

Ethical Corporate Management Best Practice Principles

Article 1 (Objective and scope of application)

Zhen Ding Technology Holding Limited and all subsidiaries (hereinafter referred to as the Company) established the Principles to foster a corporate culture of ethical management and sound development.

This Principle is applicable to the business groups and organizations of the Company, which comprise its subsidiaries, any affiliate companies to which the Company's direct or indirect contribution of funds exceeds 50% of the total funds received, and other institutions or juridical persons that are substantially controlled by the Company ("business group").

Article 2 (Prohibition on unethical conduct)

When engaging in commercial activities, directors, managerial officers, employees of the Company, mandataries, or persons having substantial control over the Company ("substantial controllers") shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty ("unethical conduct") 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, managerial officers, employees or substantial controllers or other stakeholders.

Article 3 (Patterns of benefits)

"Benefits" in these Principles means any valuable things, including money, endowments, commissions, positions, 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 (Legal compliance)

The Company shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act, Act on Recusal of Public Servants Due to Conflict of Interest, TWSE/TPEX listing rules, or other laws or regulations regarding commercial activities, as the underlying basic premise to facilitate ethical corporate management.

Article 5 (Policies)

The Company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and establish good corporate governance and risk control and management mechanism to create an operational environment for sustainable development.

Article 6 (Prevention programs)

The Company shall establish ethical management policies clearly and thoroughly prescribe the specific ethical management practices and the programs to forestall unethical conduct ("prevention programs"), including operational procedures, guidelines, and training.

When establishing the prevention programs, the Company shall comply with relevant laws and regulations of the territory where the Company and its business group are operating.

In the process of developing the prevention programs, the Company should negotiate with staffs, labor unions members, important trading counterparties, or other stakeholders.

Article 6 (Scope of prevention programs)

When establishing the Code of Conduct, the Company shall analyze which business activities within their business scope are possibly at a higher risk of being involved in an unethical conduct, and strengthen the preventive measures.

The prevention programs adopted by the Company shall at least include preventive measures against the following:

- (1) Offering and acceptance of bribes.
- (2) Illegal political donations.
- (3) Improper charitable donations or sponsorship.
- (4) Offering or acceptance of unreasonable presents or hospitality, or other improper benefits.
- (5) Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights.
- (6) Engaging in unfair competitive practices.
- (7) Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services.

Article 8 (Guarantee and execution)

The Company and its business group shall clearly specify in their rules and external documents the ethical corporate management policies and the commitment by the Board of Directors and the management on the active implementation of such policies, and shall exercise the policies in internal management and in commercial activities.

Article 9 (Ethical corporate management of commercial activities)

The Company shall engage in commercial activities in a fair and transparent manner based on the principle of ethical management.

Prior to any commercial transactions, the Company shall take into consideration the legality of its agents, suppliers, clients, or other trading counterparties and whether

any of them are involved in unethical conduct, and shall avoid any transactions with persons so involved.

When entering into contracts with its agents, suppliers, clients, or other trading counterparties, the Company shall include in such contracts terms requiring compliance with ethical corporate management policy. In the event that the trading counterparties are involved in unethical conduct, the Company may at any time terminate or rescind the contracts.

Article 10 (Prohibition on offering and acceptance of bribes)

When conducting business, the Company, Directors, managerial officers, employees, mandataries, and substantial controllers may not directly or indirectly offer, promise to offer, request, or accept any improper benefits in whatever form to or from clients, agents, contractors, suppliers, public servants, or other stakeholders.

Article 11(Prohibition on illegal political donations)

When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, The Company, directors, managerial officers, employees, mandataries, and substantial controllers, shall comply with the Political Donations Act and relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.

Article 12 (Prohibition on improper charitable donations or sponsorship)

When making or offering charitable donations and sponsorship, the Company, directors, managerial officers, employees, mandataries, and substantial controllers shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.

Article 13 (Prohibition on unreasonable gifts, hospitality, or other improper benefits)
The Company, directors, managerial officers, employees, mandataries, and substantial controllers shall not directly or indirectly offer or accept any unreasonable gifts, hospitality or other improper benefits to establish business relationship or influence commercial transactions.

Article 14 (Prohibition on infringement of intellectual property rights)

The Company, directors, managerial officers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations, the company's internal operational procedures, and contractual provisions concerning intellectual property; they 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.

Article 15 (Prohibition on unfair competitive practices)

The Company shall engage in business activities in accordance with applicable competition laws and regulations, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.

Article 16 (Prevention of damage to stakeholders by products or services)

In the course of research and development, procurement, manufacture, provision, or sale of products and services, the Company, directors, managerial officers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations and international standards to ensure the transparency of information about, and safety of, the products and services. It shall also adopt and publish a policy on the protection of the rights and interests of consumers or other stakeholders, and carry out the policy in its operations, with a view to preventing its products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders. Where there are sufficient facts to determine that the Company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the Company shall, in principle, recall those products or suspend the services immediately.

