

**GROUNDHOG INC.
ETHICAL CORPORATE
MANAGEMENT BEST PRACTICE
PRINCIPLES**

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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 and Scope)

In order to establish a culture of integrity and sustainable development and to create a sound business operation model, this principle is formulated in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" issued by the Financial Supervisory Commission. This principle applies to the Company's subsidiaries and entities or legal organizations with substantial control capacity.

Article 2 (Prohibition of Unethical Conduct)

The Company's directors, managers, employees, appointees, or individuals with substantial control (hereinafter referred to as "Company Personnel") shall not, directly or indirectly, provide, promise, request, or receive any improper benefits, or engage in other "unethical conduct" in the course of business activities to seek to obtain or maintain benefits. The subjects of the preceding behavior include public officials, political candidates, political party or party officials, and any public or private enterprises or organizations, their directors (councilors), supervisors, managers, employees, substantial controllers, or other stakeholders.

Article 3 (Nature of Benefits)

The benefits referred to in this principle refer to anything of value, including any form or nominal money, gifts, commissions, positions, services, privileges, rebates, etc. However, when it conforms to normal social customs and is occasional without affecting specific rights and obligations, it is not subject to this limitation.

Article 4 (Compliance with Laws)

The Company shall comply with the Company Act, Securities and Exchange Act, Business Accounting Act, Political Donations Act, Anti-Corruption

Act, Government Procurement Act, Conflict of Interest Avoidance for Public Officials Act, relevant regulations for listed and OTC companies, and other laws and regulations related to business operations as the basic premise for implementing integrity in business operations.

Article 5 (Policies)

The Company shall establish policies based on integrity, with a focus on integrity, transparency, and responsibility in its operations. These policies shall be approved by the board of directors and create a good corporate governance and risk management mechanism to create a sustainable operating environment.

Article 6 (Commitment and Implementation)

The Company shall require directors and senior management to issue statements of compliance with the integrity operation policy and require employees to adhere to the integrity operation policy as part of their employment conditions. The Company and group companies and organizations shall express the integrity operation policy in their internal regulations, external documents, and company websites, actively commit to implementing the integrity operation policy by the board of directors and management, and maintain proper records for the first and second paragraphs of integrity operation policy, statements, commitment, and implementation.

Article 7 (Integrity in Business Activities)

The Company shall conduct its business activities in a fair and transparent manner based on the principles of integrity. Before engaging in business transactions, the Company shall consider the legality of its agents, suppliers, customers, or other business transaction counterparts and avoid conducting transactions with those involved in "unethical conduct."

Contracts signed by the Company with agents, suppliers, customers, or other business transaction counterparts shall include provisions for compliance with the integrity operation policy and the right to terminate or rescind the contract at any time if the counterpart is involved in "unethical conduct."

Article 8 (Prohibition of Bribery and Receipt of Bribes)

The Company and its personnel shall not directly or indirectly provide, promise, request, or receive any form of improper benefits to customers, agents, contractors, suppliers, public officials, or other stakeholders, including providing donations or sponsorship directly or indirectly through political parties or individuals involved in political activities to serve as a form of bribery.

Article 9 (Prohibition of Providing Illegal Political Donations)

The Company and its personnel, when making direct or indirect donations to political parties or individuals involved in political activities, shall comply with the Political Donations Act and the company's internal procedures and shall not seek commercial benefits or trading advantages through such donations.

Article 10 (Prohibition of Improper Charitable Donations or Sponsorships)

The Company and its personnel shall comply with relevant laws and internal procedures for charitable donations or sponsorships and shall not use them as a means of indirect bribery.

Article 11 (Prohibition of Unreasonable Gifts, Hospitality, or Other Improper Benefits)

The company and its applicable personnel shall not directly or indirectly provide or accept any unreasonable gifts, hospitality, or other improper benefits in order to establish business relationships or influence commercial transactions.

Article 12 (Prohibition of Intellectual Property Infringement)

The company and its applicable personnel shall comply with relevant intellectual property laws, internal operational procedures, and contract provisions. They shall not use, disclose, dispose of, damage, or engage in any other action that infringes upon intellectual property rights without the consent of the intellectual property rights owner.

Article 13 (Prohibition of Unfair Competition)

The company shall conduct its business activities in accordance with relevant competition regulations and shall not fix prices, manipulate bids, restrict production and quotas, or share or divide markets by allocating customers, suppliers, operating areas, or types of businesses, among other methods.

