

VSO ELECTRONICS CO., LTD.

Integrity Management Operational Procedures and Behavior Guidelines

(This English translation is prepared in accordance with the Chinese version and is for reference purposes only. If there are any inconsistencies between the Chinese version and this translation, the Chinese version shall prevail.)

Article 1: Purpose and Scope of Application

The company conducts business activities based on the principles of fairness, honesty, trustworthiness, and transparency. To implement the integrity management policy and actively prevent dishonest conduct, these operational procedures and behavior guidelines are established in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies," as well as relevant laws and regulations applicable to the locations where the company and its group enterprises operate. These guidelines specifically outline matters that company personnel must observe while performing business tasks.

These procedures and guidelines apply to the company's subsidiaries, foundations that receive direct or indirect contributions exceeding 50%, and other entities or organizations within the corporate group that have substantial control.

Article 2: Applicable Personnel

The term "company personnel" in these procedures and guidelines refers to directors, managers, employees, appointees, and individuals with substantial control in the company and its group enterprises.

If improper benefits are offered, promised, requested, or received through third parties by company personnel, such actions will be deemed to be conducted by the personnel.

Article 3: Dishonest Conduct

Dishonest conduct refers to actions taken by company personnel, in the course of executing business, to directly or indirectly offer, receive, promise, or request improper benefits, or engage in other acts that violate integrity, law, or fiduciary duties to gain or maintain benefits.

These acts may involve public officials, political candidates, political parties or their representatives, and individuals or organizations associated with public or private entities.

Article 4: Forms of Benefits

"Benefits" refer to anything of value, including but not limited to money, gifts, commissions, positions, services, discounts, kickbacks, facilitation fees, hospitality, or other items of value, regardless of the form or name.

Article 5: Dedicated Unit and Responsibilities

The company shall establish a dedicated unit, referred to as the Integrity Management Promotion Task Force, under the Board of Directors. The unit shall be provided with sufficient resources and competent personnel to handle revisions, implementation, interpretation, consultation, and recordkeeping for these guidelines, as well as to supervise and ensure their execution. The unit's responsibilities include:

1. Assisting in integrating integrity and ethical values into the company's business strategy, and coordinating with regulatory requirements to establish anti-corruption measures.
2. Regularly analyzing and assessing the risks of dishonest conduct within the business scope, and formulating prevention programs and related standard operating procedures.
3. Organizing internal structures, staffing, and responsibilities to establish mutual oversight mechanisms for business activities with high risks of dishonest conduct.
4. Promoting and coordinating training programs on integrity policies.
5. Developing whistleblowing systems and ensuring their effectiveness.
6. Assisting the Board of Directors and management in evaluating the effectiveness of preventive measures for implementing integrity management, and providing reports on compliance assessments and operational outcomes.
7. Documenting and retaining relevant information regarding integrity policies, including compliance statements, commitments, and implementation.

Article 6: Prohibition on Offering or Accepting Improper Benefits

Company personnel are prohibited from directly or indirectly offering, accepting, promising, or requesting the benefits specified in Article 4 unless:

1. Conducting visits, hosting guests, promoting business, or facilitating communications, in accordance with local customs, manners, or practices.
2. Attending or hosting social events for legitimate purposes to enhance relationships.
3. Inviting clients to or participating in specific business activities or site visits with pre-defined cost-sharing arrangements, participant numbers, and accommodation standards.
4. Participating in public cultural or festive events.
5. Receiving rewards, assistance, or tokens of appreciation from supervisors.
6. Providing or accepting promotional items with the company logo for external parties.
7. Any other actions in compliance with company policies.

Article 7: Handling Improper Benefits

When company personnel encounter others directly or indirectly offering or promising benefits as defined in Article 4, the following procedures should be followed unless the circumstances fall under Article 6:

1. If the provider has no business-related interests with the personnel's duties, the personnel must report the matter to their immediate supervisor within three days of receipt and, if necessary, notify the company's dedicated unit.
2. If the provider has business-related interests with the personnel's duties, the personnel must decline or return the benefit and report the matter to their immediate supervisor, while notifying the company's dedicated unit. If returning the benefit is not possible, the personnel must transfer it to the dedicated unit within three days of receipt.

The term "business-related interests" refers to situations involving:

1. Commercial transactions, supervision, or financial subsidies.
2. Pending, ongoing, or finalized contracts related to procurement, sales, or other business relations.
3. Other circumstances where company decisions may impact the provider positively or negatively.

The dedicated unit must evaluate the nature and value of the received benefit and propose appropriate handling methods, such as returning, reimbursing, transferring to public use, donating to charity, or other actions. These proposals must be approved by an authorized supervisor before execution.

