

**WT Microelectronics Co., Ltd.**  
**Implementation of Ethical Corporate Management**

Evaluation Item	Implementation status
<p>I. Establishment of ethical corporate management policy and approaches</p> <p>(I) Did the company establish an ethical corporate management policy that was approved by the Board of Directors, and declare its ethical corporate management policy and methods in its regulations and external documents, as well as the commitment of its Board and management to implementing the management policies?</p> <p>(II) Does the company establish mechanisms for assessing the risk of unethical conduct, periodically analyze and assess operating activities within the scope of business with relatively high risk of unethical conduct, and formulate an unethical conduct prevention plan on this basis, which at least includes preventive measures for conduct specified in Article 7, Paragraph 2 of the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies?</p>	<p>(I) The Company's Ethical Corporate Management Best Practice Principles were passed by the Board of Directors on December 1, 2014, and amendments were passed by the Board of Directors on July 11, 2016 and August 8, 2019 in response to law amendments. They were disclosed on the Market Observation Post System and the company website (<a href="http://www.wtmec.com">www.wtmec.com</a>). In addition, the Company issued the 2020 Corporate Social Responsibility Report on June 30, 2021 to make stakeholders aware of the Company's efforts and contributions in CSR. The Group's senior management and members of the Board of Directors are committed to upholding their responsibility of supervision based on honesty and trustworthiness when performing their duties, in order to create a sustainable business environment.</p> <p>(II) The Company explicitly prohibits unethical conduct such as offering and receiving bribery, providing or accepting improper interests, providing or promising facilitation payment, providing illegal political contributions, engaging in unfair competition, providing improper charitable donations or sponsorships, disclosing trade secrets and damages to the interests of stakeholders, etc., in the "Procedures for Ethical Management and Guidelines for Conduct". The Company has taken preventive measures and conducted educational advocacies to implement the ethical management policy.</p>

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<p>(III) Did the company specify operating procedures, guidelines for conduct, punishments for violation, rules of appeal in the unethical conduct prevention plan, and does it implement and periodically review and revise the plan?</p>	<p>(III) The Company engages in commercial activities based on the principles of fairness, honesty, trustworthiness and transparency. In order to implement the ethical management policy, in accordance with the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”, the Board of Directors passed the resolution to formulate the “Procedures for Ethical Management and Guidelines for Conduct”. Specifying the matters the Company’s personnel shall be minded of when performing business. It includes clear operating procedures and guidelines for each program, disciplinary action for violations and grievance systems. It is applicable to all of the Group’s companies and organizations such as the Company and its subsidiaries, foundations with the Company directly or indirectly contributing more than 50% of the funds, and other institutions or legal persons which the Company has substantial control. Besides promoting the policy among new employees, the Company has implemented it in business operations.</p>
<p>II. Implementation of ethical corporate management</p> <p>(I) Does the company evaluate the ethical records of parties it does business with and stipulate ethical conduct clauses in business contracts?</p> <p>(II) Does the company have a unit that supports ethical management practices on a full-time basis under the board of directors, and reports the ethical</p>	<p>(I) After the evaluation, the Company shall sign contracts that contain an ethics clause with transaction counterparties if necessary. The ethics clause includes not accepting or requesting improper benefits, such as bribery, gift money, gift cards, etc., and conducting all business activities based on the principles of fairness, justice, openness and honesty. In addition, the financial institutions to which the Company conducts transactions with are all legally registered and well-known commercial banks or bills finance companies. The rights and obligations of both parties and the terms of the transaction are clearly set out in the credit contract. The Company also established the “Supplier Code of Conduct” on April 12, 2016 to specify relevant ethics.</p> <p>(II) In order to improve the ethical corporate management, the HR, Legal and Audit Office jointly form an Ethical Management Promotion Task Group, decentralizing the formulation and supervision of ethical corporate management policies and preventive measures based on the work responsibility and scope of each unit, to ensure the implementation of the Ethical</p>

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<p>management policy and programs against unethical conduct regularly (at least once a year) to the board of directors and oversees the operations?</p>	<p>Corporate Management Best Practice Principles.            In addition, the Company reports the implementation of ethical corporate management in the previous year to the Board of Directors every year, to assist the Board of Directors in assessing whether the ethical corporate management measures established by the Company are operating effectively. On January 5, 2021, the Board of Directors completed the 2020 annual reporting on the implementation of ethical management. Progress in 2020:</p> <ol style="list-style-type: none"> <li>1. Education and training              In addition to promoting ethics and integrity as the core values of the Company to all employees, the task group also provides education and training to new employees to advocate the matters which require attention when conducting business.</li> <li>2. Communication channels              Employees can also respond to and communicate with management and the HR unit through multiple channels (including the Company’s website, internal email system, etc).</li> <li>3. Reporting procedures and whistleblower protection              There is a whistleblowing platform for any violation of the code of conduct on the Company’s official website, providing a channel for whistleblowers to report illegal activities of the Company’s personnel. The Ethical Management Promotion Task Group is responsible for accepting the reported cases, forwarding these cases to the highest supervisors of the relevant units for investigation, and tracking the final result of each cases. The identity of the whistleblower and the contents of the report shall be kept confidential, and a complete record of the acceptance, investigation process and results of the case shall be retained. The Company received 0 external reports and employee reports in 2020; there were no incidents of severe unethical conduct.</li> </ol>
<p>(III) Does the company establish policies to prevent conflict of interests provide appropriate channels for filing related complaints and implement the policies accordingly?</p>	<p>(III) The Company’s “ Ethical Corporate Management Best Practice Principles “ and “Procedures for Ethical Management and Guidelines for Conduct” have clearly specified policies for preventing conflicts of interest and requires all units to implement them. Open channels are provided internally and on the Company’s website for employees to present their opinions. In addition, the Company’s personnel that attended Board meetings recused themselves for those proposals that they have a conflict of interest (January 2, 2020, February 15, 2020,</p>

