

Emerging Display Technologies Corporation Codes for Ethical Management

Article 1

The Corporation follows the principles of fairness, honesty, trustworthiness, and transparency when engaging in commercial activities. To fully implement a policy of ethical management and actively prevent unethical conduct, these Codes for Ethical Management (hereinafter, "Codes") shall be implemented to provide all personnel of the Corporation with clear directions for the performance of their duties.

Article 2

These Codes shall apply to the subsidiaries of the Corporation, any foundation to which the Corporation's direct or indirect contribution of funds exceeds 50 percent of the total funds received, and other institutions or juridical persons which are substantially controlled by the Corporation.

Article 3

Interpretation:

1. The term "personnel of the Corporation" refers to directors (including independent directors hereinafter), managers, employees, mandataries of the Corporation or persons having substantial control over the Corporation. Any provision, promise, request or acceptance of any money, gratuity, gift, commission, position, service, preferential treatment, rebate, facilitating payment, entertainment, dining, or any other benefit in whatever form or name, by any personnel of the Corporation through a third party shall be presumed to be an act by the personnel of the Corporation.
2. The term "unethical conduct" refers to any personnel of the Corporation directly or indirectly provides, accepts, promises, or requests any improper benefits or commits a breach of ethics, unlawful act or breach of fiduciary duty for purposes of acquiring or maintaining benefits in the course of their duties. Parties of the aforementioned unethical conduct 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 stakeholders.
3. The term "benefit" refers to any valuable things, including money, endowments, commissions, positions (including promotion, transfers, and other personnel incentives), services, preferential treatment or rebates of any type or in any name. Benefits received or given occasionally in accordance with accepted social customs and that do not adversely affect specific rights and obligations shall be excluded.

Article 4

The Corporation has zero tolerance for bribery, malfeasance, extortion, or corruption of any form. Except under any of the following circumstances, when personnel of the Corporation directly or indirectly provide, accept, promise, or request any benefits, and the aforementioned conduct complies with the provisions of these Codes, relevant procedures shall be carried out:

1. When the conduct is in accordance with the laws, rules and regulations of the operating location;
2. When 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, and shall not affect the operations, reputation, or benefits of the Corporation;
3. When 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 developing relations, and shall not affect the operations, reputation, or benefits of the Corporation;
4. Invitations to guests or attendance at commercial activities or factory visits in relation to business needs, when the payment method of expenses, number of participants, class of accommodations as well as the time period for the event or visit have been specified in advance, and shall not affect the operations, reputation, or benefits of the Corporation;
5. Attendance at folk festivals that are open to and invite the attendance of the general public, and shall not affect the operations, reputation, or benefits of the Corporation;
6. Rewards, emergency assistance, condolence payments, or honorariums from the management of the Corporation that shall not affect the operations, reputation, or benefits of the Corporation;
7. Money, property, or other benefits with a market value of 3,000 New Taiwan Dollars or less offered to or accepted from a single counterparty of commercial transactions, provided that the total market value of the benefit offered to or accepted from the same source within a single fiscal year shall be limited to 10,000 New Taiwan Dollars. When the unit for the aforementioned counterparty is department, the market value shall be 5,000 New Taiwan Dollars or less, and the total market value from the same source within a single fiscal year shall be limited to 20,000 New Taiwan Dollars;
8. Other conduct that complies with the rules of the Corporation.

Article 5

With the exception of circumstances set forth in the preceding Article, when any personnel of the Corporation are directly or indirectly provided with or promised any benefits by a third party, the matter shall be handled in accordance with the following procedures:

1. If there is no relation of interest between the party providing or offering the benefit and the official duties of the personnel of the Corporation, the personnel shall report to their immediate supervisor within 3 days of accepting the benefit. The audit office of the Corporation shall be notified if necessary;

2. If a relation of interest exists between the party providing or offering the benefit and the official duties of the personnel of the Corporation, the personnel shall return or refuse the benefit and sign a “Declaration of Conflicting Interest” in addition to reporting to their immediate supervisor and notifying the audit office of the Corporation. The audit office shall document the “Declaration of Conflicting Interest” of the personnel. When the benefit cannot be returned, the personnel shall, within 3 days of accepting the benefit, refer the matter to the audit office for handling.

The aforementioned relation of interest with the official duties refers to one of the following circumstances:

1. When the parties have commercial transactions, a relation of direction and supervision, or subsidies (or rewards) for expenses;
2. When a contracting, trading, or other contractual relation is being sought, in progress, or has been established;
3. Other circumstances in which a decision regarding business of the Corporation, or the execution or non-execution of business will result in a beneficial or adverse impact.

The audit office shall make a proposal, based on the nature and value of the benefit under Paragraph 1, that the benefit be returned, accepted on payment, given to the public, donated to charity, or handled in another appropriate manner. The proposal shall be implemented after reported to and approved by the chairman of the Board of Directors.

Article 6

The Corporation shall neither provide nor promise any facilitating payment.

