

# **Ethical Conduct Best Practice Principles of Chailease Holding Co. Ltd.**

Confidential document

Adopted by Board of Directors on June 17, 2011  
Amended by the Board of Directors on March 26, 2015  
Amended by the Board of Directors on August 12, 2020

## **Article 1 Purpose**

In recognition of the necessity to assist Chailease Holding Co. Ltd. (“the Company”) in its establishment of ethical conduct, the Ethical Conduct Best Practice Principles (“the Principles”) is adopted for the purpose of encouraging directors, managers and other employees of the Company to act in line with ethical standards, and to help interested parties better understand the ethical standards of the company.

## **Article 2 Applicable Parties**

The Principles is applicable to directors, supervisor, managers, mandatory, employees or person having substantial control, of the Company or its group enterprises and organizations, hereinafter referred to as “the personnel”.

## **Article 3 Principle of Good Faith**

When conducting business, the personnel shall comply with regulations of laws and the Principles, keep good faith, be serious and responsible, and follow disciplines in order to highly ethical standard.

## **Article 4 Prevention of Conflicts of Interest**

The personnel shall conduct their business objectively by efficient mechanisms, and prevent from inappropriately benefiting person or corporation listed below by taking advantage of their duty in the Company:

1. The personnel themselves or relatives within the second degree of kinship.
2. The corporation which person listed in above paragraph has direct or indirect financial benefits or advantages over;
3. The corporation where the personnel is appointed as the chairman, director, or managerial officer. The company shall pay special attention to loans of funds, provisions of guarantees, and major asset transactions or the purchase (or sale) of

goods involving with the person or corporation mentioned in foregoing section.

The Company shall establish a policy aimed at preventing conflicts of interest, and shall offer appropriate means for directors, members of audit committee, and managerial officers to voluntarily explain whether there is any potential conflict between them and the company.

#### **Article 5 Minimizing Incentives to Pursue Personal Gain**

When the Company has an opportunity for profit, it is the responsibility of the personnel to maximize the reasonable and proper benefits that can be obtained by the Company, and the following actions shall be prevented:

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 6 Confidentiality**

The personnel shall be bound by the obligation to maintain the confidentiality of any information regarding the Company itself or its clients and customers, except when authorized or required by law to disclose such information. 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. The personnel shall keep all confidential information, technical information, personal information, or any unrevealed information in confidence which are related to the Company, its affiliates, or any third party, whether they acknowledge or obtain above information in verbal or written format, with or without confidential mark on it. The personnel shall not make copy or reproduce any of abovementioned information, and shall not disclose, inform, submit or transfer abovementioned information to others, or publish abovementioned information in public.

#### **Article 7 Fair Trade**

The Company shall provide its customers satisfactory services in good faith, and devote to fair market competition. The Company shall refrain from obtaining profits by illegal or unethical methods. The personnel 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. The personnel shall comply with highly ethical standard and fair trade principle, shall not ask for kickbacks, present, or other improper benefits by the advantage of conducting business.

#### **Article 8 Safeguarding and Proper Use of Company Assets**

The assets of the Company shall be safeguarded and could only be used under legal business purposes. The personnel have the responsibility to safeguard company assets and to ensure that they can be effectively and lawfully used for official business purposes, to avoid any theft, negligence in care, or waste of the assets which could directly affected the company's profitability.

#### **Article 9 Legal Compliance**

The personnel shall comply with all internal and external regulations and laws which are related to business operation of the Company. The personnel shall not breach any regulation or law, or unfairly obtain profits by misleading customers with misstatement of our product or service.

#### **Article 10 Compliance of Insider Trading Law**

The personnel shall comply with the related regulations and laws of preventing insider trading, and other securities laws regarding information processing of stock exchange and trade secrets, for example: the personnel shall not transact his/her holding stock of the Company if he/she possesses significant unrevealed information.

#### **Article 11 Encouraging Reporting on Illegal or Unethical Activities**

The Company shall raise awareness of ethics internally and encourage the personnel to report to audit committee, managerial officer, chief internal auditor, or other appropriate individual upon suspicion or discovery of any activity in violation of a law or regulation or the Principles. To encourage the personnel to report illegal conduct, the Company shall adopts relevant procedures or mechanisms for such reporting and allowing anonymous reporting, and make employees aware that the Company shall use its best efforts to ensure the safety of whistleblowers and protect them from reprisals, and deal with subsequent matter with good care.

## **Article 12    Disciplinary and Remedy Measures**

When any of the personnel violates the Principles, the Company shall handle the matter in accordance with related internal regulations. The violator could make complaint to the Company as a remedy if he/she thinks the Company improperly handles his/her case and infringes his/her right. It is advisable that the company establish a relevant complaint system to provide the violator with remedies.

## **Article 13    Procedures for Exemption**

The Principles must require that any exemption for directors, members of audit committee, or managerial officers from compliance with the Principles 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, the objections or reservations from independent directors, and the period of, reasons for, and principles behind the application of the exemption be disclosed without delay on the MOPS, in order that the shareholders may evaluate the appropriateness of the board resolution to forestall any arbitrary or dubious exemption from the Principles, and to safeguard the interests of the company by ensuring appropriate mechanisms for controlling any circumstance under which such an exemption occurs.

## **Article 14    Amendment of the Principles**

The Principles could be amended from time to time due to the necessity of changes in accordance with policies or other facts.

## **Article 15    Disclosure of the Principles**

The Company shall disclose the Principles on Annual Report, Offering Plan, and in the Company's official website and MOPS. Any amendment shall be processed accordingly.

## **Article 16    Enforcement of the Principles**

The Principles, and any amendments to it, shall be delivered to Corporate Governance and Sustainable Development Committee for resolutions and implemented after adoption by resolution of the board of directors, and then reported to the shareholders meeting.