WNC Corporation
Ethical Corporate Management Best Practice Principles

Article 1 These Ethical Corporate Management Best-Practice Principles (herein referred to as “Principles”) are established to foster the corporate culture of ethical management and sound development.

The Principles are applicable to WNC Corporation (herein referred to as “WNC”) and its subsidiaries.

Article 2 When engaging in commercial activities, directors, managers, employees, and mandataries of WNC or persons having substantial control over WNC (herein referred to as “"substantial controllers"”) shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty (herein referred to as "unethical conduct") for purposes of acquiring or maintaining benefits.

Parties referred to in the preceding paragraph include civil servants, political candidates, political parties or members of political parties, state-run or private-owned businesses or institutions, and their directors, managers, employees or substantial controllers or other interested parties.

Article 3 "Benefits" in the Principles means any valuable things, including money, endowments, commissions, positions, services, preferential treatment or rebates of any type or in any name. Benefits received or given occasionally in accordance with accepted social customs and that do not adversely affect specific rights and obligations shall be excluded.

Article 4 WNC shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Statute, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, TWSE/TPEx-listing rules, or other laws or regulations regarding commercial activities, as the underlying basic premise to facilitate ethical corporate management.

Article 5 WNC shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and obtain approval from the Board of Directors, and establish good corporate governance and risk control and a management mechanism so as to create an operational environment for sustainable development.

Article 6 WNC shall in its own ethical corporate management best-practice policy clearly and thoroughly prescribe the specific ethical management practices and the programs to forestall unethical conduct (“prevention program”), including operational procedures, guidelines, and training.

When establishing the prevention program, WNC shall comply with relevant laws and regulations of the territory where WNC and its subsidiaries are operating.

In the course of developing the prevention programs, WNC is advised to negotiate with its staff or other stakeholders.

Article 7 WNC shall establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within their business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly and review their adequacy and effectiveness on a regular basis.

The prevention program established by WNC shall at least include preventive measures against the following:

1. Offering and acceptance of bribes
2. Illegal political donations
3. Improper charitable donations or sponsorship
4. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits
5. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights

6. Engaging in unfair competitive practices
7. Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services

Article 8 WNC shall request their directors and senior management to issue a statement of compliance with the ethical management policy and require in their terms of employment that employees comply with such policy.

WNC and its subsidiaries shall clearly specify in their rules and external documents the ethical corporate management policies and the commitment by the Board of Directors and the management on the rigorous and thorough implementation of such policies, and shall carry out the policies in internal management and in commercial activities.

WNC shall compile documented information on the ethical management policy, statement, commitment and implementation mentioned in the first and second paragraphs and retain said information properly.

Article 9 WNC shall engage in commercial activities in a fair and transparent manner based on the principle of ethical management.

Prior to any commercial transactions, WNC shall take into consideration the legality of its agents, suppliers, clients or other trading counterparties, and whether any of them are involved in unethical conduct and shall avoid any dealings with persons so involved.

When entering into contracts with its agents, suppliers, clients, or other trading counterparties, WNC shall include in such contracts provisions demanding ethical corporate management policy compliance and that in the event the trading counterparties are suspected of engaging in unethical conduct, WNC may at any time to terminate or cancel the contracts.

Article 10 When conducting business, WNC and its directors, managers, employees, mandataries, and substantial controllers, shall not directly or indirectly offer, promise to offer, request or accept any improper benefits in whatever form to or from clients, agents, contractors, suppliers, public servants, or other stakeholders.

Article 11 When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, WNC and its directors, managers, employees, mandataries, and substantial controllers, shall comply with the Political Donations Act and its own relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.

Article 12 When making or offering donations and sponsorship, WNC and its directors, managers, employees, mandataries, and substantial controllers shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.

Article 13 WNC and its directors, managers, employees, mandataries, and substantial controllers shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.

Article 14 WNC and its directors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations, WNC's internal operational procedures, and contractual provisions concerning intellectual property, and may not use, disclose, dispose of, or damage intellectual property or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights holder.

Article 15 WNC shall engage in business activities in accordance with applicable competition laws and regulations and may not fix prices, submit rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.

Article 16 In the course of research and development, procurement, manufacture, provision, or sale of products and services, WNC and its directors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations and international standards to ensure the transparency of information about, and safety of, their products and services. They shall also adopt and publish a policy on the protection of the rights and interests of consumers or other stakeholders and carry out the policy in their operations with a view to preventing their products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders. Where there are sufficient facts to determine that WNC's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, WNC shall, in principle, recall those products or suspend the services immediately.

Article 17 The directors, managers, employees, mandataries, and substantial controllers of WNC shall exercise the due care of good administrators to urge WNC to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies.

To achieve sound ethical corporate management, WNC shall establish a dedicated unit and avail itself of adequate resources and staff itself with competent personnel, responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs. The dedicated unit shall be in charge of the following matters, and shall report to the Board of Directors on a regular basis (at least once a year):

1. Assisting in incorporating ethics and moral values into WNC'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. Analyzing and assessing on a regular basis the risk of involvement in unethical conduct within the business scope, adopting accordingly 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 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-blower 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.