Article 14 (Preventing Harm to Products or Services Stakeholders)

The company and its applicable personnel, in the research, procurement, manufacturing, provision, or sale of products and services, shall comply with relevant laws and international standards. They shall ensure transparency and safety in the information related to products and services. The company shall establish and publicly disclose policies for the protection of the rights and interests of consumers and other stakeholders and implement them in its operational activities to prevent direct or indirect harm to the rights, health, and safety of consumers and other stakeholders. When there is sufficient evidence that a product or service poses a risk to the safety and health of consumers or other stakeholders, the company

should, in principle, recall the batch of products or stop the service.

Article 15 (Environment, Health, and Safety)

To realize the company's commitment to environmental protection and a circular economy, the company and its applicable personnel shall comply with environmental protection laws and company policy in all operational activities. They shall focus on the efficient use of various resources and work to control air pollution, hazardous waste, water and soil pollution, energy use, and noise generated during the design and manufacturing processes. The company is committed to providing a safe and healthy work environment. Applicable personnel should strive to provide a safe and healthy work environment, comply with relevant domestic and international laws and company policy related to maintaining work safety and physical and mental health, and participate in activities that promote physical and mental health and receive safety and health education and training as required by law.

Article 16 (Organization and Responsibilities)

Applicable personnel of the company have a duty to exercise due care as prudent managers to oversee the prevention of dishonest behavior within the company and continually review the effectiveness of its implementation to ensure the implementation of the policy of integrity in operation. To manage integrity in operation effectively, the Integrity in Operation Policy and preventive measures are formulated and implemented by the company's Corporate Sustainable Development Promotion Team. The team is responsible for reporting regularly (at least once a year) to the board of directors on the following matters:

1. Assisting in integrating integrity and moral values into the company's business strategy and cooperating with the establishment of relevant anti-dishonesty measures in accordance with laws and regulations.

2. Regularly analyzing and assessing the risks of dishonest behavior within the scope of business and formulating anti-dishonesty measures, as well as setting work procedures and behavior guidelines within each measure.
3. Planning internal organization, organization structure, and responsibilities to establish mutual monitoring mechanisms for business activities with a higher risk of dishonest behavior within the scope of business.
4. Promoting and coordinating integrity policy advocacy and training.
5. Planning a reporting system to ensure its effectiveness.
6. Assisting the board of directors and management in reviewing and evaluating the effectiveness of the preventive measures established for integrity in operation, periodically assessing compliance with relevant business processes, and preparing reports.

Article 17 (Compliance with Business Execution Laws)

The company's directors, managers, employees, appointees, and substantial controllers shall comply with statutory regulations and preventive measures when conducting business operations.

Article 18 (Conflict of Interest)

The company shall establish a policy to prevent conflicts of interest, which shall be used to identify, supervise, and manage the risk of dishonest behavior that may result from conflicts of interest, and provide appropriate channels for directors, managers, and other stakeholders who attend or are invited to attend board meetings to voluntarily disclose potential conflicts of interest with the company. Directors, managers, and other stakeholders who attend or are invited to attend board meetings and have an interest in the agenda item on the board shall explain the important content of their conflicts of interest at the board meeting. If it may harm the interests of the

company, they shall not participate in the discussion and vote. They shall recuse themselves during discussions and voting and shall not represent other directors in exercising their voting rights. Directors should also self-regulate and not provide improper support to one another.

Article 19 (Prohibition of Discrimination)

Applicable personnel of the company shall not engage in discriminatory behavior based on race, skin color, age, gender, sexual orientation, ethnicity, disability, pregnancy, faith, political affiliation, club membership, or marital status in employment or actual work.

Article 20 (Prohibition of Insider Trading)

Applicable personnel of the company shall comply with the regulations of the Securities Exchange Act. They shall not engage in insider trading using non-public information they are aware of and shall not disclose such information to others to prevent them from engaging in insider trading.

Article 21 (Accounting and Internal Controls)

The company establishes a mechanism for assessing the risk of "dishonest behavior" and regularly analyzes and evaluates business activities within its scope that have a higher risk of "dishonest behavior." Effective accounting and internal control systems are established, and there shall be no off-the-book accounts or secret accounts. These systems must be reviewed as needed to ensure their continued effectiveness. The company's internal audit unit shall develop relevant audit plans based on the assessment of the risk of "dishonest behavior." This includes the audit targets, scope, items, frequency, etc. If necessary, auditors may be appointed to carry out the audit, and professional assistance may be sought when required. The results of the audit shall be reported to senior management and the Integrity Management Unit, and an audit report shall be submitted to the board of

directors.

