

St. Shine Optical Co., Ltd.

Procedures for Ethical Management and Guidelines for Conduct

- Article 1 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, the 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 the company.
- The scope of application of the Procedures and Guidelines includes the subsidiaries of the company and other investee institutions or juridical persons which are substantially controlled by the company in accordance with laws and regulations.
- Article 2 For the purposes of the 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 its group enterprises and organizations.
- Any provision, 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.
- Article 3 For the purposes of the 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, managerial officers, employees, persons having substantial control, or other interested parties.
- Article 4 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. (hereinafter, " benefits ")

Article 5

The company designates the Audit Division as the responsible unit for ethical management, under the board of directors and shall be in charge of the amendment, interpretation, dissemination, and advisory services with respect to the Procedures and Guidelines, the recording and filing of reports, and the monitoring of implementation. The responsible unit shall be in charge of the following matters and also submit regular reports (at least once a year) to the board of directors:

1. Assisting in incorporating ethics and moral values into this Corporation's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.
2. Analysing and assessing the risks of unethical conduct within the business scope on a regular basis and accordingly adopting programs to prevent unethical conduct and setting out in each program the standard operating procedures and conduct guidelines with respect to this Corporation's operations and business.
3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.
4. Promoting and coordinating awareness and educational activities with respect to ethics policy.
5. Developing a whistle-blowing system and ensuring its operating effectiveness.
6. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.
7. Preparing and retaining properly documented information such as ethical management policy and compliance statements, situations concerning the performance of undertakings and enforcement etc.

Article 6

Except under one of the following circumstances, the personnel of the company shall not provide , promise, request, or accept any benefits directly or indirectly, and shall comply with the Ethical Corporate Management Best Practice Principles for the company and the Procedures and Guidelines, and the relevant procedures shall have been carried out:

1. The conduct is undertaken to meet business needs and is in accordance with local courtesy, convention, or custom during domestic (or foreign) visits, reception of guests, promotion of business, and communication and coordination.

2. The conduct has its basis in ordinary social activities that are attended or others are invited to participate in social custom, commercial purposes, or developing relationships.
3. Participate in or invite others to attend at commercial activities or factory visits in relation to business needs, when the method of fee payment, number of participants, class of accommodations, and the time period for the event or visit have been specified in advance.
4. Attendance at folk festivals that are open to and invite the attendance of the general public.
5. Rewards, emergency assistance, condolence payments, or honorariums from the management.
6. The personnel of the company shall not accept money and securities from others. The present as a gift should be within a reasonable range, which should not be valuables for available resale or produce substantial influence or consideration relationship and the value of the gifts should not exceed NT 10,000 in principle.
7. Property which received due to engagement, marriage, maternity, relocation, assumption of a position, promotion or transfer, retirement, resignation, or severance, or the injury, illness, or death of the recipient or the recipient's spouse or lineal relative.
8. Other conduct that complies with the rules of the company

Article 7

Except under any of the circumstances set forth in the preceding article, when any personnel of the company are provided with or are promised any benefits, either directly or indirectly, shall be returned or rejected and the personnel shall report to their immediate supervisor and notify the Audit Division. When the benefit cannot be returned, then within 3 days from the acceptance of the benefit, the personnel shall refer the matter to the Audit Division for handling.

The Audit Division of the company shall make a proposal, based on the nature and value of the property 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 chairman.

Article 8

If any personnel of the company provides or promises benefit under threat or intimidation, they shall submit a report to their immediate supervisor stating the facts and shall notify the Audit Division.

Upon receipt of the report under the preceding paragraph, the Audit Division shall take immediate action and undertake a review of relevant matters in order to minimize the risk of recurrence. In a case involving alleged illegality, the Audit

Division shall together with legal unit immediately report to the relevant judicial agency.

Article 9

The company shall make political contributions legally.

If political contributions by the company shall be made in accordance with the following provisions:

1. It shall be ascertained that the political contribution is in compliance with the laws and regulations governing political contributions in the country in which the recipient is located, including the maximum amount and the form in which a contribution may be made.
2. A written record of the decision-making process shall be kept.
3. Account entries shall be made for all political contributions in accordance with applicable laws and regulations and relevant procedures for accounting treatment.
4. In making political contributions, commercial dealings, applications for permits, or carrying out other matters involving the interests of the company with the related government agencies shall be avoided.
5. When the political contributions amount provided to the single subject is NT\$100,000 or more, it shall be provided only after it has been submitted for adoption by the board of directors.