Any personnel of the Corporation, under threat or intimidation, providing or promising a facilitating payment shall submit a report to their immediate supervisor stating the facts and notify the audit office. Upon receiving the preceding report, the audit office shall take immediate action and undertake a review of relevant matters to minimize the risk of recurrence. In cases involving alleged illegality, the judicial authorities shall be notified immediately.

Article 7

Personnel of the Corporation shall not, during working hours and in the workplace, engage in political activities, nor post or send posters, propaganda or presentation materials of political activities. Political donations from the Corporation shall be made in accordance with the following provisions and approved by the chairman of the Board of Directors:

1. It shall be ascertained that the political donations is in compliance with the laws and regulations governing political donations in the country which the recipient is located, and shall regulate the maximum amount and the form of political donations.
2. A written record of the decision shall be made.
3. Account entries shall be made for all political donations in accordance with applicable laws and regulations and relevant accounting procedures.

4. Commercial transactions, applications for permits, or conduct of other matters involving the interests of the Corporation with the related government agencies shall be avoided when in making political donations.

Article 8

Charitable donations or sponsorships from the Corporation shall be provided in accordance with the following provisions and approved by the chairman of the Board of Directors:

1. It shall be ascertained that the donation or sponsorship is in compliance with the laws and regulations of the country where the business of the Corporation is conducted.
2. A written record of the decision shall be made.
3. Charitable donations shall be given to valid charitable institutions (including organizations of disaster relief) and may not be a disguised form of bribery.
4. The feedback received as a result of any sponsorship shall be specific and reasonable, and the subject of the sponsorship may not be a counterparty of the Corporation's commercial transactions or a party with which any personnel of the Corporation has a relation of interest.
5. After a charitable donations or sponsorship have been given, it shall be ascertained that the use of the money is consistent with the purpose of the donations.

Article 9

When a director, manager or other stakeholder of the Corporation attending or present at Board of Directors, or the juristic person represented thereby, has a personal interest in the matter under discussion at a board meeting shall explain to the board meeting the essential contents of such personal interest. The aforementioned person who has a personal interest in the matter under discussion at the board meeting, which may impair the interest of the Corporation, shall not participate in the discussion nor vote on the proposal, and shall excuse himself/herself from any discussion and voting. The voting right on behalf of another director shall not exercise. The directors shall exercise discipline among themselves and shall not support each other in any wrongdoing.

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.

In the course of conducting company business, when personnel of the Corporation discover an existing potential conflict of interest involving themselves or the juristic person that they represent, or that they or their spouse, a blood relative within the second degree of kinship of them is likely to obtain improper benefits, personnel shall report the relevant matters to their immediate supervisors. The immediate supervisor shall provide the personnel with proper instructions.

No personnel of the Corporation may use corporation resources on commercial activities other than those of the Corporation. Performance of duty may not be affected by involvement of the personnel in the commercial activities other than those of the Corporation.

Article 10

All personnel of the Corporation shall observe applicable laws and regulations, the company's internal operational procedures, and contractual provisions concerning intellectual property, and may not use, disclose, dispose, or damage intellectual property or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights holder.

Personnel of the Corporation shall thoroughly follow the relevant regulations of the Corporation regarding confidential information and shall not disclose Corporation trade secrets of which they have learned to others nor inquire or collect Corporation trade secrets of which is not relevant to their duties. When performing their duties, personnel of the Corporation shall prevent resources such as data, information system, and internet equipment from being stolen, interfered, destroyed, or invaded, to insure the confidentiality, completeness, and availability of the Corporation's information. Information provided due to business necessity shall be confirmed of its accuracy. Providing false information and other unethical conduct shall not be allowed.

Article 11

All personnel of the Corporation 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. In order to prevent other parties from using undisclosed information to engage in insider trading, personnel are also prohibited from divulging such information to any other party.

Article 12

Any organization or person outside of the Corporation 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 Corporation shall be required to sign a non-disclosure agreement in which they undertake not to disclose any trade secret or other significant information of the Corporation acquired as a result to any other party, and that they may not use such information without the prior consent of the Corporation.

Article 13

The ethical management policy of the Corporation shall be disclosed in its internal regulations, annual report, on the website of the Corporation, and in other promotional materials. The Corporation shall make timely announcements of the policy in events held for outside parties, such as product launches and investor press conferences, to fully inform its suppliers, clients, and other business related institutions and personnel of the principles and rules with respect to ethical management.

Article 14

Prior to starting a commercial relation with another party, such as an agent, supplier, customer, or other counterparty of commercial transactions, the Corporation 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 transaction is found to involve unethical conduct, personnel of the Corporation shall notify the audit office. An investigation shall be carried out, and if allegations of unethical conduct are true, the matter shall be reported to the chairman of the Board of Directors and relative measures taken.

Article 15

When engaging in commercial activities, personnel of the Corporation shall make a statement to the counterparty of transaction about the ethical management policy and related rules of the Corporation, and shall clearly refuse to directly or indirectly provide, promise, request, or accept any improper benefit in whatever form or name, including rebate, commission, facilitating payment, or any other improper benefit provided or accepted through other channels.