Article 8: Prohibition on Facilitation Payments and Handling Procedures

The company prohibits the offering or promising of facilitation payments under any circumstances.

If company personnel are compelled to provide or promise facilitation payments due to threats or coercion, they must document the incident and report it to their immediate supervisor, who will notify the dedicated unit.

Upon receiving such notifications, the dedicated unit must promptly address the issue, review the circumstances to minimize recurrence, and notify judicial authorities if any illegal activities are identified.

Article 9: Political Contributions

When the company, its directors, managers, employees, appointees, or controllers make direct or indirect contributions to political parties or organizations engaged in political activities, such contributions must comply with the Political Donations Act and relevant internal procedures. Contributions must not be used to secure commercial interests or advantages.

Article 10: Charitable Donations or Sponsorships

Charitable donations or sponsorships must comply with the following:

1. Adhere to the laws of the operating location.
2. Be documented in writing.
3. Ensure the recipient is a legitimate charitable organization, avoiding disguised bribery.
4. Provide explicit and reasonable benefits, ensuring the recipient is not a business partner or someone related to company personnel.
5. Confirm that the funds are used as intended and align with the purpose of the donation or sponsorship.

Article 11: Avoidance of Conflicts of Interest

When directors, managers, or other attendees at Board meetings have personal or represented organizational interests related to matters discussed at the meeting, they must disclose the material details of their interests. If there is a potential risk of harming the company's interests, they must not participate in the discussion or vote and should abstain from representing other directors in voting. Directors are also required to exercise self-discipline and must not engage in improper mutual support.

If a director's spouse, relatives within the second degree of kinship, or entities with a controlling or subordinate relationship to the director have interests related to the Board's discussions, this is regarded as the director having a personal interest in the matter.

When company personnel discover that executing company business may result in a conflict of interest for themselves, their represented organization, their spouse, parents, children, or other related parties, they must report the situation to their immediate supervisor and the company's dedicated unit. The supervisor shall provide appropriate guidance.

Company personnel are prohibited from using company resources for external business activities. Participation in external business must not compromise their work performance.

Article 12: Confidentiality Mechanism

The company must establish a dedicated unit responsible for creating and implementing procedures for managing, preserving, and safeguarding business secrets, trademarks, patents, copyrights, and other intellectual property. These procedures should be periodically reviewed to ensure their effectiveness.

Company personnel must strictly adhere to the procedures for handling intellectual property and must not disclose company business secrets, trademarks, patents, or copyrights to unauthorized parties. They must not inquire about or collect company secrets unrelated to their job responsibilities.

Article 13: Prohibition of Unfair Competition

The company must conduct business activities in compliance with the Fair Trade Act and relevant competition laws. It is prohibited to engage in price-fixing, bid-rigging, output restrictions, or market allocation based on customers, suppliers, operating areas, or business types.

Article 14: Preventing Harm to Stakeholders from Products or Services

The company must gather and understand the relevant regulations and international standards applicable to the products and services it offers. It should summarize and announce key matters to be observed, ensuring that company personnel prioritize the transparency and safety of product and service information throughout the development, procurement, manufacturing, provision, and sales processes.

The company must publish its customer and stakeholder rights protection policy on its website to prevent products or services from causing harm to stakeholders' rights, health, or safety.

If there is confirmed evidence through media reports or other concrete facts that company products or services may harm end consumers or stakeholders, the company must, depending on the situation, proactively or as required by authorities, recall the products or suspend the services within the shortest possible time. Investigations and improvement plans must also be conducted.

The company's dedicated unit must report the situation, handling methods, and subsequent improvement measures to the Board of Directors.

Article 15: Prohibition on Insider Trading and Confidentiality Agreements

Company personnel must comply with the Securities and Exchange Act and are prohibited from using non-public information for insider trading or disclosing such information to others, preventing third parties from using it for insider trading.

Organizations or individuals involved in mergers, demergers, acquisitions, share transfers, significant memoranda, strategic alliances, other business cooperation projects, or important contracts must sign

confidentiality agreements with the company. They must pledge not to disclose the company's business secrets or other significant information without authorization, nor use the information without the company's consent.

Article 16: Compliance with and Declaration of Integrity Management Policies

The company requires directors and senior management to issue statements affirming their compliance with the integrity management policies. Newly hired employees are also required to adhere to these policies as a condition of employment.

The company must disclose its integrity management policies in internal regulations, annual reports, the company website, or other promotional materials. It must also declare these policies during external activities such as product launches and investor presentations to ensure that suppliers, customers, and other business-related entities clearly understand the company's principles and standards regarding integrity management.

Article 17: Evaluation of Integrity Before Establishing Business Relationships

Before establishing business relationships, the company must assess the legality and integrity management policies of agents, suppliers, customers, and other parties. A review should be conducted to determine if the entities have a history of dishonest conduct, ensuring their operations are fair, transparent, and free of bribery.

