

## Regulations for Ethical Management

### Chapter I General Provisions

#### Article 1 (Scope of Application)

This regulation applies to all executives and employees who are overseen by SIMMTECH Co., Ltd (SIMMTECH Holdings Co., Ltd., SIMMTECH Co., Ltd., SIMMTECH (Xi'an) Co., Ltd., SIMMTECH GRAPHICS Co., Ltd., affiliates, overseas corporations, and subsidiaries), hereinafter referred to as the "Company".

#### Article 2 (Policy)

1 The Company's management philosophy is based on core value 'INTEGRITY', management strategy 'FOUNDATION FOR SEMICONDUCTOR' and vision 'ENABLE A BETTER WORLD' to form 'SIMMTECH WAY'.

2 INTEGRITY is the most important value for executives and employees who do not change despite changes in the external environment and the passage of time, and includes specific actions.

3 Based on its core value, 'INTEGRITY', the Company's management strategy 'FOUNDATION FOR SEMICONDUCTOR' was established.

4 The Company declared 'ENABLE A BETTER WORLD' to be realized through its management strategy.

5 The Company and all executives and employees share and practice INTEGRITY, which is the core value, for various stakeholders such as customers, executives and employees, shareholders, partners, local communities, and the country, and practice corporate ethical management so that a better world can be made possible by becoming the foundation of the semiconductor industry.

### Chapter 2 Regulations on Customer Companies

#### Article 3 (Customer Respect)

Respect the customer's opinion in a manner of good faith and sincerity, and actively accept the customer's legitimate demands and reasonable suggestions.

#### Article 4 (Customer Value)

- 1 Always strive to find the true value that customers need through innovation and creativity.
- 2 We provide high-quality products in a timely manner and do our best to satisfy customers by developing technologies and improving quality.

#### Article 5 (Customer Protection)

- 1 The Company protects the intellectual property and honor of the client without divulging the intellectual property rights and information related to the or using it for other purposes.
- 2 Information that the customer needs to know or should be informed to the customer should be disclosed transparently so that the customer can make a reasonable judgment.
- 3 Customer intellectual property rights are respected and technology and know-how transfer is carried out in a manner that respects intellectual property rights.

### Chapter 3 Regulations for Employees and Executives

#### Article 6 (Respect executives and employees)

- 1 The Company shall endeavor to support and respect the protection of internationally publicized human rights and to respect diversity.
- 2 The Company continuously makes efforts to improve the quality of life while guaranteeing the basic life of employees.
- 3 Do our best to ensure the maximum physical, mental, and social well-being of our employees and to create a safe and pleasant working environment.
- 4 The employment age and working conditions of minors (labor hours, safety/health/environment, welfare, etc.) are complied with international standards and relevant laws.

#### Article 7 (Indiscriminate Fair Competition)

1 In terms of employment and promotion of executives and employees, they are treated fairly and not discriminated against according to gender, educational background, age, region of origin and nationality etc.

2 Evaluate and compensate employees according to fair standards for their abilities and performance. Do not make false or exaggerate reports for the benefit of a particular individual or department and do not intentionally omit, cover up or monopolize important information.

#### Article 8 (Human resource development)

1 Efforts shall be made to expand the individual's competence and workability by providing with opportunities for education, technology development, training, and promotion to employees.

2 Motivating executives and employees to achieve their work and foster them as autonomous and creative human resources, and actively supports them by activating that system.

#### Article 9 (Informant Protection)

1 Executives and employees of the Company's internal department and each Partner Company shall notify and report to the Company when they are offered to contact or relate to possible ethical breaches.

2 The Company shall ensure confidentiality of the reporter and the details of the report, and shall take all possible measures for such protection against the violation of business ethics of the employees or those who report such acts in accordance with the regulations, such as protest, report, tip-off, and whistleblowing.

3 In dealing with reports and whistleblowers, the Company shall treat informants and whistleblowers anonymously and shall take all possible measures and efforts to prevent whistleblowers from receiving any disadvantages thereafter.

4 In the event that a report under the regulations finds his/her misconduct, he/she may be reduced or exempted from disciplinary action against the reporter.

5 All employees of the Company may refuse to do so if they are forced to violate fair trade by the boss or executive of the department to which they belong.

6 All employees of the Company are not disadvantaged by the transfer, promotion, etc. of their superiors even if they refuse to be forced into unethical conduct, and the disadvantaged employees may request the Ethics Management Committee to correct and protect them.

#### Article 10 (Protect Personal Information)

In accordance with relevant laws and regulations, personal information collected, stored, and managed by the Company can be protected and to guarantee the rights of the information subject.

### Chapter 4 Regulations on the Duty of Employees

#### Article 11 (Basic Ethics of Employees)

1 As an executive and employee, I have self-esteem and pride and strive for continuous development based on the core value of the Company.

2 Efforts shall be made to enhance the performance and efficiency of work through active cooperation and smooth communication between related departments.

3 In accordance with all laws and regulations of the Company, the Company shall perform its duties as best as possible in a legal and ethical manner and be responsible for the results thereof.

4 If an unethical or illegal act is witnessed or proposed, it shall be obliged to report it to the department in charge of ethical management.

#### Article 12 (Compliance with Regulations)

1 Executives and employees must comply with the Company regulations such as "all laws and regulations" and "ethics management regulations" in performing their duties.

2 If it is not clear in relation to the preceding paragraph, the legal validity must be secured by consulting with the department in charge.

3 Executives and employees enhance the honor of the country and the Company by complying with the laws of the host country when working abroad or on a business trip.

