

Implementation of Ethical corporate management in 2019

Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
<p>1. Establishment of ethical corporate management policies and programs</p> <p>(1). Does the company formulate an ethical corporate management policy approved by the board of directors, and clearly state the policies and practices of Ethical Corporate management in the regulations and external documents, and the commitment of the board of directors and management to actively implement the business policy?</p>	V		<p>(1). The first version of the Ethical Corporate Management Best-Practice Principles of Ablrex has been approved by the Board of Directors in 2014.5.12. during which time the relevant provisions have been amended in accordance with the changes in the regulations of the competent authorities, and the Corporate Governance and Development Committee has been evaluated in accordance with the Corporate Governance Evaluation in 2018.12.1. It is responsible for coordinating relevant indicators to reveal the implementation situation in the company's webpage corporate governance zone, annual report and report in the board of directors. It is implemented in internal management and external business activities in a transparent and fully exposed manner, in line with the operation of the company's ethical corporate management code. The website of the Corporate Governance Zone in English will be continuously improved to fully expose the company's operating conditions, so that overseas stakeholders can understand the company's implementation strategies and specific measures.</p>	In accordance with Article 4, 5, 8, 18, and 21 of “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies”
<p>(2). Does the company establish an evaluation mechanism for the risk of unethical, regularly analyze and evaluate business activities with a higher risk of unethical in the business scope, and formulate a plan to</p>	V		<p>(2). The Company passed the “Ethical Corporate Management Best-Practice Principles” at the Board of Directors at 2014.5.12 and formulated the “Procedures for Ethical Management and Guidelines for Conduct” at 2016.11.09 to consider concrete measures for risk assessment and prevention of integrity management and dishonesty. In 2018.12.1, the Corporate Governance Development Committee is responsible for coordinating and preventing the occurrence of any illegal situations</p>	In accordance with Article 7 of “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed

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prevent unethical, at least listed activities stated in Article 7, Paragraph 2 of the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies?			based on the corporate governance evaluation indicators, and setting up external communication channels for stakeholders to prevent dishonesty. And track the implementation situation, the annual audit plan is included in the audit items to ensure implementation and effectiveness review or improve the reference basis.	Companies”
(3). Does the company clearly set out the operating procedures, behavior guidelines, punishment and appeal system for violations in the prevention of unethical behavior, implementation, and regularly review and revision of the plan before it is revealed?	V		(3). In accordance with the provisions of the "Ethical Management Best-Practice Principles" and relevant laws and regulations, the Company has formulated "Procedures for Ethical Management and Guidelines for Conduct" and has a "Code of Ethical Conduct for Directors, Supervisors and Managers" and "Code of Ethical Conduct for Employees". Defining dishonest behaviors, and regulating the company's personnel should pay attention to, prohibit and deal with operating procedures when performing business. To effectively implement the aforementioned normative content, the company's website has an investor connection platform, stakeholder contact information, and customer service pages. For all kinds of information demanders and information feedback personnel to contact the relevant responsible personnel of the company. And track the implementation situation, the annual audit plan is included in the audit items, and the Corporate Governance Development Committee reports the implementation of the board of directors to ensure implementation and effectiveness review or improve the reference basis.	In accordance with Article 2, 6, 10-17 and 26 of “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies”
2. Fulfill operations ethical corporate management policy (1). Does the company evaluate business partners’ ethical records and include ethics-related clauses in business contracts?	V		(1). When the company conducts business activities, it is always observing trades in the industry and paying attention to the necessary objects in financial and other aspects to assess whether there is a record of dishonesty and to establish as much as possible integrity in the signed contracts. Penalties related provisions to avoid losses due to dishonest conduct and to ensure the integrity of the company's claims and	In accordance with Article 9 of “the Ethical Corporate Management Best-Practice Principles for

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			transaction process. Although it has not yet been fully incorporated into the two parties' sales contracts, it has since 2016 urged new supplier suppliers to sign the “Supplier/Subcontractor's Social Responsibilities Letter of Commitment” and announced “Operational Procedures and Conduct Guidelines for Honest Business Operation”. “The Code of Conduct for Employees and Ethics,” and other specifications to assist with compliance.	TWSE/TPEX Listed Companies”
(2) Does the company set up a dedicated unit to promote corporate ethical management under the board of directors, and regularly (at least once a year) report to the board of directors on its ethical corporate management policy and plans to prevent unethical and monitor implementation?	V		(2) Under the supervision of the Board of Directors, the Company established the “Corporate Governance Development Committee” in accordance with the Corporate Governance Evaluation Indicators at 2018.5.2, and set up a full-time staff to undertake the revision of the Code of Integrity Code after 2018.12.1, and the promotion of related business. After the implementation of the announcement, it will continue to arrange education training or publicity operations for the previous tasks, so as to promote the implementation of the ethical corporate management policy for all employees and related parties, and continue to report the results in the board of directors every year to ensure the implementation of corporate integrity.	In accordance with Article 17 of “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies”
(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	V		(3) To avoid conflicts of interest, Ablerex has stipulating “Procedures for Ethical corporate management and Guidelines for Conduct”, “Guidelines for the Adoption of Codes of Ethical Conduct for Directors, Supervisors and Managers”, “Guidelines for the Adoption of Codes of Ethical Conduct for Employees”, and “Rules of Procedure for Board of Directors Meetings and Management Procedures for the Operation of Board Directors Meetings”, which clearly stated the managerial procedures and communication channels. The website provides the stakeholder area, the investor area, etc., and also informs the stakeholders of the presentation and communication in the Corporate Social Responsibility Report (page 22-23 of the 2018 CSR Report). The Directors, Supervisors, and Managers are also highly self-discipline that they express opinions and answer questions while absent in discussion and	In accordance with Article 19 and 23 of “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies”

