

# ZIG SHENG INDUSTRIAL CO., LTD.

## Code of Ethical Conduct

**Submitted to the shareholders meeting  
for approval on July 23, 2021**

### Article 1 Purpose of and basis for adoption

To make the behavior of the company's directors and managerial officers comply with ethical standards and to make the company's stakeholders better understand the company's ethical standards, the "Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies" is referred to stipulate the Code of Ethical Conduct.

### Article 2 Prevention of conflicts of interest

1. The directors or managerial officers of the company shall handle official duties in an objective and efficient manner to avoid personal interests or possible interference in the company's overall interests and ensuing conflicts of interest.
2. Directors or managerial officers shall be prevented from obtaining improper benefits for themselves, their spouses or their second-tier relatives (hereinafter referred to as the "aforementioned persons") based on their positions in the company. If the company has loans of funds or provision of guarantees, major asset transactions or purchases (sales) of goods with the affiliated companies to which the aforementioned personnel belong, it should pay special attention and abide by the following "Policies for Preventing Conflicts of Interest":

- (1) The company and the affiliated company to which the aforementioned personnel belong has loans of funds ,provision of guarantees, or major asset transactions (pursuant to the company's "Procedures for Acquisition or Disposal of Assets", those that meet the requirements for notification and reporting) shall be submitted to the board meeting for approval.
- (2) The company shall pay special attention to the purchase (sale) of goods between the company and the affiliated company to which the aforementioned personnel belong, and take into consideration the

protection of the company's best interests.

Article 3 Minimizing incentives to pursue personal gain

1. The company its directors, managerial officers when the company has an opportunity for profit, it is the responsibility of the directors, managerial officers to maximize the reasonable and proper benefits that can by obtained by the company.
2. The company shall prevent its directors, managerial officers from engaging in any of the following activities:
  - (1) Seeking an opportunity to pursue personal gain by using company property or information or taking advantage of their positions.
  - (2) Obtaining personal gain by using company property or information or taking advantage of their positions.
  - (3) Competing with the company.

Article 4 Confidentiality

1. The directors, managerial officers of the company shall be bound by the obligation to maintain the confidentiality of any information regarding the company itself or its suppliers and customers, except when authorized or required by law to disclose such information.
2. Confidential information includes any undisclosed information that, if exploited by a competitor or disclosed, could result in damage to the company or the suppliers and customers.

Article 5 Fair trade

The directors, managerial officers shall treat all suppliers and customers, competitors, and employees fairly, and may not obtain improper benefits through manipulation, nondisclosure, or misuse of the information learned by virtue of their positions, or through misrepresentation of important matters, or through other unfair trading practices.

Article 6 Safeguarding and proper use of company assets

All directors or managerial officers have the responsibility to safeguard company assets and to ensure that they can be effectively and lawfully used for official business purposes; any theft, negligence in care, or waste of the assets will all directly

impact the company's profitability.

Article 7 Legal compliance

The directors or managerial officers of the company shall strictly abide by the Securities and Exchange Act, Company Act and other laws and regulations governing company activities.

Article 8 Encouraging reporting on illegal or unethical activities

1. The company shall raise awareness of ethics internally and encourage employees to report to a company independent directors, managerial officers, audit supervisor, or other appropriate individual upon suspicion or discovery of any activity in violation of a law or regulation or the code of ethical conduct.
2. To encourage employees to report illegal conduct, the company shall establish a concrete whistle-blowing system and make employees aware that the company will use its best efforts to ensure the safety of informants and protect them from reprisals.

Article 9 Disciplinary measures, Information disclosure and complaints

1. The directors or managerial officers of the company who have violated this Code with the facts duly verified shall be reported to the board meeting for disposal. In addition, such personnel's date of violation, facts of violation, regulations violated and the company's handling shall be immediately disclosed on MOPS.
2. For those who have been punished for violating this Code, the company allows the parties to submit a written or oral complaint to the personnel department or the board of directors within 15 days. The relevant unit shall determine whether to maintain the original punishment decision after verifying the facts based on the complaint submitted by the party.

Article 10 Exemption

The code of ethical conduct adopted by a company must require that any exemption for directors, managerial officers from compliance with the code be adopted by a resolution of the board of directors, and that information on the date on which the board of directors adopted the resolution for exemption, objections or reservations of independent directors, and the period of, reasons

for, and principles behind the application of the exemption be disclosed without delay on the MOPS.

Article 11 Method of disclosure

This procedure shall disclose the code of ethical conduct it has adopted, and any amendments to it, on its company website, in its annual reports and prospectuses and on the MOPS.

Article 12 Enforcement

This Code shall be approved by the Audit Committee, and then submitted to and approved by the board meeting, and finally submitted to the shareholders' meeting.