

# **GROUNDHOG INC. CODES OF ETHICAL CONDUCT**

**Last Amendment Date: August 12, 2022**

## **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 (Establishment of Purpose and Basis)**

In order to ensure that the actions of the directors, executives, and all employees of the Company conform to ethical standards and to make the stakeholders of the Company better understand the ethical standards of the company, this Code is established based on the " Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/TPEX-listed Companies" published by the Taiwan Stock Exchange.

### **Article 2 (Applicability)**

This Code applies to the directors, executives, and all employees of the Company (referred to as "Company Personnel").

### **Article 3 (Principle of Honesty and Trustworthiness)**

When Company Personnel perform their duties for matters not expressly regulated by the Company, they should uphold the principle of honesty and trustworthiness and shall not engage in the following behaviors:

1. Using their authority for direct or indirect personal gain in the conduct or supervision of business, resulting in unfair benefits or other fraudulent activities.
2. Using opportunities or their positions for personal gain in matters they do not operate or supervise.
3. Deceiving the Company or others to obtain property through their job opportunities.
4. Misappropriating or stealing equipment or property of the Company or others.
5. Falsely reporting expenses, quantities, such as inflating expenses, overtime hours, private use of company resources, etc.

#### **Article 4 (Prevention of Conflicts of Interest)**

Company Personnel shall handle business objectively and efficiently and shall not use their position within the Company to secure undue benefits for themselves, their spouses, parents, children, or second-degree relatives.

In cases where related Company Personnel's related entities engage in financial lending, provide guarantees, engage in significant asset transactions, or engage in buying and selling of goods with the Company, the relevant Company Personnel shall proactively disclose any potential conflicts of interest to the Company.

#### **Article 5 (Avoiding Opportunities for Personal Gain)**

Company Personnel shall not engage in the following actions:

1. Using Company assets, information, or their job for personal gain.
2. Competing with the Company.

When there is an opportunity for the Company to make a profit, Company Personnel have a responsibility to enhance the legitimate and legal interests that the Company can obtain.

#### **Article 6 (Duty of Confidentiality)**

Company Personnel have a duty to maintain the confidentiality of information regarding the Company itself or its buyers/suppliers unless authorized or required by law to disclose it. Confidential information includes any undisclosed information that may be exploited or cause harm to the Company or its buyers/suppliers if disclosed to competitors.

#### **Article 7 (Fair Trading)**

Company Personnel should treat Company buyers/suppliers, competitors, and employees fairly and should not manipulate, conceal, or misuse information obtained in their job to gain unfair benefits through deceitful

practices or make false statements about significant matters.

When performing their duties, Company Personnel shall not seek, solicit, deliver, or accept any form of gifts, hospitality, kickbacks, bribes, or other improper advantages for personal, Company, or third-party benefits, except when such gifts or hospitality are allowed by social customs or Company regulations.

#### **Article 8 (Proper Protection and Use of Company Assets)**

Company Personnel should protect Company assets and ensure their effective and legal use for business purposes to prevent theft, negligence, or wastefulness.

#### **Article 9 (Compliance with Laws)**

Company Personnel must comply with all applicable laws, regulations, and policies governing the Company's activities, including company law, securities law, and other relevant regulations.

#### **Article 10 (Encouraging Reporting of Illegal or Violations of the Code of Ethics)**

The Company shall educate and promote the Code of Ethics among its employees.

Company Personnel should proactively report any suspected or observed violations of laws, regulations, or this Code of Ethics to the audit committee, management, internal audit supervisor, or other appropriate authorities.

The Company shall handle reported cases confidentially and ensure that employees are aware that the Company will protect the safety of those who make good-faith reports.

### **Article 11 (Penalties and Remedies)**

When Company Personnel violate the Code of Ethics, the Company shall process the violation according to relevant regulations and promptly disclose information such as the date of the violation, the reasons for the violation, the specific provisions violated, and the resolution on the Public Information Observation System.

In cases where Company Personnel are penalized for violating this Code, they may file an appeal in accordance with relevant regulations.

### **Article 12 (Procedure for Exemption)**

If Company Personnel believe that it is necessary to be exempted from complying with this Code, they should obtain the approval of the Board of Directors. The date, period, opposition or reservation of independent directors, and the criteria for the exemption approved by the Board of Directors shall be promptly disclosed on the Public Information Observation System, allowing shareholders to evaluate whether the Board's decision is appropriate to prevent arbitrary or suspicious exemptions and ensure proper control mechanisms for any exemptions.

### **Article 13 (Disclosure Method)**

The Company shall disclose the established Code of Ethics on its website, annual reports, public information documents, and the Market Observation Public System, and any amendments shall be similarly disclosed.

### **Article 14 (Implementation)**

This Code of Ethics is implemented after being approved by the Board of Directors and reported to the shareholders' meeting. Similarly, any amendments are reported to the shareholders' meeting for approval.