



Sercomm Corporation

Procedures for Ethical Management and Guidelines for Conduct

Article 1 (Formulation Purpose and Scope of Application)

The Company engages in commercial activities based on the principles of fairness, honesty, trustworthiness, and transparency. In order to implement the policy of ethical corporate management and actively prevent unethical conduct, the Company has formulated these operating procedures and Code of Conduct in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and relevant laws and regulations of the operating locations of the Company and the group enterprises and organizations, specifically regulating the matters that the Company's personnel shall pay attention to when conducting business. The scope of application of these operating procedures and Code of Conduct covers the subsidiaries of the Company, corporations with a cumulative direct or indirect contribution of more than 50% of their funds, and other institutions or legal entities with substantial control capabilities, and other group enterprises and organizations (hereinafter referred to as 'Group Enterprises and Organizations').

Article 2 (Object of Application)

The personnel of the Company referred to in these operating procedures and Code of Conduct refer to the directors (henceforth including independent directors), managers, employees, trustees and individuals with substantial control capacities of the Company and the group enterprises and organizations (hereinafter referred to as "Substantial Controllers").

If the Company's personnel provides, commits to provide, demand or accept any improper benefits via a third person, it shall be deemed as the behavior of the Company's personnel.

Article 3 (Unethical Conduct)

The term "unethical conduct" referred to in these operating procedures and Code of Conduct refers to the behavior of the Company's personnel making direct or indirect provision, acceptance, commitment to provide or demand of any improper benefits during the execution of business, or engaging in other behaviors that violate integrity, legality, or fiduciary duty.

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 stakeholders.

Article 4 (Benefits)

"Benefits" in these operating procedures and Code of Conduct 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 5 (Responsible Unit and Position)

The Company designates the Audit Office as the responsible unit (hereinafter referred to as the "Responsible Unit of the Company"), which is under the jurisdiction of the Board of Directors. It is responsible for handling relevant operations such as the revision, execution, and interpretation of and consulting services pertaining to these operating procedures and Code of Conduct, in addition to registration and filing of notification contents and the supervision and execution thereof. It shall be primarily responsible for the following matters, and shall regularly (at least once a year) report to the Board of Directors:

1. Assist the Company in integrating integrity and ethical values into the Company's business strategy, and cooperate with laws and regulations to establish relevant anti-fraud measures to ensure ethical corporate management.
2. Regularly analyze and evaluate the risks of unethical conduct within the business scope, and based on this, formulate prevention plans for unethical conduct, and establish standard operating procedures and Code of Conduct related to work and business within each plan.
3. Plan for the internal organization, staffing, and responsibilities, and establish a mutual supervision and balance mechanism for business activities with high risks of dishonesty within the scope of business.
4. Promotion and coordination of ethical corporate management policy and training.
5. Plan a reporting system, and ensure the effectiveness of its implementation.
6. Assist the Board of Directors and the management in verifying and evaluating the effectiveness of the preventive measures established for ethical corporate management, regularly evaluate compliance with relevant business processes, and prepare reports on such.
7. Produce and properly preserve relevant documentary information such as the policy for ethical corporate management, compliance statements, implementation commitments, execution status, etc.

Article 6 (Prohibition of Offering or Receiving Improper Benefits)

When personnel of the Company directly or indirectly offer, receive, promise, or request benefits as stipulated in Article 4, except in the following circumstances, they should comply with the "Ethical Corporate Management Best Practice Principles of TWSE/TPEx Listed Companies" and the provisions of this operational procedure and Code of Conduct. Only after following the relevant procedures can they proceed.

1. Based on business needs, when visiting, receiving foreign guests, promoting business, and communicating and coordinating domestically (or internationally), acting in accordance with local courtesy, customs, or conventions.
2. Participating in or inviting others to participate in normal social activities based on normal social customs, commercial purposes, or for promoting relationships.

3. Inviting customers or being invited to participate in specific business activities, factory visits, etc. due to business needs, having specified the cost bearing method, number of participants, accommodation level and duration of said activities.
4. Participating in folk festivals that are publicly held and to which the general public are invited.
5. Rewards, assistance, condolences, or consolation provided by supervisors.
6. Other circumstances in compliance with the Company's regulations.

Article 7 (Procedures for Handling of Improper Benefits)

When personnel of the Company encounter situations where others directly or indirectly offer or promise benefits as stipulated in Article 4, they should proceed according to the following procedures, except in cases specified in the previous clause:

1. Individuals who have received or been promised something from someone with whom they have no professional conflict of interest should report to their immediate supervisor within three days of receipt. If necessary, they should also notify the responsible unit of the Company.
2. Individuals who have a vested interest in their roles and responsibilities should return or reject any offers or promises made to them. They should report these instances to their immediate supervisors and notify the responsible unit of the Company. If it is not possible to return the offer, they should hand it over to the responsible unit of the Company for handling within three days of receipt.