Article 22 (Operating Procedures and Behavioral Guidelines)

The company establishes operating procedures and behavioral guidelines for preventing "dishonest behavior." These guidelines specify the matters that employees should pay attention to when performing their duties. The content includes the following:

1. Criteria for determining the provision or acceptance of improper benefits.
2. Procedures for handling legal political contributions.
3. Procedures and amount standards for legitimate charitable donations or sponsorships.
4. Provisions to avoid conflicts of interest related to duties, and their reporting and handling procedures.
5. Confidentiality provisions for business-sensitive information and trade secrets obtained in the course of business.
6. Regulations and procedures for dealing with suppliers, customers, and business counterparts involved in dishonest behavior.
7. Procedures for handling violations of this principle.
8. Disciplinary measures for violators.
9. Procedures for handling employment discrimination.
10. Procedures for conducting unfair competition investigations.
11. Procedures for conducting insider trading investigations.

Article 23 (Education, Training, and Assessment)

The Chairman, CEO, or senior management of the company shall regularly emphasize the importance of integrity to the board, employees, and appointees. The company shall regularly provide education and training to

applicable personnel and invite relevant business counterparts to participate. This aims to ensure a comprehensive understanding of the company's commitment to integrity, policies, prevention measures, and the consequences of violating dishonest behavior. The company shall integrate its integrity policy with employee performance evaluation and human resources policies, establishing a clear and effective system of rewards and penalties.

Article 24 (Whistleblowing System)

The company shall establish a concrete whistleblowing system and implement it effectively. The system's content should cover at least the following:

1. Establishing and publicizing internal independent whistleblowing channels, hotlines, or outsourcing to external independent organizations for whistleblowing channels for use by both internal and external individuals.
2. Appointing dedicated personnel or units for whistleblowing handling; if the whistleblowing involves directors or senior management, it should be reported to independent directors. The system should define the categories of whistleblowing and the investigation standards and procedures.
3. After the completion of the whistleblowing investigation, measures to be taken according to the severity of the situation and, if necessary, reporting to supervisory authorities or referring the case to judicial authorities.
4. Keeping records of whistleblowing acceptance, investigation process, investigation results, and related documents.
5. Measures to maintain the confidentiality of the whistleblower's identity and the content of the whistleblowing, as well as access rights.

6. Measures to protect whistleblowers from unfair treatment as a result of whistleblowing.

7. Measures to reward whistleblowers.

If the dedicated personnel or unit responsible for handling whistleblowing cases finds significant violations or the company is at risk of significant damage as a result of the investigation, they shall immediately prepare a report and notify the independent directors in writing.

Article 25 (Disciplinary and Appeals System)

The company shall clearly define and publish a disciplinary and appeals system for violations of the code of integrity and promptly disclose information such as the titles, names, violation dates, violation content, and handling of individuals who violate the code on the company's internal website.

Article 26 (Information Disclosure)

The company shall establish quantitative data to promote integrity and continuously analyze and assess the effectiveness of integrity policy promotion. This information shall be disclosed on the company's website, in annual reports, and in public information statements. It shall include information on the integrity measures taken, compliance status, quantitative data, and the effectiveness of integrity promotion. The content of the principle shall be disclosed on Market Observation Post System.

Article 27 (Review and Amendment of Integrity Policy and Measures)

The company shall constantly monitor the development of domestic and international integrity-related regulations and encourage directors, managers, and employees to make suggestions for the improvement of the company's integrity policy and promotion measures, aiming to enhance the

effectiveness of the company's integrity promotion.

Article 28 (Implementation)

This principle shall be implemented after approval by the board of directors and reported to the shareholders' meeting, and any amendments shall follow the same process. When presenting this principle to the board of directors for discussion in accordance with the preceding paragraph, the opinions of independent directors shall be fully considered, and any opposing or reserved opinions shall be recorded in the board minutes. If independent directors cannot attend the board meeting to express opposing or reserved opinions in person, except for justifiable reasons, they shall provide written opinions in advance, which shall be recorded in the board minutes.