VSO ELECTRONICS CO., LTD.
Code of Ethical Conduct

(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

This Code is established to guide the behavior of the company's directors and managers to comply with ethical standards, ensuring stakeholders better understand the company’s ethical standards. It is formulated in accordance with Article 6 of the Corporate Governance Best-Practice Principles for TWSE/GTSM-Listed Companies and refers to the Guidelines for the Adoption of Codes of Ethical Conduct by TWSE/GTSM-Listed Companies.

Article 2: Scope

This Code applies to the company's directors and managers, including the general manager and equivalents, deputy general managers and equivalents, assistant managers and equivalents, heads of financial and accounting departments, and other individuals responsible for company management or authorized to sign on behalf of the company.

Article 3: Prevention of Conflicts of Interest

A conflict of interest arises when personal interests of directors or managers interfere, or potentially interfere, with the overall interests of the company, resulting in an inability to handle official duties objectively and efficiently. This also includes situations where directors or managers derive improper benefits for themselves, their spouses, or relatives within the second degree of kinship due to their position within the company.

The company should pay special attention to transactions such as loans, guarantees, major asset transactions, or purchase/sales dealings with enterprises related to the above-mentioned individuals. Policies to prevent conflicts of interest should be established, and appropriate channels should be provided for directors or managers to proactively disclose potential conflicts.

Article 4: Avoiding Opportunities for Personal Gain

Directors and managers shall not:

1. Use company property, information, or their position to seek personal gain.
2. Exploit company property, information, or their position for improper benefit.
3. Compete with the company.

When the company has opportunities for profit, directors and managers are obligated to enhance the legitimate and lawful interests obtainable by the company.

Article 5: Duty of Confidentiality

Directors and managers shall maintain confidentiality regarding the company's information and that of its suppliers or customers, unless disclosure is authorized or required by law.

Confidential information includes all undisclosed materials that could potentially be exploited by competitors or, if disclosed, cause harm to the company or its clients.

Article 6: Fair Dealings

Directors and managers shall treat customers, suppliers, competitors, and employees fairly. They shall not manipulate, conceal, misuse information acquired due to their position, misrepresent critical facts, or engage in any unfair transactions to gain improper benefits.

Article 7: Protection and Proper Use of Company Assets

Directors and managers are responsible for safeguarding company assets and ensuring their effective and lawful use for official purposes. Measures should be taken to prevent theft, negligence, or waste, which could adversely affect the company’s profitability.

Article 8: Compliance with Laws and Regulations

The company shall promote adherence to the Securities and Exchange Act and other applicable laws and regulations.

Article 9: Reporting Illegal or Unethical Conduct

The company shall promote ethical values internally and encourage employees to report any suspected illegal actions or violations of this Code. Reports can be made to managers, internal audit supervisors, or other appropriate personnel.

A reporting system should be established to encourage disclosures of violations, allow anonymous reporting, and assure employees that the company will strive to protect whistleblowers from retaliation. Reported individuals shall not threaten or retaliate against whistleblowers. If necessary, the accused may be temporarily reassigned or suspended.

Article 10: Disciplinary Measures and Remedies

If directors or managers violate this Code, the board of directors will discuss and determine disciplinary actions. Violations, including dates, causes, breached provisions, and handling results, shall be disclosed immediately on the Market Observation Post System.

The company shall establish an appeal mechanism to allow violators to present their arguments to the board. A majority vote by the board (excluding the violator) will determine the final outcome.

Article 11: Waiver Procedures

If a waiver of any provision in this Code is necessary for directors or managers, it must be approved by the board of directors. The decision must be disclosed immediately on the Market Observation Post System, including the date of approval, opposing or reserved opinions from independent directors, the duration and reasons for the waiver, and the applicable provisions. This ensures that shareholders can assess the appropriateness of the board's decisions, preventing arbitrary waivers and ensuring adequate control mechanisms.

Article 12: Disclosure

The company shall disclose this Code on its website, annual report, prospectus, and the Market Observation Post System. The same applies to any amendments.

Article 13: Implementation and Amendments

This Code shall be implemented upon approval by the audit committee and the board of directors and submitted to the shareholders’ meeting for acknowledgment. Amendments follow the same procedure.

If the audit committee does not approve this Code by a majority of its members, it can be implemented with the consent of at least two-thirds of all directors. Resolutions from the audit committee must be recorded in the board meeting minutes. The term "all members of the audit committee" and "all directors" refers to the actual number of incumbents.