

Zhen Ding Technology Holding Limited

Ethical Corporate Management Operating Procedures and Code of Conduct

Amended by the board of directors on March 30, 2020

Article 1 (Purpose and scope of application)

The Company performs business activities based on the principles of fairness, integrity, accountability, and transparency. To implement ethical corporate management policy and actively prevent unethical conduct, the Ethical Corporate Management Operating Procedures and Code of Conduct are established in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and relevant laws and regulations adopted in the place of business of the Company, its group enterprise, and organization to regulate matters that the personnel of the Company must pay attention to when performing business activities.

The scope of application of these Procedures and Code of Conduct includes the Company and its subsidiaries.

Article 2 (Applicable subjects)

For the purposes of these Procedures and Code of Conduct, the term "personnel of the Company" refers to any director, supervisor, functional committee member, managerial officer, employee, mandatary or person having substantial control, of the Company and its subsidiaries.

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 Code of Conduct, "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 Code of Conduct, 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 Corporate Management Work Group as the solely responsible unit (hereinafter, "Designated Unit") under the Board of Directors. Sufficient resources and suitable personnel shall be assigned to handle the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Code of Conduct, the recording and filing of reports, and the monitoring of implementation. The Designated Unit shall be in charge of the following matters and also submit regular reports to the Board of Directors (at least once a year):

- I. Assisting in incorporating the values of integrity and ethics into the Company's business strategies, and establishing anti-corruption measures to ensure ethical corporate management.
- II. Performing regular analysis and evaluation of business activities within the business scope which are possibly at a higher risk for unethical conduct, adopting programs to prevent unethical conduct, and setting out in each program the standard operating procedures and conduct guidelines with respect to the company's operations and business.
- III. Planning the internal organization and duties, and establishing mutual supervision and balancing mechanisms for operating activities in the scope of business with relatively high risk of unethical conduct.
- IV. Implementing and coordinating communication and training for the policy of integrity.
- V. Planning a whistleblowing system and ensuring the effectiveness of implementation.
- VI. Assisting the board of directors and management in inspecting and evaluating if prevention measures established for ethical corporate

management are effectively implemented, and periodically evaluating and preparing reports on the compliance of business processes.

VII. Produce and retain documents related to the ethical management policies and the compliance, implementation, and execution of such policies.

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 personnel of the Company shall comply with the provisions of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies and these Procedures and Code of Conduct, and the relevant procedures shall have been carried out.

- I. The conduct is in compliance with the laws and regulations of the location in which the Company is conducting business operations.
- II. 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.
- III. 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.
- IV. 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.
- V. Attendance at traditional festival events that are open to and welcome the attendance of the general public.
- VI. Rewards, emergency assistance, condolence or consolation payments from the management.
- VII. Endowments received due to engagement, marriage, maternity, relocation, assumption of a position, promotion or transfer, retirement, resignation, or severance, or the injury, illness, or death

of the recipient or the recipient's spouse or lineal relative or endowments offered to or accepted from relatives or friends.

VIII. Other circumstances that comply 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 responsible unit 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 Designated Unit. When the benefit cannot be returned, then within 3 days from the acceptance of the benefit, the personnel shall refer the matter to the responsible unit 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 Designated Unit 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 and approved.

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 Designated Unit.

Upon receipt of the report under the preceding paragraph, the Designated Unit 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 (Procedure for making political contributions)

The Company shall not make such donations in exchange for commercial gains or business advantages and shall comply with the following provisions when making political contributions:

- I. Political contributions should be verified for compliance with related laws from the recipient's country, including the upper limit and form of the political contribution.
- II. The resolution should be documented in official records.
- III. Political contributions should be recorded in the books in accordance with laws and relevant accounting procedures.
- IV. When making a political contribution, avoid business dealings with related government agencies, apply for permits, or engage in other activities that may involve the Company's interests.

Article 10 (Procedures for handling charitable donations or sponsorships)

Charitable donations or sponsorships provided by the Company may not be a disguised form of bribery and shall comply with the following provisions:

- I. Charitable donation or sponsorship is in compliance with the laws and regulations of the location in which the Company is conducting business operations.
- II. The resolution should be documented in official records.

- III. A charitable donation shall be given to a valid charitable institution and may not be a disguised form of bribery.
- IV. The returns 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 Company's commercial dealings or a party with which any personnel of the Company has a relationship of interest.
- V. After a charitable donation or sponsorship has been given, it shall be ascertained that the destination to which the money flows is consistent with the purpose of the contribution.

Article 11 (Avoidance of conflicting interests)

When an agenda item at a given Board of Directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, supervisors, managers, and other stakeholders attending or present at board meetings of the Company, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of the company, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors shall exercise self-discipline and must not support one another in improper dealings.

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 Designated Unit 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 his or her 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 shall set up a special unit charged with formulating and implementing procedures for managing, preserving, and maintaining the confidentiality of the Company's trade secrets, trademarks, patents, works and other intellectual properties and it shall also conduct periodical reviews on the results of implementation to ensure the sustained effectiveness of the confidentiality procedures.