Article 17 (Organization and responsibilities)

The Company's directors, managerial officers, employees, mandataries, and substantial controllers shall exercise the due care of good administrators to urge the Company to prevent unethical conduct. They shall readily review the results of the preventive measures and continually make adjustments to ensure thorough implementation of its ethical corporate management policies. To achieve sound ethical corporate management, the Company shall establish a dedicated unit that is under the board of directors and responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs. The dedicated unit shall be in charge of the following matters, and shall report to the board of directors on a regular basis:

- (1) 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.
- (2) 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.
- (3) 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.
- (4) Promoting and coordinating awareness and educational activities with respect to ethics policy.
- (5) Developing a whistleblowing system and ensuring its operating effectiveness.
- (6) 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.

Article 18 (Legal compliance in business operations)

The Company's directors, managerial officers, employees, mandataries, and substantial controllers shall comply with laws and regulations and the prevention programs when conducting business.

Article 19 (Prevention of conflicts of interest)

The Company shall adopt policies for preventing conflicts of interest to identify, monitor, and manage risks possibly resulting from unethical conduct, and shall also offer appropriate means for directors, supervisors, managers, and other stakeholders attending or present at board meetings to voluntarily explain whether their interests would potentially conflict with those of the company.

When a proposal 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, managerial officers, 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. Directors shall practice self-discipline and must not support one another in improper dealings.

The Company' directors, managerial officers, employees, mandataries, and substantial controllers shall not take advantage of their positions or influence in the Company to obtain improper benefits for themselves, their spouses, parents, children or any other person.

Article 20 (Accounting and internal control)

The Company shall establish effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in an unethical conduct, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly to ensure that the design and enforcement of the systems are showing results.

The internal audit unit of the Company shall periodically examine the Company's compliance with the foregoing systems and prepare audit reports and submit the same to the board of directors. The internal audit unit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.

Article 21 (Operating procedures and guidelines of conduct)

The Company shall establish operational procedures and guidelines in accordance with Article 6 hereof to guide directors, managerial officers, employees, and substantial controllers on how to conduct business. The procedures and guidelines should at least contain the following matters:

- (1) Standards regarding the determination of benefits received or given occasionally in accordance with accepted social customs and that do not adversely affect specific rights and obligations.
- (2) Procedures for offering legitimate political donations.

- (3) Procedures and the standard rates for offering charitable donations or sponsorship.
- (4) Rules for avoiding work-related conflicts of interests and how they should be reported and handled.
- (5) Rules for keeping confidential trade secrets and sensitive business information obtained in the ordinary course of business.
- (6) Regulations and procedures for dealing with suppliers, clients and business transaction counterparties suspected of unethical conduct.
- (7) Handling procedures for violations of these Principles.
- (8) Disciplinary measures on offenders.

Article 22 (Education, training and evaluation)

The chairperson, general manager, 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 periodically organize training and awareness programs for directors, managerial officers, employees, mandataries, and substantial controllers and invite the Company's commercial transaction counterparties so they understand the Company's resolve for implementing ethical corporate management, the related policies, prevention programs and the consequences of committing unethical conduct.

The Company shall apply the policies of ethical corporate management when creating its employee performance appraisal system and human resource policies to establish a clear and effective reward and discipline system.

Article 23 (Whistleblowing System)

The Company shall adopt a concrete whistleblowing system and scrupulously operate the system. The whistleblowing system shall include at least the following:

An independent mailbox or hotline, either internally established and publicly announced or provided by an independent external institution, to allow company insiders and outsiders to submit reports.

- (1) Dedicated personnel or unit appointed to handle whistle-blowing system. Any tip involving a director or senior manager shall be reported to the independent directors or supervisors. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted.
- (2) Documentation of case acceptance, investigation processes, investigation results, and relevant documents.
- (3) Confidentiality of the identity of whistleblowers and the content of reported cases.
- (4) Measures for protecting whistleblowers from inappropriate disciplinary actions due to their whistleblowing.
- (5) Whistleblowing incentive measures.

When material violations or concerns involving material impairment to Company come to their awareness upon investigation, the dedicated personnel or unit handling the whistle-blowing system shall immediately prepare a report and notify the independent directors or supervisors in writing.

Article 24 (Disciplinary and complaint system)

The Company shall establish and publish a well-defined disciplinary and appeal system for handling violations of the ethical corporate management rules. The Company shall make immediate disclosure on the company's internal website of the title and name of the culprit, the date and details of the violation, and the actions taken in response.

Articles 25 (Information disclosure)

The Company shall collect quantitative data about the promotion of ethical management and continuously analyze and assess the effectiveness of the promotion of ethical management policy. It shall also disclose the measures taken for implementing ethical corporate management, the status of implementation, the foregoing quantitative data, and the effectiveness of promotion on the Company's website, annual reports, and prospectuses, and shall disclose the ethical corporate management best practice principles on the Market Observation Post System.

Article 26 (Review and amendment of ethical corporate management policies measures)

The Company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage directors, managerial officers, and employees to make suggestions, based on which the adopted ethical corporate management policies will be reviewed and improved with a view to achieving better effectiveness of ethical management.

Article 27 (Implementation)

The Principles shall be delivered to the Audit Committee for discussion and submitted to the Board of Directors for approval before implementation. It shall also be submitted to the shareholders' meeting. The same shall apply to any revision.

When the Company submits the ethical corporate management best practice principles for discussion by the Board of Directors pursuant to the preceding paragraph, the Board of Directors shall take into full consideration each independent director's opinions and record objections and reservations in the minutes of the Board of Directors meeting. An independent director that cannot attend the board meeting in person to express objection or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the Board of Directors meeting.