Article 10

Charitable donations or sponsorships by the company shall be conducted in accordance with the following provisions and it shall be made only after being approved according to "Approval Authority Table".

1. It shall comply with laws and regulations.
2. A written record of the decision making process shall be kept.
3. A charitable donation shall be given to a valid charitable institution and may not be a disguised form of bribery.
4. The returns received as a result of any sponsorship shall be specific and reasonable, and the subject of the sponsorship may not be a counterparty of the company's commercial dealings or a party with which any personnel of the company has a relationship of interest.
5. After a charitable donation or sponsorship has been given, it shall be ascertained that the destination to which the money flows is consistent with the purpose of the contribution.

Article 11

When a director , managerial officer or other stakeholder of the company attending or present at a board meeting, or the juristic person represented thereby, has a stake in a matter under discussion in the meeting ,that director, 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.

Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in the matter.

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 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 this Corporation, nor may any personnel's job performance be affected by his or her involvement in the commercial activities other than those of this Corporation.

Article 12 All personnel of the company shall faithfully follow the regulations of trade secrets and may not disclose to any other party any trade secrets, of which they have learned, nor may they inquire about or collect any trade secrets unrelated to their individual duties.

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 13 All personnel of the company shall avoid business transactions with an agent, supplier, customer, or other counterparty in commercial interactions that is involved in 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 14 The company shall follow the Fair Trade Act and applicable competition laws and regulations and the following conducts that directly or indirectly impede fair competition should be avoided :

1. Conducts of restricting the resale price of goods.
2. Conducts that may restrict competition or impede fair competition.
3. Representational conducts that counterfeit goods or service of others.
4. Products or advertisements are false or misrepresented behaviors.
5. Conducts that damage the business reputation of others.
6. Other deceptive or obviously unfair behaviors that can affect the transaction order.

Article 15 The relevant laws and regulations and international standards that the company should follow for the products and services it provides are included in the process of research and development, procurement, manufacturing, provision or sales to ensure the information transparency and security of products and services. The company shall pay attention to the health and safety of consumers for the products or services it provides, provide consumers with sufficient and correct information, and implement other necessary consumer protection measures. Where there are media reports, or sufficient facts to determine, that the company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the company shall handle in accordance with the relevant operating procedures of the internal quality system. The responsible unit of the company shall depends on whether the situation is serious or not, report the event in the preceding paragraph, actions taken, and subsequent reviews and corrective measures taken to the board of directors.

Article 16 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 a record of involvement in 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 involvement in unethical conduct such as bribery or illegal political contributions.

Article 17 Any personnel of the company, when engaging in commercial activities, shall make a statement to the trading counterparty about this Corporation's ethical management policy and related rules, and shall clearly refuse to provide, promise, request, or accept, directly or indirectly, any improper benefit in whatever form or name.

Article 18 Before entering into a contract with another party, the company is advised to make observance of the ethical management policy of the company part of the terms and conditions of the contract, stipulating that where the counterparty of the transaction is discovered to be engaged in unethical conduct, the company may terminate or rescind the contract at any time.

Article 19 When any personnel of the company is discovered or received reports of dishonest behavior, it shall immediately verify the facts. If a person being informed of is confirmed to have indeed violated the applicable laws and regulations or the company's policy and regulations of ethical management, the company shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, the company shall institute legal proceedings and seek damages to safeguard its reputation and its rights and interests.

The company for dishonest behavior that has occurred should review the internal control system and relevant procedures and proposing corrective measures to prevent recurrence.

The Audit Division of the company shall submit to the board of directors a report on the dishonest behavior, actions taken, and subsequent reviews and corrective measures.

Article 20 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 legal department of the company should be notified in advance and shall report the relevant facts to the judicial and prosecutorial authorities according to the situation; where a public service agency or public official is involved, this Corporation shall additionally notify the governmental

anti-corruption agency.

Article 21 The company and its personnel shall abide by the relevant laws and regulations on trade secrets, trademarks, patents, copyrights and intellectual property rights, and avoid infringing on the trade secrets, trademarks, patents, copyrights and intellectual property rights of others.

Article 22 The responsible unit of the company shall organize awareness sessions according to the situation and communicate the importance of ethics to the chairperson, general manager; or senior management communicates it to its directors, employees, and mandataries.

The company shall link ethical management to human resources policy as an important consideration for employee promotion.

The company shall 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 according to the actual situation.

Article 23 These Procedures and Guidelines, and any amendments hereto, shall be implemented after adoption by resolution of the board of directors.