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<p>(IV) Does the company have effective accounting system and internal control systems set up to facilitate ethical corporate management, does the internal auditing unit formulate audit plans based on unethical conduct risk assessment results, and does it audit compliance with the unethical conduct prevention plan or commission a CPA to perform the audit?</p> <p>(V) Does the company regularly hold internal and external educational trainings on ethical corporate management?</p>	<p>May 11, 2020, July 2, 2020, August 7, 2020, November 6, 2020) in accordance with Article 15 of the Company's "Rules of Procedure for Board of Directors' Meetings" on directors' recusal due to conflict of interest.</p> <p>(IV) The Group has established a complete and effective control mechanism in the accounting system and internal control system for business activities and operating procedures that have potentially high levels of unethical conduct. Internal auditors shall include high-risk operations as the primary audit items in the annual audit plan based on risk assessments to strengthen preventive measures, and report the actual implementation of the audit plan during regular Board meetings. In addition, through the Company's annual self-assessment of internal controls, all departments and subsidiaries of the Company are required to self-examine the internal control system, in order to ensure the effectiveness of the system's design and implementation.</p> <p>(V) The "Ethical Corporate Management Best Practice Principles", "Procedures for Ethical Management and Guidelines for Conduct" and the "Codes of Ethical Conduct" established by the Company are disclosed in the "Corporate Governance" section of the official website and on the internal website, as well as provided regularly re-training for current employee every year as well as training for new employees when they take office. In 2020, the total number of training hours was 562 hours, and the number of trainees was 1,185. The training aims for each new employee to understand and abide by the Best Practice Principles. In addition, relevant personnel are also appointed to participate in seminars and symposiums organized by public associations or professional organizations to strengthen the Group's ethical corporate management policy.</p>
<p>III. Operation of whistleblowing system</p> <p>(I) Does the company establish concrete whistleblowing and reward system and have a convenient reporting channel in</p>	<p>(I) In accordance with Article 23 of the Company's Ethical Corporate Management Best Practice Principles and Article 21 of the Procedures for Ethical Management and Guidelines for Conduct on the whistle-blowing system, if members of the Group suspect or discover any</p>

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<p>place, and assign an appropriate person to communicate with the accused?</p> <p>(II) Does the company establish standard operating procedures for investigating reported cases, and does it take subsequent measures and implement a confidentiality mechanism after completing investigation?</p> <p>(III) Does the company provide proper whistleblower protection?</p>	<p>violations, they shall report it to independent directors, executive officers, the chief internal auditor or other suitable personnel. In addition, there is a professional ethics violation reporting channel on the Company’s website for relevant personnel to report wrongdoings. There were no considerable internal or external whistleblower cases in 2020.</p> <p>(II) In accordance with Article 23 of the Company’s Ethical Corporate Management Best Practice Principles and Article 21 of the Procedures for Ethical Management and Guidelines for Conduct, records of the whistleblower report acceptance and investigation process and results shall be kept and retained, and the whistleblower’s identity and contents of the report shall be kept confidential. If a material violation is discovered by the investigation or the Group is at risk of sustaining significant losses, a report shall immediately be prepared and independent directors shall be notified in writing. No such incident occurred in 2020.</p> <p>(III) In accordance with Article 23 of the Company’s Ethical Corporate Management Best Practice Principles and Article 21 of the Procedures for Ethical Management and Guidelines for Conduct, the whistleblowers identity and contents of the report shall be kept confidential, and whistleblowers shall not be subject to improper treatment due to whistleblowing.</p>
<p>IV. Enhancing information disclosure</p> <p>Does the company disclose information regarding the company’s ethical corporate management principles and implementation status on its website and the Market Observation Post System?</p>	<p>The Company has disclosed these Best-Practice Principles and its implementation on the Company’s website, Market Observation Post System, annual reports, corporate social responsibility reports and prospectus in accordance with Article 25 of the Ethical Corporate Management Best Practice Principles. Integrity is the Company’s most important core value and business philosophy. Employees must abide by clear ethical and character standards. The Company keeps its commitment to vendors, customers, employees, shareholders and society, and also does its utmost to ensure the interests and rights of all stakeholders.</p>
<p>V. If the company has established Ethical Corporate Management Principles in accordance with “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”, describe difference with the principles and implementation status:</p>	<p>The Company established the “Ethical Corporate Management Best Practice Principles” to establish a corporate culture of ethical management</p>

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	and to achieve sound development. There is no deviation between actual operations and the Company's Best Practice Principles.
<p>VI. Other important information to facilitate a better understanding of the company's implementation of ethical corporate management: (e.g., review and amendment of the Ethical Corporate Management Best Practice Principles)</p> <p>The Company's "Procedures for Ethical Management and Guidelines for Conduct" was amended in response to the regulations, and passed by the Board of Directors on August 7, 2020. Furthermore, the Company shall pay attention to the development of relevant domestic and international ethical management regulations, and encourage directors, executive officers and employees to attend training and propose improvements and suggestions to enhance the Company ethical corporate management performance.</p>	