The term "a vested interest" in the preceding paragraph refers to any of the following situations:

1. Individuals involved in commercial transactions, supervisory control, or those receiving financial assistance or rewards.
2. Currently seeking, engaging in, or having established contractual, purchasing, or other agreement relationships.
3. Individuals or entities who may experience advantageous or disadvantageous effects due to the decisions made, actions taken, or inactions of the Company, in relation to its business operations.

The responsible unit of the Company shall, based on the nature and value of the interests mentioned in the first paragraph, propose remedies such as return, paid receipts, public possession, transfer to charitable organizations, or other appropriate suggestions, which shall be submitted to the highest supervisor of the responsible unit for approval before implementation.

Article 8 (Prohibition of Facilitating Payments and Procedures for Handling Thereof)

The Company shall not provide or promise any facilitating payments.

If personnel of the Company provide or promise to provide facilitating payments due to threats or intimidation, they shall record the process and report it to their immediate supervisor, and notify the responsible unit of the Company.

After receiving the notice mentioned in the preceding paragraph, the responsible unit of the Company shall immediately process it and review the relevant status to reduce the

risk of recurrence. If any illegal activity is found, they shall notify the legal unit immediately.

Article 9 (Procedures for Handling of Political Contributions)

The provision of political contributions by the Company shall be handled in accordance with the following regulations, and can only be conducted after approval by the Chairman and notification of the responsible unit of the Company:

1. It shall be confirmed to comply with the political contribution regulations of the country where the recipient of such political contributions is located, including the upper limit and form, etc. of the political contributions.
2. The decision shall be prepared as written records.
3. Political contributions shall be accounted for in accordance with laws, regulations, and accounting related handling procedures.
4. When providing political contributions, the Company shall avoid engaging in business transactions with government related units, applying for permits, or handling other matters related to the Company's interests.

Article 10 (Procedures for Handling Charitable Donations or Sponsorships)

The Company shall provide charitable donations or sponsorships in accordance with its relevant regulations and the following matters:

1. It shall comply with the laws and regulations of the place of operation.
2. Decisions should be documented in writing.
3. The recipients of charitable donations shall be charitable organizations and shall not be disguised bribery.
4. The rewards obtained from sponsorship must be clear and reasonable. They should not be directed towards individuals or entities that have commercial dealings with our company, or those who have a vested interest with our personnel.
5. After charitable donations or sponsorships, it shall be confirmed that the purpose of the money flow is consistent with the purpose of the donation.

Article 11 (Avoidance of Conflicts of Interest)

The directors, managers, and other stakeholders attending or participating in the board meetings of the Company should disclose any conflicts of interest they may have with the agenda items, particularly if these conflicts involve themselves or the legal entities they represent. They should explain the significant details of these conflicts during the board meeting. If there is a risk that their involvement could harm the company's interests, they should not participate in the discussion or voting on these matters. They should also recuse themselves during the discussion and voting process and should not exercise the voting rights of other directors by proxy. Directors should also exercise self-discipline and support each other.

Should spouses of directors, relatives within the second degree of kinship, or companies with a controlling subordinate relationship to the director are be considered to have a vested interest in the matters discussed in the previous meeting, this shall be considered as the director themselves having a personal stake in these matters.

When personnel of the Company discover conflicts of interest with themselves or the legal entity they represent, or circumstances that may result in improper benefits for themselves, spouses, parents, children, or other stakeholders, they shall report the relevant circumstance to their immediate supervisor and the responsible unit of the Company, and the immediate supervisor shall provide appropriate guidance.

The Company's personnel shall not use the Company's resources for commercial activities outside of the Company, and shall not affect their work performance by participating in commercial activities outside of the Company.

Article 12 (Organization and Responsibility of Confidentiality Mechanism)

The Company shall establish a dedicated unit responsible for formulating and implementing procedures for the management, preservation, and confidentiality of the Company's trade secrets, trademarks, patents, and other intellectual properties. This unit shall regularly review the results of its implementation to ensure the ongoing effectiveness of its procedures.

Personnel of the Company must strictly adhere to the operational regulations related to intellectual property. They are prohibited from disclosing any known company trade secrets, trademarks, patents, and other intellectual property to others. Furthermore, they should not seek or collect any company trade secrets, trademarks, patents, and other intellectual property that are not related to their job duties.

