

## EPISIL TECHNOLOGIES INC

### Ethical Corporate Management Best Practice Principles

Article 1 These Principles is promulgated to assist the company to foster a corporate culture of ethical management, sound development and good commercial practices.

These Principles apply to the Company's subsidiaries

Article 2 While engaging in commercial activities, directors, managers, employees of the company or persons having substantial control over the company ("Substantial Controllers") shall not directly or indirectly offer, promise, request or accept any improper benefits, or commit unethical(dishonest or illegal) acts 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, managers, employees or substantial controllers or other interested parties.

Article 3 "Benefits" mentioned in the preceding article means anything of value, including money, endowments, commission, positions, services, preferential treatment or rebates of any type. 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 Company shall comply with the "Company Act," "Securities and Exchange Act," "Business Entity Accounting Act," "Political Donations Act," "Anti-Corruption Statute," "Government Procurement Act," "Act on Recusal of Public Servants Due to Conflicts of Interest," TWSE/GTSM listing rules, and other laws or regulations regarding commercial activities, as the underlying basic premise to facilitate ethical corporate management.

Article 5 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 mechanisms, so as to create an operational environment for sustainable development.

Article 6 The company should actively prevent dishonesty in accordance with the business philosophy and policies of the preceding article, and formulate a plan for preventing dishonesty when necessary ( prevention program), including operational procedures, guidelines, and training

While establishing the prevention program, the Company shall comply with relevant laws and regulations of the territory where the companies and their business group are operating.

While establishing the prevention program, it is advisable to consult with employees, members of trade unions or other representative organizations, and communicate with relevant interest groups.

Article 7 While establishing the prevention program, the Company shall analyze which business activities within its business scope which may be at a higher risk of being involved in an unethical conduct, and strengthen the preventive measures.

The prevention program established by the Company shall at least include prevention measures against the following:

- A. Offering and acceptance of bribes.
- B. Illegal political donations.
- C. Improper charitable donations or sponsorship.
- D. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits.

Article 8 The Company and its respective business group shall clearly specify ethical corporate management policies in its rules and external documents. The board of directors and the management level shall undertake to rigorously and thoroughly enforce such policies for internal management and external commercial activities.

Article 9 The Company shall engage in commercial activities in a fair and transparent manner.

Prior to any commercial transactions, the Company shall take into consideration the legality of the agents, suppliers, clients, or other trading counterparties and whether any of them are involved in unethical conduct, and shall avoid any dealings with persons so involved.

While entering into contracts with other parties, the Company shall include in such contracts provisions demanding ethical corporate management policy compliance. In the event the trading counterparties are suspected of engaging in unethical conduct, the Company may at any time terminate or cancel the contracts.

Article 10 While conducting business, the Company and its directors, managers, employees and substantial controllers, shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, including rebates, commissions, grease payments, or offer or accept improper benefit in other ways to or from clients, agents, contractors, suppliers,

public servants, or other interested parties, unless the laws of the territories where the company operate permit so.

Article 11 When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the Company and its directors, managers, 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. When making or offering donations and sponsorship, the Company and its directors, managers, 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 The Company and its directors, managers, employees, mandataries, and Substantial Controllers shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationships or influence commercial transactions.

Article 14 The board of directors of the Company shall exercise the due care of good administrators to urge the Company to prevent unethical conduct, to consistently review the results of the preventive measures, and continually make adjustments so as to ensure thorough implementation of ethical corporate management policies.

To achieve sound ethical corporate management, the Company shall establish a dedicated unit that is responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs.

Article 15 The Company and its directors, managers, employees, mandataries, and substantial controllers shall comply with laws and regulations and the Prevention Programs when conducting business.

Article 16 The Company shall promulgate policies for preventing conflicts of interests, and offer appropriate means for directors and managers to voluntarily explain whether their interests would potentially conflict with those of the Company.

The Company’s directors shall exercise a high degree of self-discipline, a director may present his opinion and answer relevant questions but is prohibited from participating in discussion of or voting on any proposal where the director or the juristic person that the

director represent is an interested party, and such participation is likely to prejudice the interests of the Company; neither shall a director vote on such proposal as a proxy of another director in such circumstances. The director shall practice self-discipline and must not support one another in improper dealings.

The Company's directors and managers shall not take advantage of their positions in the company to obtain improper benefits for themselves, their spouses, parents, children or any other person.

Article 17 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 so as to ensure that the design and enforcement of the systems are showing results.

Internal auditors of the Company shall periodically examine the company's compliance with the foregoing and prepare audit reports and submit the same to the board of directors.

Article 18 The Company shall establish operational procedures and guidelines in accordance with Article 6 hereof to guide directors, managers, employees, and Substantial Controllers on how to conduct business. The procedures and guidelines shall contain but limit to the following matters:

- A. Standards for determining whether improper benefits have been offered or accepted.
- B. Procedures for offering legal political donations.
- C. procedures and the standards rates for offering charitable donations or sponsorships.
- D. Rules for avoiding work-related conflicts of interest related and how they should be reported and handled.
- E. Rules for keeping Confidential trade secrets and sensitive business information obtained in the ordinary course of business.
- F. Regulations and procedures for dealing with suppliers, clients, and business transaction counterparties suspected of unethical conduct.
- G. Handling procedures for violations of the Principles
- H. Disciplinary action for violators.

Article 19 The Company shall periodically organize training and awareness programs for directors, managers, employees, and substantial controllers so they can understand the Company's resolve to implement ethical corporate management, the related policies, Prevention

Programs as well as the consequences of committing Unethical Conduct and resulting discipline.

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

Article 20 The Company shall organize an official channel for reporting unethical conduct and keep the reporter's identify and content of the report confidential.

The Company shall establish a well-defined disciplinary and complaint system to handle violation of the ethical corporate management rules. Also, immediately disclose information such as the title, name, date of violation, content of the violation, and handling of the violation on the company's internal website.

Article 21 The Company shall disclose the status of the enforcement of its own Ethical Corporate Management Best Practice Principles on its company websites, annual reports and prospectuses.

Article 22 The Company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management, and encourage directors, managers and employees to make suggestions so as to review and improve their ethical corporate management best practice principles and achieve better results from implementing the principles.

Article 23 The Priciples of the Company, and any amendments hereto, shall be implemented upon the board of directors grants the approval.