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			voting when the discussion issues are related to their own interests.	
(4) Whether the company has established an effective accounting system and internal control system for the implementation of ethical corporate management, and the internal audit unit based on the results of the assessment of the risk of unethical behavior, draws up relevant audit plans, and checks the compliance with the plan to prevent unethical, or commission a CPA to perform the audit?	V		(4). The Company has established an effective accounting system and internal control system. It conducts self-evaluation of the internal control system on a regular basis every year to confirm the design, implementation and implementation of internal control. In order to review the implementation of integrity management, the annual audit plan is included in the audit items, and the Corporate Governance and Development Committee reports the implementation of the board of directors to ensure implementation and review or improve the reference basis.	In accordance with Article 20 of “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies”
(5). Does the company regularly hold internal and external educational trainings on ethical corporate management policy ?	V		(5). The company actively sends personnel to participate in external education training and advocacy meetings related to external related integrity operations. Internally, it promotes and guides the annual newcomers education with totally 30 people and people-hours training, and actively promotes employees in various meetings (labor-management conferences, etc.) from time to time. Foster a clean, honest, fair and responsible attitude.	In accordance with Article 22 of “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies”
3. Operation of the impeachment channel (1) Does the company establish both a reward system and an impeachment hotline, as well as pointing an appropriate	V		(1). The Company has stipulated in the "Guidelines for Operational Procedures and Conduct in Honest Business Operations" that the reporting and reward system and special personnel are responsible. The Company's website also discloses corporate liaisons,	In accordance with Article 23 of “the Ethical Corporate Management

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person to follow-up for the accused?			spokespersons, and internal auditors' contact information and e-mail addresses. (Path: http://www.ablerex.com.tw/en/about_8-4-5-5.php) If anyone found that the company's personnel violated the integrity of the act, it can be reported.	Best-Practice Principles for TWSE/TPEX Listed Companies”
(2) Has the company established standard operating procedures for investigations to receive reports, follow-up measures to be taken after the investigation is completed, and related confidentiality mechanisms?	V		2. Ablerex has established a reporting system in Article 21 of the “Guidelines for the Operational Procedures and Conduct of Honest Business Conduct”, which describes the prosecution channels, information that should be provided, and the handling procedures after receiving the reports. Upon receipt of the report, the designated personnel will follow the prescribed procedures. Processing, written statements keep the identity of the prosecutor and the contents of the prosecution confidential. If the investigation is true, the prosecutor is immediately required to stop the relevant actions, and after the confirmation, it is appropriate to dispose of articles 21 to 23 of the code, and if necessary, seek compensation for damages through legal proceedings. Will be punished according to relevant company regulations	In accordance with Article 23 of “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies”
(3) Does the company take measures to protect prosecutors from improper disposition due to the report?	V		3. The “Code of Conduct for the Employee's Ethical Behavior” stipulates that Tongren has the reporting responsibilities and obligations. If any violation of laws, regulations, or the Code is discovered, it should be reported and reported to the supervisor. During the investigation of the company's handling of the report, it will Full confidentiality and protection of the parties' privacy rights and their personal interests, and promised to protect the prosecutors from improper treatment due to the prosecution. The personnel participating in the investigation shall be responsible for the confidentiality of the content of the complaint. Violators shall be transferred by the competent authority to the Personnel Supervisor for discussion.	In accordance with Article 23 of “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies”
4. Strengthening information disclosure Does the company disclose its ethical corporate management	V		Ablerex discloses the status of Ethical Corporate Management and the related measures in the “Corporate Governance” session on the website and in ther	In accordance with Article 25 of “the

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policies and the results of its implementation on the company's website and MOPS?			<p>annual report. (web site: http://www.ablerex.com.tw/ch/about_8-4.php)</p> <p>The company's chapters on “Corporate Governance” under the “Corporate Social Responsibilities” section of the company's website and the section on corporate governance of annual reports disclose the implementation of credit management and related measures.</p> <p>The efforts of Ablerex in corporate governance have been ranked as TOP 5% company in 2015 to 2018 and top 6-20 in 2019 Corporate Governance Evaluation Results in Taiwan.</p>	Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies”
<p>5. If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the policies and their implementation.</p> <p>Ablerex stipulated “Procedures for Ethical corporate management and Guidelines for Conduct”, “Guidelines for the Adoption of Codes of Ethical Conduct for Directors, Supervisors and Managers” based on “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies”, the related regulations, and the mission statement of honesty, transparency, and responsibility as the regulations of daily operations for all employees. There is no discrepancy between regulations and implementations.</p>				
<p>6. Other important information to facilitate a better understanding of the company's ethical corporate management policies</p> <p>Ablerex stipulated “Operational Procedures for Handling Material Inside Information and Preventing Insider Trading” which stated the directors, managers, employees, and consultants to exercise the due care of a good administrator and signed the confidential agreements as the requests of the Ethical Corporate Management Best-Practice Principles. Directors, managers, employees, and consultants, who are aware of the inside information, shall not reveal the inside information. Directors, managers, employees, and consultants shall not ask or collect the undisclosed inside information which is not relevant to their duties.</p> <p>In order to enable insiders to follow and refer to, the relevant insiders (directors, supervisors, managers, employees, consultants, etc.), insider trading and insider equity-related laws and regulations and applicable precautions, etc., are referred to the competent authority's publicity manual in this manual The company's website (path: http://www.ablerex.com.tw/ch/csr_2_1.php) is subject to advocacy.</p>				