Article 13 (Prohibition from Engaging in Unfair Competition)

The Company shall engage in business activities in compliance with the Fair Trade Act and relevant competition regulations, and shall not fix prices, manipulate bids, restrict production output and quotas, or share or divide the market by allocating customers, suppliers, operating areas or types of business, etc.

Article 14 (Preventing Products or Services from Damage to Stakeholders)

The Company is committed to understanding and adhering to the relevant laws and international standards applicable to our products and services. It will gather and comprehend these regulations, summarizing key points to be noted and making them publicly available, ensuring that personnel shall, during the research, procurement, manufacturing, provision, or sales process of our products and services, uphold the transparency and safety of our product and service information.

The Company has established and publicly disclosed on our website a policy for the protection of consumer rights and interests, as well as those of other stakeholders. This policy is designed to prevent our products or services from directly or indirectly harming the rights, health, and safety of consumers and other stakeholders.

In the event that media reports or factual evidence suggest that the Company's products or services may pose a risk to the safety and health of consumers or other stakeholders, the Company shall immediately recall the batch of products or cease the services in question. Furthermore, an investigation should be conducted to verify the validity of these claims, followed by the development and implementation of a review and improvement plan.

The responsible unit of the Company shall report to the Board of Directors on the matters mentioned in the preceding paragraph, their handling methods, and the subsequent review and improvement measures.

Article 15 (Confidentiality Agreement and Prohibition from Insider Trading)

The Company's personnel shall comply with the provisions of the Securities and Exchange Act, and shall neither use undisclosed information that they may possess to engage in insider trading, nor disclose it to others, so as to prevent others from using such undisclosed information to engage in insider trading.

Entities or individuals involved in mergers, divisions, acquisitions, share transfers, significant memorandums, strategic alliances, other business cooperation plans, or important contracts with the Company should sign a confidentiality agreement. This agreement ensures that they will not disclose any business secrets or other significant information about the Company to third parties. Furthermore, they are not permitted to use this information without the Company's consent.

Article 16 (Compliance with and Declaration of the Policy for Ethical Corporate Management)

The Company shall require the directors and senior management to provide a statement of compliance with the policy for ethical corporate management, and requires employees to comply with the policy for ethical corporate management as a condition of employment.

The Company shall disclose its Ethical Corporate Management Policy in internal regulations, annual reports, on the company website, and in other promotional materials. This policy should also be appropriately announced at product launches, corporate briefings, and other external events, ensuring that suppliers, customers, and other business-related organizations and personnel can clearly understand our commitment to and guidelines for ethical corporate management.

Article 17 (Evaluation of Ethical Corporate Management before Establishing Business Relationship)

Before establishing business relationships with others, the Company shall first evaluate the legality and integrity of potential partners, suppliers, customers, or other business entities. It shall also check if they have any record of dishonest behavior. This is to ensure that business operations are fair, transparent, and free from any demands, offers, or acceptance of bribes.

When conducting the aforementioned evaluation, the Company may adopt appropriate auditing procedures to examine its business transactions regarding the following matters, in order to understand their status of ethical corporate management:

1. The country of origin, place of operation, organizational structure, business policies, and payment location of the enterprise.
2. Whether the enterprise has established a policy for ethical corporate management or not, and its implementation status.

3. Whether the place of operation of the enterprise is considered a country with a high risk of corruption.
4. Whether the business of the enterprise is classified as an industry with a high risk of bribery.
5. The long-term operating condition and goodwill of the enterprise.
6. Consultations with their business partners for their opinions on the enterprise.
7. Whether the enterprise has ever been involved in any unethical conduct such as bribery or illegal political contributions.

Article 18 (Explaining the Policy for Ethical Corporate Management to Business Partners)

In the course of conducting business, Company personnel shall clearly communicate our policy for ethical corporate management and related regulations to our business partners. They must explicitly reject the direct or indirect provision, promise, request, or acceptance of any improper benefits under any form or name.

Article 19 (Avoiding Conducting Business with Unethical Operators)

Company personnel shall avoid conducting business transactions with agents, suppliers, clients, or other commercial entities involved in unethical conduct. Upon discovering any business dealings or collaborations with entities engaged in such conduct, immediate cessation of all commercial interactions is required. These entities should be classified as disallowed business contacts in order to uphold the Company's policy for ethical corporate management.

