

# CHAILEASE HOLDING COMPANY LIMITED

## WHISTLE-BLOWER POLICY

Confidential

New policy set up on May 26, 2011

1st revised on Nov 21, 2022

### 1. Purpose

This Policy is intended to help employees or business partners who have concerns over any wrongdoing within Chailease Holding Company Limited (the “Company”) and its subsidiaries (collectively as the “Group”) relating to unlawful conduct, financial malpractice, violation of internal policies and unethical business conduct. The Company has established this Policy to enable high standards of business and personal ethics within the Group.

### 2. Scope of application

This Policy applies to employees, business partners and other organizations or individuals of the Group.

### 3. Definition

#### 3.1 Fraud

An intentional act by one or more individuals among management, those charged with governance, employees or third parties, involving the use of deception to obtain an unjust or illegal advantage, including:

##### 3.1.1 Misappropriation of assets

Misappropriation of assets can be accomplished in a variety of ways, including: embezzling funds, forging receipts, stealing physical assets or intellectual property, providing confidential information without authorization, etc.

##### 3.1.2 Bribery and corruption

Obtain undeserved commissions, rebates or other improper benefits from customers, suppliers or other related persons, embezzling company funds, applying for fake expense reimbursements, and engaging in other illegal acts in the name of the company.

##### 3.1.3 Misstatements in the financial report

Intentional misstatements in the financial report, including omission of amounts or disclosures in financial statements, to deceive financial statement users.

##### 3.1.4 Other fraudulent and illegal acts that affect the reputation of, or cause losses to, the company.

#### 3.2 Violation of code of conduct

Acts that damage the company's reputation, such as spreading false information, engaging in work that conflicts with the company's interests, neglecting work or delaying important tasks, threatening colleagues with violence or sexual harassment, going to inappropriate places, engaging extramarital affairs or intervening in other people's marriages, violations of laws or public integrity, etc.

### 4. Authority and Responsibility

#### 4.1 Audit Department

4.1.1 The unit responsible for accepting fraud or bribery reports and investigating related matters. Reports involving employees of the Group should be reported to the relevant department head and general manager, and the investigation results should be reported to the general

manager and chairman; Reports involving directors or senior executives of the Group should be reported to independent directors or supervisors.

- 4.1.2 The audit department head is responsible for allocating the resources required for the investigation, forming an investigation team according to the content of the case, and selecting appropriate personnel to participate in the investigation.
- 4.1.3 According to the investigation results, the management process and internal controls should be reviewed and revised as necessary.
- 4.1.4 Regularly review the progress of each case in the "Report Registration Form" to ensure that each case is properly investigated and submitted within the time limit.
- 4.1.5 Handling the revision, implementation, interpretation and consultation of this policy.
- 4.2 Human Resource Department
  - 4.2.1 The unit responsible for accepting reports involving the violation of the code of conduct and investigating related matters. Reports involving employees of the Group should be reported to the relevant department head and general manager, and the investigation results should be reported to the general manager and chairman; Reports involving directors or senior executives should be reported to independent directors or supervisors.
  - 4.2.2 The head of human resource is responsible for allocating the resources required for the investigation, forming an investigation team or transferring the case to relevant units for investigation depending on the content of the case.
  - 4.2.3 According to the investigation results, the management process and internal controls should be reviewed and revised as necessary.
  - 4.2.4 Handling the revision, implementation, interpretation and consultation of this policy.
- 4.3 General Manager and Chairman
  - Review the investigation results of reported incidents.

## 5. Reporting

- 5.1 Employees, clients or business partners who have concerns over any wrongdoing within the Group may raise such concerns at any time. Information of the reporting channels is placed on the homepage of the Company's website. The points of contact are as follows:

Fraud or bribery cases

Tele: +886-2-8752-6388 ext. 76281

Facsimile: +886-2-8751-9419

Email: Anti\_Fraud@chailease.com.tw

Address: 8F., No.362, Ruiguang Rd., Neihu Dist., Taipei 114,  
Taiwan

Internal Audit Officer, Chailease Holding Company

Violation of code of conduct cases

Tele: +886-2-8752-6388 ext. 76280

Email : HR@chailease.com.tw

Address : 8F., No.362, Ruiguang Rd., Neihu Dist., Taipei 114,  
Taiwan

Chief of Human Resources, Chailease Holding

## Company

- 5.2 Reports on violations of the Code of Conduct that are submitted anonymously will not be accepted, but fraud and bribery reports will be accepted anonymously.
- 5.3 In order to accept and investigate the case, the content of the report must include the code of conduct violation or fraudulent behavior, detailed circumstances, the time of the incident, and the names of the person(s) being reported and the whistle-blower. Relevant evidence should be attached to the report to assist the investigation. Please refer to the attachment "Sample of Fraud and Code Violation Report Form" for reference.

If the report has evidence to support the claim and clearly explained the circumstances, the name of the individual, time, place, and other related parties, a preliminary investigation can be carried out. However, if the evidence is inadequate or there is a lack of legal grounds, and additional information was not adequately provided after reaching out to the whistle-blower, the company may close the case.
- 5.4 Cases must be brought up honestly and not for personal gain. Personnel who deliberately fabricate information under the guise of reporting, falsely accuse and frame others, or hinder fraud prevention or investigation, once verified, will be dealt with in accordance with the "Employee Rewards and Punishments" policy. In addition, those involved in illegal conduct will be transferred to the appropriate judicial organization for further judgement. In order to encourage internal personnel to report fraud, bribery and other inappropriate behaviors, personnel may be rewarded in accordance with the "Employee Rewards and Punishments" policy based on the severity of the report.

