

**GROUNDHOG INC.
PROCEDURES FOR
ETHICAL MANAGEMENT AND
GUIDELINES FOR CONDUCT**

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Notice To Readers

This English version is a machine-translated of Chinese version and is not an official document of Groundhog Inc. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

Article 1 (Purpose of adoption and scope of application)

Company engages in commercial activities following the principles of fairness, honesty, faithfulness, and transparency, and in order to fully implement a policy of ethical management and actively prevent unethical conduct, these Procedures for Ethical Management and Guidelines for Conduct (hereinafter, "Procedures and Guidelines") are adopted pursuant to the provisions of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies and the applicable laws and regulations of the places where company and its business groups and organizations operate, with a view to providing all personnel of the company with clear directions for the performance of their duties.

The scope of application of these Procedures and Guidelines includes the subsidiaries of the company, any incorporated foundation in which the company's accumulated contributions, and other group enterprises and organizations, such as institutions or juristic persons, substantially controlled by the company.

Article 2 (Applicable subjects)

For the purposes of these Procedures and Guidelines, the term "personnel of the company" refers to any director, supervisor, managerial officer, employee, mandatary or person having substantial control, of the company or its group enterprises and organizations.

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 Guidelines, "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.

The counterparties of the unethical conduct under the preceding paragraph include public officials, political candidates, political parties or their staffs, and government-owned or private-owned enterprises or institutions and their directors, supervisors, managerial officers, employees, persons having substantial control, or other interested parties.

Article 4 (Types of benefits)

For the purposes of these Procedures and Guidelines, 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)

This Corporation shall designate the "Corporate Sustainable Development Promotion Group" as the solely responsible unit (hereinafter, "responsible unit") under the board of directors and provide it with sufficient resources and competent personnel to be in charge of the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines, the recording and filing of reports, and the monitoring of implementation. The responsible unit shall be in charge of the following matters and also submit regular reports (at least once a year) to the board of directors:

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. Analysing and assessing the risks of unethical conduct within the business scope on a regular basis and accordingly 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 whistle-blowing 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.
7. Preparing and retaining properly documented information such as ethical management policy and compliance statements, situations concerning the performance of undertakings and enforcement etc.

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 conduct of the given personnel of the company shall comply with the provisions of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX-listed Companies and these Procedures and Guidelines, and the relevant procedures shall have been carried out:

1. 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.

2. 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 relationships.
3. 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.
4. Attendance at folk festivals that are open to and invite the attendance of the general public.
5. Rewards, emergency assistance, condolence payments, or honorariums from the management.
6. Other conduct that complies 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:

1. 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.
2. 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 responsible 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:

1. When the two parties have commercial dealings, a relationship of direction and supervision, or subsidies (or rewards) for expenses.
2. When a contracting, trading, or other contractual relationship is being sought, is in progress, or has been established.
3. 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.

When the first situation arises, the immediate supervisor of the company's personnel should assess the nature and value of the interest and propose options such as returning, paying, transferring to the public, donating to charitable organizations, or other appropriate suggestions. After approval by the general manager, these actions should be carried out and recorded, and the Audit Division of the company should be notified of such situations.

Article 8 (Prohibition of and handling procedure for facilitating payments)

This Corporation shall neither provide nor promise any facilitating payment.

If any personnel of the company provides 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 responsible unit.

Upon receipt of the report under the preceding paragraph, the responsible 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 responsible unit shall also immediately report to the relevant judicial agency.

Article 9 (Handling procedures for political contributions)

The company, its directors, executives, employees, appointees, and substantial controllers, when directly or indirectly making donations to political parties, organizations, or individuals engaged in political activities, must comply with the Political Donations Act and the company's internal procedures. Such contributions should not be used to seek commercial benefits or trading advantages.

Article 10 (Handling procedures for charitable donations or sponsorships)

The company, when providing charitable donations or sponsorships, should adhere to the following procedures, report to the General Manager for approval, and inform the company's designated unit:

1. Compliance with local laws and regulations at the place of operation is required.
2. Decision-making should be documented in writing.
3. The recipient of charitable donations should be a charitable organization and not for the purpose of disguised bribery.
4. The benefits obtained through sponsorship should be clear and reasonable, and they should not be related to the company's business transactions or individuals associated with the company.
5. After charitable donations or sponsorship, the use of funds should be confirmed to be consistent with the donation's purpose.
6. Significant donations to non-related parties should be approved by the Board of Directors in accordance with the rules of the board meetings.

