



(Translation in English, Original in Chinese)

“Procedures for Ethical Management and Guidelines for Conduct” of Sunplus Technology Company Limited (The "Company")

Article 1 Purpose and scope

The Company engages in commercial activities following the principles of fairness, honesty, faithfulness, and transparency, and in order to fully implement a policy of ethical management and actively prevent unethical conduct, these Procedures for Ethical Management and Guidelines for Conduct (hereinafter, "Procedures and Guidelines") are adopted pursuant to the provisions of “the Ethical Corporate Management Best Practice Principles for TWSE/GTSM listed Companies” and the applicable laws and regulations of the places where the Company and its business groups and organizations operate, with a view to provide all personnel of the Company with clear directions for the performance of their duties.

Article 2 Applicable subjects

For the purposes of these Procedures and Guidelines, the term "personnel of the Company" refers to any director, managerial officer, employee, mandatary or person having substantial control, of the Company or business groups and organizations.

Any promise, request, or acceptance of improper benefits by any personnel of the Company through a third party will be presumed to be an act by the personnel of the Company.

If the Company group has set the relevant operating procedures and behavior guidelines, such operating procedures and behavior guidelines are followed.

Article 3 Unethical conduct

For the purposes of these Procedures and Guidelines, "unethical conduct" means that any personnel of the Company, in the course of their duties, 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.

The counterparties of the unethical conduct under the preceding paragraph include public officials, political candidates, political parties or their staffs, and government-owned or private-owned enterprises or institutions and their



directors, supervisors, managerial officers, employees, persons having substantial control, or other interested parties.

Article 4 Types of benefits

For the purposes of these Procedures and Guidelines, the term "benefits" means any money, gratuity, gift, commission, position, service, preferential treatment, rebate, facilitating payment, entertainment, dining, or any other item of value in whatever form or name.

Article 5 Responsible unit

The Company shall designate the Broad of Directors Office as the solely responsible unit (hereinafter, "responsible unit") in charge of the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines, the recording and filing of reports, and the monitoring of implementation. The responsible unit shall also submit annual reports to the board of directors:

1. To assist in integrating integrity and ethical values into the Company's business strategy and to ensure compliance with the relevant laws and regulations to ensure integrity.
2. To establish a program of prevention of dishonesty and to provide standard operational procedures and conduct guidelines for work-related activities within the programs.
3. To plan internal organization, compilation and management, and place mutual supervision and checks on business activities with high risks of dishonesty in the business scope.
4. Promotion and coordination of good faith policy advocacy.
5. Planning the reporting system to ensure the effectiveness of the implementation.
6. To assist the Board of Directors and the management to check and evaluate the effectiveness of the preventive measures established in respect of the integrity management and to regularly report on the compliance
7. Prepare and properly preserve the relevant documented information such as the integrity management policy and its compliance statement, implementation of the commitment and implementation status.

Article 6 Prohibition of providing or receiving improper benefits

When the company's personnel directly or indirectly provide, promise, request or accept the benefits specified in Article 4, except for the following conditions, they shall comply with the "Code of Integrity Management of Listed OTC Companies" and



this operating procedure and behavior guide , And after handling in accordance with relevant procedures, you can only do:

1. Based on business needs, when visiting, receiving foreign guests, promoting business and communication and coordination at home (outside), according to local politeness, customs or customs.
2. Participate in or invite others to organize normal social activities based on normal social etiquette, commercial purposes or promoting relationships.
3. Customers are invited or invited to participate in specific business activities, factory tours, etc. due to business needs, and the cost-bearing method, number of participants, accommodation level and period of the pre-opening activities have been specified.
4. Participate in folk festivals that are held in public and invite the general public to participate.
5. Rewards, assistance, condolences or condolences from the supervisor.
6. Others complying with company regulations.

Article 7 Procedures for handling the acceptance of improper benefits

Except under any of the circumstances set forth in the preceding article, when any personnel of the Company are provided with or are promised, either directly or indirectly, any benefits as specified in Article 4 by a third party,, the matter shall be handled in accordance with the following procedures:

1. If there is no relationship of interest between the party providing or offering the benefit and the official duties of the Company's personnel, the personnel shall report to their immediate supervisor within 3 days from the acceptance of the benefit, and the responsible unit shall be notified if necessary.
2. If a relationship of interest does exist between the party providing or offering the benefit and the official duties of the Company's personnel, the personnel shall return or refuse the benefit, and shall report to his or her immediate supervisor and notify the responsible unit. When the benefit cannot be returned, then within 3 days from the acceptance of the benefit, the personnel shall refer the matter to the responsible unit for handling.