## 6. Education and Training

The whistle-blower system shall be incorporated into the legal compliance training with the assistance of the legal department. Training shall be conducted according to the planned schedule (at least once a year).

## 7. Acceptance

- 7.1 The point of contact will conduct preliminary verification based on the reported information and formally accept the report when the information is verified. If the report cannot be verified due to incomplete information or lack relevant clues, physical evidence or witness, or the report has been determined to be untrue, it will not be accepted. Evidence includes, but is not limited to, the following: documents, photos, screenshots, audio recordings and videos, but the method in which the evidence has been collected must not violate external laws.
- 7.2 After the formal acceptance, the point of contact shall, within three days, decide on the appropriate team responsible for the investigation based on the severity of the reported incident (such as the level of personnel involved, number of people, monetary amount, etc.).
- 7.3 If the report involves fraud or bribery, it should be registered in the "Report Registration Form", and the investigation procedure shall began immediately after the official acceptance. The investigation procedure will be handled in accordance with Article 8 of the policy.

Audit department should regularly review and track the progress of each case in the "Report Registration Form" on a monthly basis to ensure that each case is properly investigated and submitted in time.
- 7.4 To protect the whistle-blower, the point of contact and the investigation

team shall keep confidential the name, address, department and other related information of the whistle-blower.

## **8. Investigation**

- 8.1 The point of contact shall assign the case based on its severity and conflict of interest:
  - The point of contact shall be responsible for cases that are severe in nature or possess conflict of interest.
  - Other cases shall be delegated to the related subsidiary. The general manager of the subsidiary shall assign an investigation team within three days.
- 8.2 Any personnel that are related to the person(s) being reported or the whistle-blower, or possess a conflict of interest with the case, shall be excluded from the investigation team.
- 8.3 The investigation team may inform the whistle-blower to elaborate, in person, on the factuality of the case within ten days after the team is formed. Investigation team may perform further investigation and inform the person(s) being reported to explain in person, as needed.
- 8.4 The person being reported is obligated to assist the investigation.
- 8.5 Investigation team and other related personnel shall keep the investigation and related details confidential. Personnel who disclose information of the investigation without authorization shall be punished in accordance to the relevant policies.
- 8.6 When conducting investigations, investigators shall be fair, objective and lawful, and retain relevant investigation records.
- 8.7 The director of corporate governance, legal department or other relevant departments may provide assistance when necessary.
- 8.8 If the person being reported has been confirmed to have violated the relevant laws or the company's ethical corporate management policy, he should be immediately asked to stop the behavior and appropriate measures should be taken. When necessary, he should be reported to the competent authorities, transferred for prosecution or requested for damages through legal procedures to safeguard the company's reputation and rights.

## **9. Judgment and Punishment**

- 9.1 The investigation report, suggestions for improvement of relevant internal control deficiencies, and disciplinary decisions shall be submitted to the general manager for approval; Reports involving directors or senior executives should be reported to independent directors or supervisors for approval.
- 9.2 If the case needs to be submitted to the Human Resources Review Committee for discussion and ruling, the investigation team may notify the Human Resources Unit to hold a meeting and report the facts and investigation results of the case to the Review Committee, so that the Review Committee can discuss and decide on the disciplinary measure.
- 9.3 The investigation and judgment of the case shall be completed within 30 days of receiving the case. If necessary, the time limit may be extended, up to a maximum of 30 days.
- 9.4 The investigation report, suggestions for improvement of relevant internal control deficiencies, and disciplinary decisions shall be submitted to the original point of contact to close the case. If the incident is determined to be significant, it shall be reported to the board of directors of the Company.

## **10. Prevention and improvement measures**

If the report is verified to be true, the audit department should cooperate with the relevant personnel to review the company's internal control system and operating procedures to avoid the same behavior from happening again.

## **11. Records**

- 11.1 All records related to the reporting, registering, investigating and final results should be made into written documents and retained for at least three years, and can be kept as electronic files. Before the retention period expires, in the event of a lawsuit related to the reported content, the relevant information shall be kept until the end of the lawsuit.
- 11.2 The investigation report and related evidence shall be kept by the human resources department or the audit department according to the nature of the case, and data preservation and encryption measures shall be taken. If it is a physical file, a dedicated storage area or safe should be set up, and a person should be designated to keep it; if it is an electronic record, it should not be stored in a personal computer, and a separate space should be set up outside the department's public data domain for isolated storage and management. Browsing, editing and access authorization to the separate domain should be maintained as necessary.
- 11.3 Documents can only be accessed and viewed by the investigation team or other authorized personnel. Access should be restricted to viewing only. Except for the above-mentioned personnel, employees of the company are not allowed to borrow the document unless the reason is justified and has been approved by the general manager of the company or higher level.

## **12. Approval and Review**

This Policy shall be reviewed periodically and amended, if necessary, subject to the approval of the Chairman of the Company.