fair Trade Act and applicable competition laws and regulations when engaging in business activities, and may not share or divide markets by improper ways.
- Article 14 (Protection of consumers' interest)
When providing products or services, the Company shall comply with the Financial Consumer Protection Act and related laws and regulations of competent authority.
- Article 15 (Prohibition against insider trading and non-disclosure agreement)
All personnel of the Company shall adhere to the provisions of the Securities and Exchange Act, and may not take advantage of undisclosed information of which they have learned to engage in insider trading. Personnel are also prohibited from divulging undisclosed information to any other party, in order to prevent other party from using such information to engage in insider trading.
Any organization or person outside of the Company 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 the Company 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 the Company acquired as a result, and that they may not use such information without the prior consent of the Company.
- Article 16 (Compliance and announcement of policy of ethical management)
The Company shall request its directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy.
The Company 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 investor press conferences, in order to make its suppliers, customers, and other business-related institutions and personnel fully aware of the Company's principles and rules with respect to ethical management.

- Article 17 (Ethical management evaluation prior to development of commercial relationships)
Before developing a commercial relationship with another party, such as an agent, supplier, customer, or other counterparty in commercial dealings, the Company shall evaluate 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 conduct 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:
- I. The enterprise's nationality, location of business operations, organizational structure, and management policy, and place where it will make payment.
 - II. Whether the enterprise has adopted an ethical management policy, and the status of its implementation.
 - III. Whether enterprise's business operations are located in a country with a high risk of corruption.
 - IV. Whether the business operated by the enterprise is in an industry with a high risk of bribery.
 - V. The long-term business condition and degree of goodwill of the enterprise.
 - VI. Consultation with the enterprise's business partners on their opinion of the enterprise.
 - VII. Whether the enterprise has a record of involvement in unethical conduct such as bribery or illegal political contributions.
- Article 18 (Statement of ethical management policy)
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 19 (Avoidance of commercial dealings with unethical operators)
All personnel of the Company 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 the Company's ethical management policy.
- Article 20 (Stipulation of terms of ethical management in contracts)
Before entering into a contract with another party, the Company 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 the Company part of the terms and conditions of the contract, stipulating at the least the following matters:

- I. If either party becomes aware of any person being in violation of the provisions that prohibit accepting commissions, kickbacks, or other illicit interests, the party shall inform the other party of the identity of such a person, how he/she provided, promised, requested or received such illicit interests, the amount or other interests, and provide related evidence and assistance in the other party's investigation. If either party incurs any loss as a result, the party may claim damages from the other party and may deduct the exact payment from the contract price payable.
- II. Where a party is discovered to be engaged in unethical conduct in its commercial activities, the other party may terminate or rescind the contract unconditionally at any time.
- III. Specific and reasonable payment terms.

Article 21 (Procedures for whistle-blowing)

As an incentive to insiders and outsiders for reporting unethical or unseemly conduct, the Company will grant a reward depending the seriousness of the circumstance concerned. Insiders having made a false report or malicious accusation shall be subject to disciplinary action and be removed from office if the circumstance concerned is material.

The Company shall internally establish and publicly announce on its website and the Intranet an independent mailbox or hotline, for insiders and outsiders of the Company to submit reports.

The procedure for whistle-blowing case shall be handled in accordance with the Company's Whistleblower Case Handling Guidelines.

Article 22 (Actions upon event of unethical conduct by others towards the Company)

If any personnel of the Company discover that another party has engaged in unethical conduct towards the Company, and such unethical conduct involves alleged illegality, the Company shall report the relevant facts to the judicial and prosecutorial authorities; where a public service agency or public official is involved, the Company shall additionally notify the governmental anti- corruption agency.

Article 23 (Internal awareness sessions and establishment of a system for rewards, penalties, and complaints, and related disciplinary measures)

The Company's Administration Department shall organize a session of internal awareness each year and arrange for senior management to communicate the importance of ethics to its directors, employees, and mandataries.

The Company shall link ethical management to employee performance evaluations and human resources policy, and establish clear and effective systems for rewards, penalties, and complaints.

If any of the Company's personnel seriously violates ethical conduct rules, the Company shall 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 the Company.

The Company shall disclose on its Intranet the name and title of the violator, the date and details of the violation, and the actions taken in response.

Article 24 (Enforcement)

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

When these Procedures and Guidelines are submitted to the board of directors for discussion, each independent director's opinions shall be taken into full consideration, and their objections and reservations expressed shall be recorded in the minutes of the board of directors meeting. An independent director that is unable to attend a board meeting in person to express objection or reservation shall provide a written opinion before the board meeting unless there is a legitimate reason to do otherwise, and the opinion shall be recorded in the minutes of the board of directors meeting.