Article 20 (Clear Stipulation of Ethical Corporate Management in Contracts)

When the Company enters into contracts with others, it is essential to fully understand the other party's ethical corporate management status. The Company's policy of ethical corporate management shall be incorporated into the contract terms. At a minimum, the following items should be explicitly stipulated in the contract:

1. Should either party become aware of any personnel violating the contractual terms prohibiting the acceptance of commissions, kickbacks, or other improper benefits, they should immediately disclose the identity of such personnel, along with the method, amount, or other improper benefits offered, promised, requested, or received. They should also provide relevant evidence and cooperate with the other party's investigation. This information should be communicated in a truthful and timely manner. In the event that one party suffers damages as a result of this, they are entitled to seek compensation from the other party. Furthermore, they may deduct the equivalent amount from the contractual payment due.
2. In the event of any party engaging in dishonest practices during business activities, the other party has the right to terminate or dissolve the contract at any time, unconditionally.
3. Establish clear and reasonable payment details, including the location of payment, method of payment, and compliance with relevant tax regulations.

Article 21 (Handling of Unethical Conduct by Company Personnel)

The Company encourages both internal and external personnel to report any dishonest or inappropriate behavior. Internal staff who make false reports or malicious accusations shall be subject to disciplinary action, and in severe cases, dismissal may be warranted.

The Company has announced on its corporate website the availability of a reporting mailbox for use by both internal and external personnel.

Those filing reports should provide at least the following information:

1. Their name (though anonymous reporting may also be allowed), as well as the address, phone number, and email address at which the reporter can be contacted.
2. The name of the reported individual or any other information and characteristics sufficient to identify the reported individual.
3. Concrete evidence available for investigation.

Company personnel involved in handling reported matters shall maintain confidentiality regarding the identity of the person filing the report and the content of the report, as stated in written declarations. The Company shall also pledge to protect reporters from any improper treatment as a result of their reports.

The responsible unit of the Company shall handle reports in accordance with the following procedures:

1. If the report involves ordinary employees, it shall be reported to the department head. If the report involves directors or senior executives, it shall be reported to the independent directors.
2. The responsible unit of the Company and the department heads or personnel receiving the report as mentioned in the preceding paragraph shall immediately investigate the relevant facts, and the Regulatory Compliance Department or other relevant departments shall provide assistance when necessary.
3. If it is confirmed that the reported individual has indeed violated relevant laws or the Company's policy and regulations on ethical corporate management, immediate action shall be taken to demand the individual to cease such activities. Appropriate measures shall be implemented, and if necessary, reports shall be made to the competent authorities, the matter shall be referred to the judicial authorities for investigation, or legal proceedings shall be initiated to seek damages to protect the reputation and rights of the Company.
4. The acceptance of reports, the process of investigation, and the results of the investigation should all be documented in writing and preserved for five years. These records can be maintained in an electronic format. Should litigation related to the content of the report(s) occur before the expiration of the retention period, relevant information shall continue to be kept until the end of the litigation.
5. Upon verification of the reported incident, the relevant departments within the Company are required to review the associated internal control systems and operational procedures. Improvement measures shall be proposed to prevent the recurrence of similar behavior.

6. The responsible unit of the Company shall report the details of any allegations, their handling methods, and subsequent review and improvement measures to the Board of Directors.

Article 22 (Handling of Unethical Conduct by Others Towards the Company)

In the event that Company personnel encounter unethical conduct directed against the company, and if such activities involve illegal matters, the Company shall notify the judicial and prosecutorial authorities of the relevant facts. If the activities involve public institutions or public officials, the Company shall also inform the government's anti-corruption agency.

Article 23 (Internal Promotion, Establishment of Reward and Penalty System, Grievance Procedures, and Disciplinary Actions)

The responsible unit of the Company shall conduct internal advocacy annually, communicating the importance of integrity to all employees and appointees. The Company shall incorporate ethical corporate management into employee performance evaluation and human resources policies, and establish clear and effective reward, punishment, and grievance systems.

The Company shall dismiss or terminate personnel who have committed serious violations of integrity in accordance with relevant laws and regulations or the Company's personnel regulations.

Article 24 (Implementation)

These Operating Procedures and Code of Conduct shall be implemented after being approved upon resolution of a board meeting, and the same shall apply to any amendments.

When submitting these Operating Procedures and Code of Conduct to a Board meeting for discussion, the opinions of each independent director shall be taken into full account, and their objections or reservations shall be recorded in the minutes of the meeting; if an independent director is unable to attend the meeting in person to express their objections or reservations, unless for legitimate reasons, a written opinion shall be issued in advance, which shall also be recorded in the minutes of the Board meeting.

These Procedures and Guidelines were enacted on May 11, 2023.