The assessment may include:

1. The entity's country, location of operations, organizational structure, business policies, and payment location.
2. The presence and implementation of integrity management policies.
3. Whether the operating location is a high-risk area for corruption.
4. Whether the business involves industries at high risk of bribery.
5. The entity's long-term operational status and reputation.
6. Opinions from business partners about the entity.
7. Records of bribery or unlawful political donations by the entity.

Article 18: Communicating Integrity Management Policies to Business Partners

During business transactions, company personnel must explain the company's integrity management policies and related regulations to the other party and clearly refuse to directly or indirectly offer, promise, request, or accept any improper benefits.

Article 19: Avoiding Transactions with Dishonest Entities

Company personnel must avoid engaging in business transactions with agents, suppliers, customers, or other parties involved in dishonest conduct. If a business partner or collaborator is found to have engaged in dishonest behavior, the company must immediately terminate the relationship and blacklist the entity to enforce its integrity management policies.

Article 20: Including Integrity Management in Contracts

When signing contracts, the company must fully understand the counterparty's integrity management practices and include provisions requiring adherence to the company's integrity management policies. At a minimum, contracts must stipulate:

1. If either party becomes aware of personnel violating contractual clauses prohibiting commissions, kickbacks, or other improper benefits, they must promptly disclose relevant details (e.g., identity, methods, amounts) to the other party and cooperate in investigations. If damages occur as a result, the affected party may claim compensation proportionate to the contract value and deduct it from payments due.
2. Either party may unconditionally terminate or rescind the contract if dishonest conduct is discovered during business activities.
3. Clear and reasonable payment terms, including payment location, method, and compliance with tax regulations.

Article 21: Handling Dishonest Conduct by Company Personnel

The company encourages internal and external personnel to report dishonest or inappropriate conduct. Whistleblowers will be rewarded based on the severity of the reported incident under the company's work regulations. Internal personnel submitting false or malicious accusations will face disciplinary actions, including dismissal for severe cases.

The company will establish independent reporting channels (e.g., an email inbox or hotline) for internal and external personnel. Reports should include:

1. The whistleblower's name, national ID number (anonymous reports are also accepted), and contact information (address, phone, email).
2. The name or identifying details of the accused.
3. Concrete evidence for investigation.

Personnel handling reports must keep the whistleblower's identity and content confidential. The company also commits to protecting whistleblowers from unfair treatment due to their reports.

The company's dedicated unit will handle reports as follows:

1. Reports involving general employees will be escalated to department supervisors; reports involving directors or senior management will be submitted to independent directors.
2. The dedicated unit, along with the reported supervisor or personnel, will promptly investigate the facts. Legal compliance or relevant departments may assist if necessary.
3. If violations of laws or integrity management policies are confirmed, the accused must cease the conduct immediately, and appropriate actions will be taken. The case may be reported to authorities or referred for judicial investigation, with damage claims pursued if necessary to protect the company's reputation and rights.
4. All reporting, investigation processes, and outcomes must be documented and retained for five years. If litigation arises before the retention period ends, records must be preserved until the case concludes.
5. Verified incidents must prompt the responsible units to review internal controls and procedures, proposing improvements to prevent recurrence.
6. The dedicated unit must report incidents, handling methods, and improvement measures to the Board of Directors.

Article 22: Handling Dishonest Conduct Against the Company

If company personnel encounter others engaging in dishonest conduct against the company that involves unlawful activities, the company must report the incident to judicial or prosecutorial authorities. If public officials or government agencies are involved, relevant anti-corruption agencies should also be notified.

Article 23: Internal Advocacy, Reward and Penalty Systems, and Disciplinary Actions

The dedicated unit must conduct at least one internal advocacy session annually, during which the Chairman, President, or senior management communicates the importance of integrity to directors, employees, and appointees.

The company must incorporate integrity management into employee performance evaluations and HR policies, establishing clear and effective reward and penalty mechanisms and grievance procedures.

For serious violations of integrity management by company personnel, the company shall dismiss or terminate the individual in accordance with relevant laws and company regulations.

The company must disclose information on violators (e.g., title, name, violation date, details, and handling outcomes) on its internal website.

Article 24: Implementation and Amendments

These procedures and guidelines must be approved by the Audit Committee and the Board of Directors and submitted to the shareholders' meeting for implementation. Amendments shall follow the same procedure.

If the Audit Committee fails to achieve approval by more than half of its members, approval by more than two-thirds of the entire Board is acceptable, with the Audit Committee's resolution recorded in the Board minutes.

The term "entire Board" and "entire Audit Committee" refers to the total number of members currently in office.