Article 18 WNC and its directors, managers, employees, mandataries, and substantial controllers shall comply with laws and regulations and the prevention program when conducting business.

Article 19 WNC shall promulgate policies for preventing conflicts of interests to identify, monitor, and manage risks possibly resulting from unethical conduct, and shall also offer appropriate means for directors, managers, and other stakeholders attending or present at board meetings to voluntarily explain whether their interests would potentially conflict with those of the companies.

When a proposal at a given Board of Directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, managers, and other stakeholders attending or present at board meetings of WNC, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of WNC, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting and may not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings.

WNC's directors, managers, employees, mandataries, and substantial controllers shall not take advantage or influence of their positions in WNC to obtain improper benefits for themselves, their spouses, parents, children or any other person.

Article 20 WNC shall establish effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in an unethical conduct, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to ensure that the design and enforcement of the systems are showing results.

Internal audit units of WNC shall, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans, including auditees, audit scope, audit items, audit frequency, etc., and examine accordingly compliance with prevention programs. The internal audit unit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.

The results of examination in the preceding paragraph shall be reported to senior management and the ethical management dedicated unit and put down in writing in the form of an audit report to be submitted to the board of directors.

Article 21 WNC shall establish operational procedures and guidelines in accordance with Article 6 hereof to guide directors, managers, employees, and substantial controllers on how to conduct business. The procedures and guidelines should at least contain the following matters:

1. Standards for determining whether improper benefits have been offered or accepted.
2. Procedures for offering legitimate political donations.
3. Procedures and the standard rates for offering charitable donations or sponsorship.
4. Rules for avoiding work-related conflicts of interests and how they should be reported and handled.
5. Rules for keeping confidential trade secrets and sensitive business information obtained in the ordinary course of business.
6. Regulations and procedures for dealing with suppliers, clients and business transaction counterparties suspected of unethical conduct.
7. Handling procedures for violations of the Principles.
8. Disciplinary measures on offenders.

Article 22 The chairperson, general manager, or senior management of WNC shall communicate the importance of corporate ethics to its directors, employees, and mandataries on a regular basis.

WNC shall periodically organize training and awareness programs for directors, managers, employees, mandataries, and substantial controllers and invite the companies' commercial transaction counterparties so they understand the companies' resolve to implement ethical corporate management, the related policies, prevention program and the consequences of committing unethical conduct.

WNC shall apply the policies of ethical corporate management when creating its employee performance appraisal system and human resource policies to establish a clear and effective reward and discipline system.

Article 23 WNC shall adopt a concrete whistleblower system and scrupulously operate the system. The whistleblower system shall include at least the following:

1. An independent mailbox or hotline, either internally established and publicly announced or provided by an independent external institution, to allow internal and external personnel of WNC to submit reports.
2. Dedicated personnel or a unit appointed to handle the whistleblower system. Any tip involving a director or senior management shall be reported to the independent directors or supervisors. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted.
3. Follow-up measures to be adopted depending on the severity of the circumstances after investigations of cases reported are completed. Where necessary, a case shall be reported to the competent authority or referred to the judicial authority.

4. Documentation of case acceptance, investigation processes, investigation results, and relevant documents.
5. Confidentiality of the identity of whistle-blowers and the content of reported cases, and an undertaking regarding anonymous reporting.
6. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing.

When material misconduct or the likelihood of material impairment to WNC comes to their awareness upon investigations, the dedicated personnel or unit handling the whistleblower system shall immediately prepare a report and notify the independent directors in written form.

Article 24 WNC shall adopt and publish a well-defined disciplinary and appeal system for handling violations of the ethical corporate management rules.

Article 25 WNC shall collect quantitative data about the promotion of ethical management and continuously analyze and assess the effectiveness of the promotion of ethical management policy. They shall also disclose the measures taken for implementing ethical corporate management, the status of implementation, the foregoing quantitative data, and the effectiveness of promotion on their company websites, annual reports, and prospectuses, and shall disclose their ethical corporate management best practice principles on the Market Observation Post System.

Article 26 WNC shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management, and encourage directors, managers and employees to make suggestions so as to review and improve their ethical corporate management best practice policies and measures taken to achieve better results from implementing the principles.

Article 27 These Ethical Corporate Management Best-Practice Principles of WNC shall be implemented after the Board of Directors grants the approval, and shall be reported at a shareholders' meeting. The same procedure shall be followed when they have been amended. When the ethical corporate management best practice principles are submitted for discussion by the Board of Directors pursuant to the preceding paragraph, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting. An independent director that cannot attend the board meeting in person to express objection or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the Board of Directors meeting.

Article 28 The first version was approved on March 19, 2014.

The first amendment was made on March 18, 2015.

The second amendment was made on March 11, 2020.