

## **eMemory Technology Inc.**

### **Ethical Corporate Management Implementation Status of 2022**

Date : December 21, 2022

Implementation Status :

1. The Company engages in commercial activities by basing on the fair, honest, trustworthy, transparent principle, and the “Ethical Corporate Management Practice Principles” had been established and approved by the Board of Directors to make ethical management practicable and prevent form unethical conducts. The President Office is appointed as a dedicated unit which is responsible for establishing the ethical corporate management policies and prevention programs and supervising the implementation and report on the same to the Board of Directors on an annual basis.
2. In accordance with the “Ethical Corporate Management Practice Principles”, the Company reports on the implementation status of the Company's ethical corporate management.
  - The Company had established the “Work Rules” in which provided definitely that all the employees are required to be honesty without accepting bribes to prevent the benefit of the Company from being damaged for the individual benefit of the employee. The Company also has a communication channel and complaint processing procedure for employees. Employees can fill out a complaint form and submit it to the human resources supervisor, who will understand and handle it as quickly as possible and use confidential communication methods.
  - The recusal for Directors’ interest conflict had been provided in the “Rules of Procedure for Board of Directors Meetings”, and the Director him/herself or the corporate he/she represents for has a stake in the matter under discussion at the meeting where there is a likelihood that the interests of the Company would be prejudiced, may state opinions or answer the inquiry but not participate in the discussion or vote on that proposal, shall recuse himself or herself from any discussion and voting, and may not exercise voting rights as proxy on behalf of another Director.
  - The sales unit and procurement unit of the Company respectively evaluates customer’s credit and manages the quality of supplier’s services pursuant to the internal procedures. The Company also cooperate with customers to sign the Supplier Code of Conduct or Supplier Social Responsibility Commitment and requires major suppliers to sign the “eMemory Supplier Social Responsibility Commitment” in which the requirement of ethical conduct has been provided.
  - The Company had established effective accounting system and internal audit system to ensure ethical business operations can be realized. The financial reports of the Company had been reviewed by the CPAs with audit report. Based on the results of assessment of the risk of involvement in unethical conducts under internal control operation, the internal auditor devises internal audit plans and performs the examination.

- The fulfillment of ethical principle by employees is highly valued during the daily business, and the “Information Environment and Information Safety Propaganda” course is arranged in the new employee’s training courses, which emphasize on well preserving and keeping the confidentiality of either tangible information equipment or intangible information assets to prevent the confidentiality of the Company from being revealed. The course of “Personal Information Protection Act Propaganda” puts emphasis on the execution of non-disclosure agreement by the personnel who handles personal information to well conform to the confidentiality obligations and not illegally use the personal information. And the course of “Insider Trading Propaganda” which propagates the inhibition of making use of undisclosed information to conduct insider trading and disclose to others. As of November in 2022, the total number of new employees of the Company who participated in the courses mentioned above are 43, and total in 41 hours. The course materials were uploaded to the Company's internal learning system for reference by all employees.
  - The whistle-blowing system and related processing procedures had been established in the “Stakeholders Engagement” area on the corporate website, and the company's internal platform, myeMemory, also established an Employee Suggestion Mailbox, providing a way for employees to express their opinions. After receiving the whistleblowing case, according to the matters, the Company shall appoint a person to accept and investigate the case. The appointed person shall report to the Company and the whistleblower about handling methods, schedule and result, the whistleblower and appointed person shall keep the investigation and related information confidential, that it shall not be disclosed, and the Company shall protect the whistleblower from revenge or other improper treatment. The involved person who fails to keep the confidentiality and causes the confidentiality revealed shall be disciplined pursuant to the related rules.
3. Overall, the Company had established “Ethical Corporate Management Practice Principles” and publicly disclosed it on the corporate website and Market Observation Post System. Through internal education, training and publicity, internal and external persons can be clearly aware the Company's ethical corporate management related policies. Therefore, under the “Ethical Corporate Management Practice Principles” which clearly regulates and prohibits various business activities, the Company did not receive any reports from December 2021 to November 2022, and was not found to directly or indirectly provides, promises, requests, or accepts improper benefits or commits a breach of ethics, unlawful act, or breach of fiduciary duty for purposes of acquiring or maintaining benefits.

Reporter : President Michael Ho

Notice to Readers

*This document is prepared in accordance with the Chinese version and is for reference only. In the event of any inconsistency between the English version and the Chinese version, the Chinese version shall prevail.*