4 The person in charge of the organization is responsible for supporting and managing its employees and business stakeholders to understand and comply with the Company's ethical management regulations and should set an example by taking the initiative and following them.

5 In case of violating Company regulations, such as ethical regulations, will be subject to reasonable disciplinary action and measures in accordance with the relevant regulations and procedures.

#### Article 13 (Fair performance of duties)

1 Do not make fraudulent solicitations to stakeholder, receive or provide money or valuables, entertainment or convenience, and performs tasks fairly and transparently by clearly separating public and private matters.

2 In performing his/her duties, he/she shall avoid any transactions in which the interests of the Company and the interests of the employees conflict, and if such conflicts occur, the interests of the Company shall be given priority unless they are contrary to ethical standards.

#### Article 14 (Creating a clean Company culture)

1 Work hours shall be strictly observed to prevent damage to other employees, and duties shall be faithfully performed with responsibility.

2 Employees respect each other as a person based on faith and trust.

3 Report honestly without hiding or exaggerating.

4 Act prudently so as not to undermine the dignity of the individual and the reputation of the Company.

5 Outdoor organizational activities, such as Company dinners, comply with the applicable guidelines and standards.

#### Article 15 (Protection of Company Assets)

1 The Company's assets, budget, etc. are used for business purposes.

2 All tangible and intangible assets of the Company shall not be leaked without permission or disclosed to third parties unfairly, and the Company shall comply thoroughly with security-related regulations.

## Chapter 5 Regulations for Shareholders and Investors

### Article 16 (Protection of Shareholders' Interests)

1 We will do our best to increase the market value of shareholders by faithfully managing and maintaining transparency through creativity and sincerity.

2 Executives and employees shall do their best to increase the value of the Company by complying with the statutes, the Company's articles of association, and Company regulations.

### Article 17 (Maintaining Enterprise Transparency)

1 Management data shall be prepared and disclosed in accordance with corporate accounting standards in respect of the general principles of enterprise management.

2 Reliable information about the overall management required by shareholders and investors shall be provided in good faith in accordance with the applicable laws and general industry practices.

### Article 18 (Guarantee of shareholder rights)

To respect shareholders' right to know and legitimate demands or suggestions.

## Chapter 6 Regulations for Partner Companies

### Article 19 (Pursuing Free Competition)

- 1 Respect market economic order based on transparency and actively participate in fair trade practices.
- 2 The Company strives to improve the fairness and reliability of transactions such as anti-corruption and fair competition.
- 3 The Company grants fair participation opportunities to all partners who are fairly and reasonably qualified.

#### Article 20 (Compliance with laws and regulations)

- 1 All business and business activities shall be carried out in compliance with all laws and regulations of the relevant country and region and the company's 'Code of 'Conduct for Ethical Management' of Partner Companies' and respect of the customs of transactions.
- 2 The Fair Trade Autonomous Compliance System shall be operated to ensure that all employees voluntarily comply with the regulations.
- 3 We will strive to ensure transparency in the supply chain of raw materials and do our best not to violate the environment and personnel.
- 4 The terms and conditions of the transaction are not changed unilaterally without prior consultation with the Partner Companies.

#### Article 21 (Win-Win Cooperation with Partners)

- 1 All transactions are fully discussed in accordance with relevant laws and industry best standard, in a transparent and fair manner, with respect to the terms and conditions of the transaction.
- 2 The transfer of intellectual property and business information of business partners is conducted only by an agreement in a manner that respects intellectual property rights.
- 3 Business information and intellectual property received as part of the transaction review and contract procedure shall be kept confidential and protected by signing a separate confidentiality agreement upon request from business partners.
- 4 It actively supports long-term win-win cooperation through technical support and management cooperation.

5 Propagate and promote the Company's ethical regulations and guidelines for ethical behavior to actively support business partners to participate.

#### Article 22 (Fair treatment)

1 All transactions shall be carried out fairly in a mutually equal position, but shall be carried out transparently in an open and routine place of work.

2 All transactions operate transparently and accurately reflect the records of the response activities of the participating entities.

3 Information required for transactions shall be provided fairly, and information obtained from suppliers in the course of the transaction shall not be used unfairly.

4 Support partners to comply with international standards and regulations related to human rights, protect the human rights of employees, and treat them fairly.

#### Chapter 7 Commitment to the Nation and Society

##### Article 23 (Duties to the Nation)

To create employment, provide quality products and services, and serve as a sincere taxpayer.

##### Article 24 (Social Responsibility)

1 It ensures and encourages employees to participate in sound social activities and contributes to economic development by improving the social environment.

2 Efforts to build mutual trust with stakeholders and faithfully fulfill social responsibilities as corporate citizens.

3 The information system for irregularities shall be established and operated, and the informant shall be guaranteed his/her identity and confidentiality, and he/she shall do his/her best to handle them.

##### Article 25 (Political Exclusion)

1 Not involved in politics and does not provide contributions or expenses directly or indirectly to candidates, political parties, or political committees for any



electorates. However, it is possible to express its position on the formulation of policies or the enactment of laws related to the interests of the Company.

2 Respect the personal views of executives and employees, but we must be careful not to mislead the individual's views into the position of the Company, and do not allow any political activities within the Company.

#### Article 26 (Eco-friendly Management)

1 The Company and its executives and employees recognize the importance of environmental issues and strive to comply with environmental laws and prevent environmental pollution in order to preserve a clean environment.

2 The Company and its executives and employees shall do their best to prevent disasters and risks by complying with all safety regulations and standards.

Date of implement

1. This Regulation takes effect from 1st January 2020