Article 11 (Conflict of interest)

Directors, executives, and other stakeholders attending or participating in board meetings of the Company who have conflicts of interest with regard to the agenda of the board meeting, whether in their personal capacity or as representatives of legal entities, shall disclose the significant details of their conflicts of interest during the board meeting. When there is a potential risk of harm to the interests of the Company, they shall not participate in discussions and voting. They shall abstain from discussions and voting and shall not act on behalf of other directors in exercising their voting rights. Directors should also exercise self-restraint and refrain from providing inappropriate support to each other.

Spouses, second-degree blood relatives, or companies under the control of the directors, with conflicts of interest concerning the matters discussed in the preceding paragraph at board meetings, shall be considered as having conflicts of interest in those matters.

Company personnel, while executing Company business, who encounter situations where they have conflicts of interest with themselves or legal entities they represent, or situations that may result in undue benefits to themselves, their spouses, parents, children, or individuals with whom they have a conflict of interest, shall promptly report such matters to their immediate supervisors and the Company's dedicated department. Immediate supervisors should provide appropriate guidance.

Company personnel shall not use Company resources for activities outside the Company, and their involvement in activities outside the Company shall not adversely affect their job performance.

Article 12 (Organization and responsibilities of the 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, copyrights, and other intellectual property. It shall periodically review the results of implementation to ensure the continued effectiveness of its operational procedures.

Company personnel shall strictly adhere to the relevant operational rules concerning the intellectual property mentioned above and shall not disclose the Company's trade secrets, trademarks, patents, copyrights, and other intellectual property to third parties or inquire into or collect information about the Company's trade secrets, trademarks, patents, copyrights, and other intellectual property that is unrelated to their duties.

Article 13 (Prohibition of unfair competition)

The Company, in conducting its business activities, shall comply with the Fair Trade Act and related competition regulations. It shall not fix prices, manipulate bids, limit production and quotas, or share or divide markets by allocating customers, suppliers, operational areas, or types of business.

Article 14 (Preventing harm to stakeholders from products or services)

The Company shall collect and understand the relevant laws and international standards that should be followed for the products and services it provides, and it shall compile and publicize matters to be observed to ensure transparency and safety of information regarding the development, procurement, manufacture, provision, or sale of products and services by Company personnel.

The Company shall establish and publicly disclose a policy for the protection of the rights and interests of consumers and other stakeholders on the Company's website to prevent products or services from directly or indirectly harming the rights, health, and safety of consumers and other stakeholders.

In cases where the media reports or there is sufficient evidence to believe

that the Company's products or services may endanger the safety and health of consumers or other stakeholders, the Company shall promptly recall the batch of products or cease the service, investigate whether the facts are true, and present a review and improvement plan.

The dedicated unit of the Company shall report the matters in the preceding paragraph, the way they are handled, and the subsequent review and improvement measures to the board of directors.

Article 15 (Prohibition of insider trading and confidentiality agreements)

Company personnel shall comply with the provisions of the Securities and Exchange Act and shall not engage in insider trading using non-public information they are aware of, nor shall they disclose it to others to prevent them from engaging in insider trading.

Institutions or individuals participating in the Company's mergers, divisions, acquisitions, share transfers, important memorandums, strategic alliances, other business cooperation plans, or important contracts shall sign confidentiality agreements with the Company, committing not to disclose the Company's business secrets or other significant information to others, and shall not use such information without the Company's consent.

Article 16 (Adherence to and declaration of integrity business policies)

The company shall require directors and senior management to provide a declaration of adherence to integrity business policies and make compliance with integrity business policies a condition of employment for its employees. The company shall disclose its integrity business policies in internal regulations, annual reports, company websites, or other promotional materials, and shall declare them at external events such as product launches and corporate briefings to ensure that its suppliers, customers, and other business-related entities and individuals can clearly understand its integrity business principles and standards.

Article 17 (Integrity business assessment before establishing business relationships)

Before establishing business relationships with others, the company shall assess the legitimacy, integrity business policies, and whether there is a history of dishonest conduct of agents, suppliers, customers, or other business counterparts to ensure that their business operations are fair, transparent, and do not involve the offering, promising, requesting, or accepting of bribes. During the assessment, the company may employ appropriate verification procedures to examine the following aspects of its business counterparts to understand their integrity business status:

1. The nationality, operating location, organizational structure, business policies, and payment locations of the company.
2. Whether the company has established integrity business policies and their implementation status.
3. Whether the company's operating location is in a high-risk corruption country.
4. Whether the company's business falls into a high-risk bribery industry.
5. The long-term operational status and reputation of the company.
6. Seeking opinions from its business partners about the company.
7. Whether the company has a history of dishonest conduct, such as bribery or illegal political contributions.