"A relationship of interest between the party providing or offering the benefit and the official duties of the Company's personnel," as referred to in the preceding paragraph, refers to one of the following circumstances:

1. When the two parties have commercial dealings, a relationship of direction and supervision, or subsidies (or rewards) for expenses.
2. When a contracting, trading, or other contractual relationship is being sought, is in progress, or has been established.



3. Other circumstances in which a decision regarding the Company's business, or the execution or non-execution of business, will result in a beneficial or adverse impact.

The responsible unit of the Company shall make a proposal, based on the nature and value of the benefit under paragraph 1, that it be returned, accepted on payment, given to the public, donated to charity, or handled in another appropriate manner. The proposal shall be implemented after being reported and approved by CEO of the Company.

Article 8 Prohibition of facilitation payments and procedures

The company shall not provide or promise any facilitating payment.

If the personnel of the company provide or promise facilitating payments due to threats or intimidation, they should report the process to their direct supervisor and notify the company's dedicated unit.

After receiving the notice in the preceding paragraph, the responsible unit of the company shall deal with it immediately and review the relevant situation to reduce the risk of recurrence. If any wrongdoing is found, the judicial unit should be notified immediately.

Article 9 Procedures for handling political contributions

The company's political contributions shall be handled in accordance with the following regulations, and only after the approval of the job authorization method, the company's dedicated unit shall be notified:

1. It should be confirmed that it complies with the relevant laws and regulations of the country where the recipient of the political contribution is located, including the upper limit and form of the political contribution.
2. Decisions should be recorded in writing.
3. Political contributions should be recorded in the accounts in accordance with laws and related accounting procedures.
4. When providing political contributions, you should avoid engaging in business dealings with relevant government units, applying for permits, or handling other matters involving the company's interests.

Article 10 Charitable donation or sponsorship procedures

The charitable donation or support provided by the company shall be handled in accordance with the following matters, and only after verification in accordance with the job authorization method, the company's dedicated unit shall be notified:

1. It shall comply with the laws and regulations of the place of operation.



2. Decisions should be recorded in writing.
3. The target of charitable donations should be charitable organizations, and no bribery in disguise is allowed.
4. The rewards that can be obtained as a result of sponsorship are clear and reasonable, and should not be the objects of the company's business dealings or people who have interests in the company's personnel.
5. After charitable donation or sponsorship, it should be confirmed that the purpose of the money flow is consistent with the purpose of the donation.

Article 11 Recusal

When the Company director, officer or other stakeholder attending or present at a board meeting, or the juristic person represented thereby, has a stake in a proposal at the meeting, that director, supervisor, officer or stakeholder shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of the Company would be prejudiced, may 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 directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner.

If in the course of conducting company business, any personnel of the Company discovers that a potential conflict of interest exists involving themselves or the juristic person that they represent, or that they or their spouse, parents, children, or a person with whom they have a relationship of interest is likely to obtain improper benefits, the personnel shall report the relevant matters to both his or her immediate supervisor and the responsible unit, and the immediate supervisor shall provide the personnel with proper instructions.

No personnel of the Company may use company resources on commercial activities other than those of the Company, nor may any personnel's job performance be affected by his or her involvement in the commercial activities other than those of the Company.

Article 12 Unit in charge of confidentiality regime and its responsibilities

The Company shall designate the Legal & Intellectual Property Department ("The Department") charged with formulating and implementing procedures for managing, preserving, and maintaining the confidentiality of the Company's trade secrets, trademarks, patents, works and other intellectual properties and it shall also conduct periodical reviews on the results of implementation to ensure



the sustained effectiveness of the confidentiality procedures.

All personnel of this Corporation shall faithfully follow the operational directions pertaining to intellectual properties as mentioned in the preceding paragraph and may not disclose to any other party any trade secrets, trademarks, patents, works, and other intellectual properties of this Corporation of which they have learned, nor may they inquire about or collect any trade secrets, trademarks, patents, and other intellectual properties of this Corporation unrelated to their individual duties.

Article 13 Prohibition against unfair trade

The Company shall follow the Fair Trade Act and applicable competition laws and regulations

when engaging in business activities, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.