Article 16

Personnel of the Corporation shall avoid business transactions with agents, suppliers, clients, or other counterparties of commercial transactions that are involved in unethical conduct. When the counterparty or cooperating partner is found to have engaged in unethical conduct, personnel shall immediately convene high-level meeting of both parties to acknowledge and strictly enforce the ethical management policy.

Article 17

Prior to entering into a contract with an agent, supplier, customer, or other counterparty of commercial transactions, the Corporation shall fully evaluate the status of ethical management of the other party, and shall make observance of the ethical management policy as part of the terms and conditions of the contract.

Article 18

As an incentive to internal and external persons for informing of unethical conduct, the Corporation will grant a reward based on the severity of the circumstance concerned. Internal personnel making malicious accusation shall be subjected to disciplinary action and, if the circumstance concerned is severe, removed from office.

The Corporation shall provide an independent mailbox for “information of misconduct” on the website for internal and external persons of the Corporation to submit reports. The mailbox shall be managed by the audit office and internal personnel may report directly to the audit office. If possible, the informant shall furnish the following information:

1. The real name of the informant, telephone number, E-mail, or any form of contact which the informant can be reached by.
2. The real name of the accused or other information sufficient to distinguish his/her identifying features.
3. Specific facts able to be investigated.

Article 18-1

The Corporation shall keep the identity of the informant and contents of information confidential. Unless specified otherwise in the law and regulations, the Corporation shall not disclose the identity of the informant to internal and external persons of the Corporation without the prior consent of the informant. The Corporation shall assure the responsibility of confidentiality and protection for employees whom refuse to participate in unethical conduct and prevent any unfair treatment or retaliation to the aforementioned employees. All personnel in contact with the aforementioned shall sign a “Declaration of Confidentiality” to protect informants and employees whom refuse to participate in unethical conduct.

Article 18-2

The audit office of the Corporation shall observe the following procedure for matters regarding information on unethical conduct:

1. Within 5 work days, notify the informant on receipt of the report and carry out the investigation.
2. The department head shall be reported to if involving general employees. Independent directors shall be reported to if involving directors or senior executives.
3. The audit office and aforementioned department head or personnel being reported to shall immediately verify the facts, and where necessary, with the assistance of legal compliance or other related departments. The investigation shall be expected to be completed within 3 months, depending on the severity and complexity of the matter, and the results of the investigation provided to the informant.
4. If the accused is confirmed to have indeed violated the applicable laws and regulations or the ethical management policy and regulations of the Corporation, the person shall be immediately required to cease all relevant conduct and an appropriate disposition (such as suspension of rights and duties until end of investigation) shall be made. When necessary, the Corporation will report to the competent authority, transfer to the judicial organs for investigation or institute legal proceedings and seek compensation to safeguard its reputation, rights, and interests.
5. Documentation of report acceptance, investigation processes and results shall be retained for 5 years and may be retained electronically. In the event of a lawsuit in respect of the informed case before the expiration of retention period, the relevant information shall continue to be retained until the conclusion of the litigation.

6. With respect to a confirmed report, the Corporation shall charge related units with the task of reviewing the internal control system and relevant procedures and proposing corrective measures to prevent recurrence.
7. The audit office shall submit to the Board of Directors a report on the informed case, actions taken, subsequent reviews, and corrective measures.

Article 18-3

The Corporation has a zero tolerance policy for retaliation and prohibits retaliation towards any personnel, in accordance with these Codes, reporting unethical conduct or participating in investigation of misconduct. The Corporation shall actively investigate any known retaliation and personnel whom are found to carry out retaliation shall be subjected to disciplinary action and, if the circumstance concerned is severe, terminated of employment.

With consent from the informants, the Corporation shall provide further protection for informants whose identities have been disclosed. The Corporation shall also follow-up regularly and respond to situations that are reasonably suspected to be retaliation.

Article 19

If personnel of the Corporation come upon another party, including personnel of the Corporation and counterparty of transaction with the Corporation, engaged in unethical conduct towards the Corporation, and such conduct involves alleged illegality, the Corporation shall notify relevant facts to the judicial and prosecutorial authorities. In cases involving public agencies or public officials, governmental anti-corruption agency shall be notified as well.

Article 20

The responsible unit of the Corporation shall organize timely awareness sessions each year to communicate the importance of ethics to personnel of the Corporation.

The Corporation shall include ethic management into employee performance evaluations and human resources policy, and establish clear and effective systems for rewards, penalties, and complaints.

Personnel of the Corporation involving unethical conduct in severe circumstances shall be dismissed from his/her position or terminated of employment in accordance with applicable laws and regulations or the personnel policy and procedures of the Corporation. Information regarding the title and name of the violator, date and details of the unethical conduct, and the actions taken in response shall be immediately disclosed on the Corporation intranet.

Article 21

These Codes, and any amendments hereto, shall be implemented after adoption by resolution of the Board of Directors, and shall be reported to each member of the Audit Committee.

These codes have been passed by the Board of Directors on November 4, 2014.

The first Amendment was approved on March 6, 2015.

The second Amendment on August 3, 2015.

The third Amendment on October 29, 2015.

The fourth Amendment on March 10, 2016.

The fifth Amendment on November 4, 2021.