

Fu Chun Shin Machinery Manufacture Co., Ltd.

Ethical Corporate Management Best Practice Principles

Article 1: (Purpose of adoption and scope of application)

This Code is established to foster a corporate culture of ethical business practices and to facilitate sound development. It serves as a reference framework for proper business operations and is formulated in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and relevant regulations. This Code applies to subsidiaries, foundations to which the company has directly or indirectly donated more than fifty percent of the total funds, and other institutions or legal entities within the group that are substantially controlled by the company (hereinafter collectively referred to as the "Group").

Article 2: (Prohibition of Unethical Conduct)

When engaging in commercial activities, directors, managers, employees, and persons having substantial control over the company ("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 ("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 stakeholders.

Article 3: (Definition of Benefits)

"Benefits" in these 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: (Compliance with Laws and Regulations)

The company 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: (Policy)

The company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith, and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.

Article 6: (Prevention Programs)

The company shall pursuant to the preceding article ethical management policy clearly and thoroughly prescribe the specific ethical management practices and the programs to forestall unethical conduct ("prevention programs"), including operational procedures, guidelines, and training.

When establishing the prevention programs, the company shall comply with relevant laws and regulations of the territory where the companies and their business group are operating.

In the course of developing the prevention programs, the company is advised to negotiate with staff, labor unions members, important trading counterparties, or other stakeholders.

Article 7: (Scope of Prevention Programs)

In establishing Prevention Programs, the Company shall analyze business activities with a higher risk of unethical conduct and

strengthen relevant preventive measures.

At a minimum, the Company's Prevention Programs shall 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: (Commitment and Implementation)

The company and its respective business group shall clearly specify in their regulations and external documents the ethical corporate management policies. The board of directors and management are committed to the rigorous and thorough implementation of such policies, and shall carry out these policies in internal management and external commercial activities.

Article 9: (Ethical Business Activities)

The company shall engage in commercial activities in a fair and transparent manner.

Prior to any commercial transactions, the company shall take into consideration the legality of their agents, suppliers, clients, or other trading counterparties and whether any of them are involved in unethical conduct, and shall avoid any dealings with such persons. When entering into contracts with their agents, suppliers, clients, or other trading counterparties, the company shall include in such

contracts terms requiring compliance with ethical corporate management policy and that in the event the trading counterparties are involved in unethical conduct, the company may at any time terminate or rescind the contracts. °

Article 10: (Prohibition of Bribery)

When conducting business, the company directors, supervisors, managers, employees, mandataries, and substantial controllers, may 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: (Prohibition of Illegal Political Donations)

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

Article 12: (Prohibition of Improper Charitable Donations or Sponsorships)

When making or offering donations and sponsorship, the company 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: (Prohibition of Unreasonable Gifts, Hospitality, or Other Improper Benefits)

The company 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: (Prohibition of Intellectual Property Infringement)

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

Article 15: (Compliance with Relevant Laws in Business Activities)

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

Article 16: (Compliance with Laws in Product and Service Sales)

In the course of research and development, procurement, manufacture, provision, or sale of products and services, the company directors, managers, employees, mandataries, and substantial controllers shall observe applicable laws, regulations, and international standards to ensure the transparency of information and safety of their products and services. They shall formulate policies for the protection of rights and implement business activities accordingly.

Article 17: (Organization and Responsibilities)

The company's board of directors shall exercise the due care of good administrators to urge the company 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. For effective management of ethical business practices, the

Company should assign a dedicated unit responsible for formulating and supervising the implementation of ethical business policies and Prevention Programs.

Article 18: (Compliance with Laws in Business Execution)

The company directors, managers, employees, mandataries, and substantial controllers shall comply with laws and regulations and the prevention programs when conducting business.

Article 19: (Avoidance of Conflicts of Interest for Directors and Managers)

The Company shall establish policies to prevent conflicts of interest and provide appropriate channels for directors and managers to proactively disclose any potential conflicts of interest with the Company.

Company directors should adhere to strict self-discipline and refrain from participating in discussions and voting on matters in which they or the legal entities they represent have interests that may harm the Company. They should also avoid proxy voting for other directors.

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

Article 20: (Accounting and Internal Control)

The company 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 auditors of the Company shall periodically audit the compliance with the preceding systems and submit audit reports to the board of directors. The Company may appoint external auditors

to conduct audits, and if necessary, may engage professionals to assist.

Article 21: (Operational Procedures and Behavioral Guidelines)

The company 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 a minimum, 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 these Principles.
8. Disciplinary measures on offenders.

Article 22: (Education and Advocacy)

The company shall periodically organize training and awareness programs for directors, managers, employees, 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 programs and the consequences of committing unethical conduct.

The company 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: (Reporting and Discipline)

The Company shall establish a concrete whistleblowing system and ensure the confidentiality of the whistleblower's identity and report content. The system shall, at a minimum, include 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 the company to submit reports.
2. Dedicated personnel or unit appointed to handle the whistle-blowing system. Any tip involving a director or senior management shall be reported to the independent directors. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted.
3. Documentation of case acceptance, investigation processes, investigation results, and relevant documents.
4. Confidentiality of the identity of whistle-blowers and the content of reported cases.
5. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing.
6. Whistle-blowing incentive measures.
7. When material misconduct or likelihood of material impairment to the company comes to their awareness upon investigation, the dedicated personnel or unit handling the whistle-blowing system shall immediately prepare a report and notify the independent directors in written form.

Article 24: (Disciplinary Actions and Appeals)

The company shall adopt and publish a well-defined disciplinary and appeal system for handling violations of the ethical corporate management rules, and shall make immediate disclosure on the

company's internal website of the title and name of the violator, the date and details of the violation, and the actions taken in response.

Article 25: (Information Disclosure)

The Company shall disclose its implementation of the Code of Ethical Conduct on its website, in its annual report, and in its prospectus. The content of the Code of Ethical Conduct shall also be disclosed on the Market Observation Post System (MOPS).

Article 26: (Review and Amendment of the Code of Ethical Conduct)

The company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage their directors, managers, and employees to make suggestions, based on which the adopted ethical corporate management policies and measures taken will be reviewed and improved with a view to achieving better implementation of ethical management.

Article 27: (Implementation)

This Code shall be implemented after approval by the board of directors and submitted to the Audit Committee and shareholders' meeting. The same procedure shall apply to amendments.

Article 28: (Revision History)

The Articles of Incorporation were enacted on December 25, 2015. 1st amendments hereto were made on March 16, 2022.