Article 14 Prevent products or services from harming stakeholders

The company shall collect and understand the relevant laws and regulations and international standards to be followed by the products and services provided, and summarize the matters that should be paid attention to and announce them, so as to encourage the company's personnel to develop, purchase, manufacture, and provide products and services. Or the sales process to ensure the transparency and security of information about products and services.

The company has formulated and published on the company's website a policy to protect the rights and interests of consumers or other interested parties to prevent products or services from directly or indirectly harming the rights, health and safety of consumers or other interested parties.

When media reports or facts are sufficient to confirm that the company's products or services may endanger the safety and health of consumers or other interested parties, in principle, the batch of products should be recalled or the service should be stopped immediately, and the facts should be investigated and raised. Review the improvement plan.

The company's dedicated unit shall report to the board of directors the previous situation, its handling methods and subsequent review and improvement measures.

Article 15 Prohibition against insider trading

The Company's personnel shall adhere to the provisions of the Securities and Exchange Act, and may not take advantage of undisclosed information of which



they have learned to engage in insider trading. Personnel are also prohibited from divulging the undisclosed information to any other party in order to prevent another party from using such information to engage in insider trading

A director's spouse, second relative and other blood relatives, or a company with a controlling affiliation with the director, who has an interest in the matters of the preceding meeting shall be deemed as the directors have their own interest in the matter.

Article 16 Non-disclosure agreement

Any organization or person outside of the Company that is involved in any merger, demerger, acquisition and share transfer, major memorandum of understanding, strategic alliance, other business partnership plan, or the signing of a major contract by the Company shall be required to sign a non-disclosure agreement in which they undertake not to disclose to any other party any trade secret or other material information of the Company acquired as a result, and that they may not use such information without the prior consent of the Company.

Article 17 Announcement of policy of ethical management to outside parties

The Company shall disclose its policy of ethical management in its internal rules, annual reports, on the Company's websites, and in other promotional materials, and shall make timely announcements of the policy in events held for outside parties such as product launches and investor press conferences, in order to make its suppliers, customers, and other business-related institutions and personnel fully aware of its principles and rules with respect to ethical management.

Article 18 Ethical management evaluation prior to development of commercial relationships

Before developing a commercial relationship with another party, such as an agent, supplier, customer, or other counterparty in commercial dealings, the Company shall evaluate the legality and ethical management policy of the party and ascertain whether the party has involved in a record of unethical conduct, in order to ensure that the party conducts business in a fair and transparent manner and will not request, offer, or take bribes.

When the Company carries out the evaluation under the preceding paragraph, it may adopt appropriate audit procedures for a review of the counterparty with which it will have commercial dealings with respect to the following matters, in order to gain a comprehensive knowledge of its ethical management:



1. The enterprise's nationality, location of business operations, organizational structure, and management policy, and place where it will make payment.
2. Whether the enterprise has adopted an ethical management policy, and the status of its implementation.
3. Whether enterprise's business operations are located in a country with a high risk of corruption.
4. Whether the business operated by the enterprise is in an industry with a high risk of bribery.
5. The long-term business condition and degree of goodwill of the enterprise.
6. Consultation with the enterprise's business partners on their opinion of the enterprise.
7. Whether the enterprise has a record of unethical conduct such as bribery or illegal political contributions.

Article 19 Statement of ethical management policy to counterparties in commercial dealings

Any personnel of the Company, when engaging in commercial activities, shall make a statement to the trading counterparty about the Company's ethical management policy and related rules, and shall clearly refuse to provide, promise, request, or accept, directly or indirectly, any improper benefit.

Article 20 Avoidance of commercial dealings with unethical operators

All personnel of the Company shall avoid business transactions with the agent, supplier, customer, or other counterparty in commercial interactions who has recorded of unethical conduct. When the counterparty or partner in cooperation is found to have engaged in unethical conduct, the personnel shall immediately cease dealing with the counterparty and blacklist it for any further business interaction in order to effectively implement the Company's ethical management policy.

Article 21 Contract stipulates integrity management

When the company signs a contract with others, it is necessary to fully understand the other party's integrity management status and incorporate compliance with the company's integrity management policy into the contract terms. The following items may be stipulated in the contract:

1. When any party knows that a person has violated the contract clauses prohibiting the receipt of commissions, rebates or other illegitimate benefits, it shall immediately follow the facts about the identity of such persons, the manner in which they have



provided, promised, requested or received, the amount or other illegitimate benefits Inform the other party, provide relevant evidence and cooperate with the other party's investigation. If one party suffers damage as a result, it may request damages from the other party, and the amount shall be deducted from the contract price payable.