Article 13 (Prohibition against disclosure of confidential information)

The 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 14 (Compliance with fair trade laws)

The Company shall follow the Fair Trade Act and applicable competition laws and regulations when engaging in business activities.

Article 15 (Prohibition against insider trading and non-disclosure agreement)

Company personnel shall comply with the provisions of the Securities and Exchange Act, and may not take advantage of undisclosed information which they may be exposed to engage in insider trading. Company personnel are also prohibited from divulging such undisclosed information to any other party in order to prevent the use of 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 product launches and investor press conferences, in order to make its suppliers, customers, and other business-related institutions and personnel fully aware of its 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 the Company carries out the evaluation under the preceding paragraph, it may adopt appropriate audit procedures for 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 to counterparties in commercial dealings)

When company personnel engage in commercial activities, they shall make a statement to the counterparty in commercial interactions 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 benefits.

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 (Handling of unethical conduct by company personnel)

- I. The Company provides an incentive to insiders and outsiders for informing of unethical or unseemly conduct. 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.
- II. The Company shall internally establish and publicly announce an independent mailbox (zdt-report@zdtco.com) and hotline (8863-3835678) for Company insiders and outsiders to submit complaints. A whistleblower shall at least furnish the following information, otherwise, reports shall not be accepted for handling:
 - (I) The whistleblower's name and I.D. Number (reports may be made anonymously), and an address, telephone number and e-mail address where the whistleblower can be reached.

- (II) The informed party's name or other information sufficient to distinguish its identifying features.
 - (III) Specific facts available for investigation.
- III. Information shall be reported to the department head if involving general employees and to an independent director or Audit Committee if involving a director or a senior executive. When material violations or concerns involving material impairment to Company come to their awareness upon investigation, information shall be immediately prepared into a report and the independent directors or Audit Committee shall be informed in writing.
- IV. After the Dedicated Unit accepts and handles a report, it shall cooperate with the department head or unit being reported to in investigations conducted by the company's Audit Office and, where necessary, with the assistance of the other related department. Case acceptance, investigation processes and investigation results shall be prepared into written or electronic documents, which shall be retained for five years as of the acceptance of the case. In the event of a suit in respect of the whistleblowing case before the retention period expires, the relevant information shall continue to be retained until the conclusion of the litigation.
- V. If a person being informed of is confirmed to have indeed violated the applicable laws and regulations or the Company's policy and regulations of ethical management, the Company shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, it shall be reported to the competent authority, transferred to the judicial authority for investigation, or the Company will seek damages through legal proceedings to safeguard its reputation and its rights and interests.
- VI. With respect to a confirmed information, the Company shall charge relevant units with the task of reviewing the internal control system and relevant procedures and proposing corrective measures to prevent recurrence.
- VII. The Company's dedicated unit shall submit to the board of directors a report on the whistleblowing case, actions taken, and subsequent reviews and corrective measures.

VIII. The Company shall keep the whistleblowers' identity and contents of information confidential and shall protect whistleblowers from inappropriate actions due to whistleblowing.

Article 21 (Actions against 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 22 (Internal promotion and establishment of a system for rewards, penalties, and complaints, and related disciplinary measures)
The responsible unit of the Company shall organize internal promotion at least once a year. The Chairman, President, or senior manager of the Company shall communicate the importance of corporate ethics to directors, employees, and mandataries on a regular basis.

The Company shall link ethical management to employee performance evaluations and human resources policy. The Company's system for rewards, penalties, and complaints is as follows:

- I. If a report is verified to have indeed violated applicable laws and regulations or the Company's policy and regulations of ethical management, the Company will award the amount indemnified by the violator to the whistleblower based on the following percentage:
 - (I) 2.0 percent, if the evidence provided by the whistleblower is helpful for the Company, judicial and relative competent authorities to start investigation. However, the amount shall not exceed NT\$ 500,000 (or foreign currency equivalent thereof).
 - (II) 2.0 percent, if the evidence provided by the whistleblower can effectively prove the occurrence of unethical conduct without any further investigation by the Company, judicial and relative competent authorities. However, the amount shall not exceed NT\$ 1,000,000 (or foreign currency equivalent thereof).
 - (III) A whistleblower shall be awarded only once for one case.

- II. The award shall be split evenly among whistleblowers, if the evidence under paragraph 1 is provided under the following circumstances:
 - (I) Such evidence is provided by plural whistleblowers at the same time.
 - (II) Such evidences are provided by plural whistleblowers respectively, however, the content of which is the same.
- III. The award shall not be granted to the whistleblower, or shall be returned if it was granted to the whistleblower already, provided that the whistleblower engages in one of the following conducts:
 - (I) Directly or indirectly disclose the report before the Company or judicial authority discloses it.
 - (II) Engage in or coerce others to engage in unethical conduct.
 - (III) Provide evidence that is forged or altered.
- IV. 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.
- V. The Company shall disclose on its Intranet information the name and title of the violator, the date and details of the violation, and the actions taken in response.

Article 23 (Implementation)

These Procedures and Code of Conduct shall be effectuated upon approval of the Board of Directors. The same shall apply to subsequent amendments.

These Procedures were established on November 12, 2019, and the first amendment was on March 30, 2020.