

TAIYEN BIOTECH COMPANY LIMITED

Ethical Corporate Management Best Practice Principles

amended on Mar 3, 2020

Article 1 These Principles are adopted to assist the company to foster a corporate culture of ethical management and sound development, and good commercial.

These principles applicable to the company's subsidiaries.

Article 2 When engaging in commercial activities, directors, managers, employees, or persons having substantial control over such companies ("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 "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 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, TWSE/GTSM listing rules, or other laws or regulations regarding commercial activities, as the underlying basic premise to facilitate ethical corporate management.

Article 5 The company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and obtain approval from the board of directors, and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.

Article 6 The company may stipulate ethical management practices and plans to prevent unethical behavior ("prevention plans") for implements the the operational philosophies and policies of the preceding article, including operating procedures, guidelines, and timely publicity.

The prevention programs referred to in the preceding paragraph, shall comply with relevant laws and regulations of the territory where the companies and subsidiaries.

Article 7 When establishing the prevention programs, the company shall analyze business activities within their business scope which are at a higher risk of being involved in unethical conduct, and shall strengthen relevant preventive measures.

The prevention programs referred to in the preceding paragraph, which shall include preventive measures t 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.

Article 8 The company and subsidiaries shall clearly specify the ethical corporate management policies and the commitment , the board of directors and senior management shall on rigorous and thorough implementation of such policies, and shall carry out the policies in internal management and in commercial activities.

Article 9 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 persons so involved.

When entering into contracts with the others, 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.

Article10 When conducting business, the company and directors, managers, employees, and substantial controllers, may not directly or indirectly offer, promise to offer, request, or accept any improper benefits in whatever form, including rebate, commissions, facilitating payment or other means to customers , agents, contractors, suppliers, civil servants or other stakeholders to provide or receive improper benefits. However, those who meet the laws of the place of business are not limited to this.

- Article11 When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the company and directors, managers, employees, 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.
- Article12 When making or offering donations and sponsorship, the company and directors, managers, employees, and substantial controllers shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.
- Article13 The company and directors, managers, employees, 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.
- Article14 The 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.
- To achieve sound ethical corporate management, the General Affairs Department responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs, and regularly reports to the board of directors.
- Article15 The company's directors, managers, employees, and substantial controllers shall comply with laws and regulations and the prevention programs when conducting business.
- Article16 The directors shall maintain a high degree of self-discipline. When a proposal at a given board of directors meeting concerns the personal interest of, or the interest of the juristic person represented by, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of the company, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings.
- The directors, managers, and natural persons who are appointed by designated representatives to perform their duties in accordance with the provisions of Article 27, paragraph 1 of the company law 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.

Article17 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.

The internal auditors of the company should regularly check the compliance with the preceding system and make an audit report to the board of directors.

Article18 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 least 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.

Article19 The company may timely publicity and advocacy for directors, managers, employees, mandataries, and substantial controllers 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's reward and discipline system shall consider combining the policies of ethical corporate management with employee performance appraisal system and human resource policies.

Article20 The company shall provide a proper whistle-blowing system and shall confidentiality of the identity of whistle-blowers and the content of reported cases, and an undertaking regarding anonymous reporting.

The company shall make immediate disclosure on the company's internal website of the title and name of the person who violated the ethical corporate management rules, the date and details of the violation, and the actions taken in response.

Article21 The company shall disclose the status of implementation of the ethical corporate management rules on their company websites, annual reports, and prospectuses.

Article 22 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.

Article23 The Ethical Corporate Management Best Practice Principles of the company shall be implemented after the board of directors grants the approval, and shall be reported at a shareholders' meeting. The same procedure shall be followed when the principles have been amended.