2. If any party is involved in dishonest conduct in business activities, the other party may unconditionally terminate or terminate the contract at any time.

3. Set clear and reasonable payment content, including payment methods, relevant tax laws and regulations to be complied with, etc.

Article 22 Handling of unethical conduct by personnel of this Corporation

The company has set up measures to deal with cases of reporting illegal, unethical or dishonest behavior, which covers the following matters:

1. Report the pipeline.

2. Designate a person or unit responsible for reporting and accepting reports, and formulate the categories of the reporting items and their standard operating procedures for investigation.

3. Records and preservation of report case acceptance, investigation process, investigation results and production of related documents.

4. Confidentiality of the identity of the informant and the content of the report.

5. Measures to protect the informant from being improperly handled due to the report.

6. Incentive measures for whistleblowers.

Upon discovering or receiving a complaint about any personnel's involvement in unethical conduct, the Company shall, according to the whistle blowing system, ascertain the relevant facts without delay;

if it is verified that there is indeed a violation of applicable laws and regulations or the Company's policy and procedures of ethical management, the Company shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, the Company will institute legal proceedings and seek damages to safeguard its reputation and its rights and interests.

With respect to the unethical conduct that has occurred, the Company shall charge relevant units with the task of reviewing the internal control system and relevant procedures and proposing corrective measures to prevent a recurrence of the same unethical conduct.

The responsible unit of the Company shall submit to the board of directors a report on the unethical conduct, actions taken, and subsequent reviews and corrective measures.



Article 23 Actions upon event of unethical conduct by others towards Company

If any personnel of the Company discovers that another party has engaged in unethical conduct towards the Company, and such unethical conduct involves alleged illegality, the Company shall report the relevant facts to the judicial and prosecutorial authorities; where a public service agency or public official is involved, the Company shall additionally notify the governmental anti-corruption agency.

Article 24 Establishment of a system for rewards, penalties, and complaints, and related disciplinary measures

The dedicated unit of the company shall organize regular internal promotion every year, and arrange for the chairman, general manager or senior management to convey the importance of integrity to the directors, employees and persons appointed.

The Company shall link ethical management to employee performance evaluations and human resources policy, and establish clear and effective systems for rewards, penalties, and complaints.

If any personnel of the Company seriously violates ethical conduct, the Company shall dismiss the personnel from his or her position or terminate his or her employment in accordance with applicable laws and regulations or the personnel policy and procedures of the Company.

The Company shall, according to the seriousness of the matter, disclose on its intranet information the name and title of the violator, the date and details of the violation, and the actions taken in response.

Article 25 Commitment and execution

The company analyzes and evaluates the risk of dishonesty in the business scope, and has already signed the "Integrity Commitment Letter" for operators with higher risk of dishonest behavior in the business scope, and also targets suppliers with higher risk of dishonest behavior within the business scope. And the client requested to sign the "Declaration of Integrity", the above-mentioned commitments and declarations, documented information has been produced and properly preserved.

Article 26 Accounting and internal control

The Company establishes an effective accounting system and internal control system for business activities with high risk of dishonest behavior, and must not have a foreign account or keep a secret account, and review it at any time to ensure that the design and implementation of the system continues to be effective.



The audit department of the company annually formulates relevant audit plans based on the results of the risk assessment, including the audit object, scope, project, frequency, etc., and checks the prevention plan in relevant internal control loops (such as sales/procurement/payroll). In accordance with the situation, the results of the abnormal check are reported to the senior management and the integrity management unit, and the audit report is submitted to the board of directors.

Article 27 Enforcement

These Procedures and Guidelines, and any amendments hereto, shall be implemented after adoption by resolution of the board of directors, and shall be delivered to audit committee and reported to the shareholders meeting.

When the Procedures are submitted to the board of directors for discussion, each independent director's opinions shall be taken into full consideration, and their objections and reservations expressed shall be recorded in the minutes of the board of directors meeting. An independent director that is unable to attend a board meeting in person to express objection or reservation shall provide a written opinion before the board meeting unless there is a legitimate reason to do otherwise, and the opinion shall be recorded in the minutes of the board of directors meeting.

Article 28 Amendment

These Procedures and Guidelines are enacted on April 10th, 2013, amended on March 23th, 2015, November 14, 2016, and November 13, 2019, December 29, 2020.