Article 18 (Declaration of integrity business policies to business counterparts)

Company personnel engaging in business activities should explain the company's integrity business policies and related regulations to their transaction counterparts, clearly refusing to directly or indirectly provide, promise, request, or accept any form or name of undue benefits.

Article 19 (Avoiding transactions with unscrupulous business parties)

Company personnel should avoid engaging in business transactions with agents, suppliers, customers, or other business counterparts involved in dishonest conduct. If it is discovered that a business partner or collaborator is involved in dishonest conduct, business dealings with them should be immediately terminated, and they should be categorized as disallowed business counterparts to uphold the company's integrity business policies.

Article 20 (Integrity business inclusion in contracts)

When the company enters into contracts with others, it should thoroughly understand the integrity business status of the other party and incorporate compliance with the company's integrity business policies into the contract terms. The contract should at least stipulate the following:

1. If either party becomes aware of personnel violating the contract terms prohibiting the receipt of commissions, kickbacks, or other undue benefits, they should promptly disclose the identity of such personnel, the method, amount, or other undue benefits provided, promised, requested, or received, and provide relevant evidence, cooperating with the other party's investigation. If one party suffers damages as a result, they may request a damages clause, and such damages may be deducted from the contract price.
2. If either party is involved in dishonest conduct in commercial activities, the other party may unconditionally terminate or rescind the contract at any time.
3. Establish clear and reasonable payment terms, including payment location, methods, compliance with relevant tax regulations, etc.

Article 21 (Handling of unethical conduct by company personnel)

The company encourages both internal and external individuals to report unethical or improper conduct. Depending on the severity of the reported

incident, rewards may be granted. Internal employees who make false reports or malicious accusations should face disciplinary action, and in cases of serious misconduct, dismissal may be considered.

The company has established and published on its website and internal network an internal reporting mailbox, hotline, or has entrusted other external independent organizations to provide a reporting mailbox and hotline for use by both internal and external individuals.

Whistleblowers are required to provide at least the following information:

1. Whistleblower's name, ID number, and contact information, including address, phone, and email.
2. Information that can identify the person being reported.
3. Specific evidence that can be used for investigation.

Those involved in handling the reported incidents within the company must provide a written statement to keep the identity of the whistleblower and the content of the report confidential. The company commits to protecting the whistleblower from any adverse consequences resulting from the report.

The company's dedicated department should handle reported incidents according to the following procedure:

1. If the reported incident involves regular employees, it should be reported to the department head. If it involves directors or senior executives, it should be reported to independent directors or supervisors.
2. The company's dedicated department and the supervisors or personnel who received the report should immediately verify the relevant facts and seek assistance from legal compliance or other relevant departments if necessary.
3. If it is confirmed that the reported person has violated relevant laws or the company's integrity policy and regulations, they should be immediately asked to stop the relevant behavior, and appropriate measures should be taken. When necessary, the matter should be

reported to the competent authority, referred to the judicial authority for investigation, or legal procedures should be initiated to seek compensation to protect the company's reputation and interests.

4. Records of the acceptance, investigation process, and investigation results of the report should be kept in written form and retained for five years, which may be stored electronically. If the retention period has not expired and there is litigation related to the content of the report, the relevant information should continue to be preserved until the end of the litigation.
5. In the case of confirmed whistleblower reports, the relevant company unit should review the related internal control system and operational procedures, and propose improvement measures to prevent the recurrence of similar behavior.
6. The company's dedicated department should report the whistleblower incident, its handling, and follow-up improvement measures to the Board of Directors.

Article 22 (Handling unethical conduct by others toward the company)

When company personnel encounter unethical behavior by others toward the company, and if the behavior involves illegal activities, the company should notify the judicial and prosecutorial authorities. If it involves government agencies or public officials, the company should also notify government integrity agencies.

Article 23 (Establishment of reward and punishment, appeal system, and disciplinary measures)

The company's dedicated unit should regularly conduct internal awareness campaigns to convey the importance of integrity to directors, employees, and appointees.

For company personnel with serious violations of integrity, the company

should terminate their employment according to relevant laws or the company's personnel regulations.

The company should disclose information about personnel who have committed integrity violations, including their job titles, names, violation dates, violation details, and the outcome of the disciplinary action, on its internal website.

Article 24 (Implementation)

This operating procedure and code of conduct are to be implemented upon approval by the Board of Directors and should be reported to the shareholders' meeting. The same applies when making amendments.

When presenting this operating procedure and code of conduct to the Board of Directors for discussion, the opinions of independent directors should be fully considered, and their dissenting or reserved opinions should be documented in the board meeting minutes. If independent directors cannot attend the board meeting in person to express their dissenting or reserved opinions, unless there are justifiable reasons, they should provide written opinions in advance, which should be recorded in the board meeting minutes.