

Great China Metal Ind. Co., Ltd.

Ethical Corporate Management Best Practice Principles

Article 1

These Principles are adopted to assist Great China Metal Ind. Co., Ltd. (collectively, "GCM Ind. Co., Ltd.") to foster a corporate culture of ethical management and sound development, and offer a reference framework for establishing good commercial practices.

Each TWSE/GTSM listed company is advised to, in accordance with these Principles, adopt its own ethical corporate management best practice principles applicable to its business groups and organizations of such TWSE/GTSM listed company, which comprise its subsidiaries, any foundation to which the TWSE/GTSM listed company's direct or indirect contribution of funds exceeds 50 percent of the total funds received, and other institutions or juridical persons which are substantially controlled by such company ("business group").

Article 2

When engaging in commercial activities, directors, supervisors, managers, employees, and mandatories of GCM Ind. Co., Ltd. or persons having substantial control over such companies ("substantial controllers") shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty ("unethical conduct") for purposes of acquiring or maintaining benefits.

Parties referred to in the preceding paragraph include civil servants, political candidates, political parties or members of political parties, state-run or private-owned businesses or institutions, and their directors, supervisors, managers, employees or substantial controllers or other stakeholders.

Article 3

"Benefits" in these Principles means any valuable things, including money, endowments, commissions, positions, services, preferential treatment or rebates of any type or in any name. Benefits received or given occasionally in accordance with accepted social customs and that do not adversely affect specific rights and obligations shall be excluded.

Article 4

GCM Ind. Co., Ltd. shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Statute, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, TWSE/GTSM listing rules, or other laws or regulations regarding commercial activities, as the underlying basic premise to facilitate ethical corporate management.

Article 5

GCM Ind. Co., Ltd. shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and obtain approval from the board of directors, and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.

Article 6

GCM Ind. Co., Ltd. shall engage in commercial activities in a fair and transparent manner based on the principle of ethical management. Prior to any commercial transactions, GCM Ind. Co., Ltd. shall take into consideration the legality of their agents, suppliers, clients, or other trading counterparties and whether any of them are involved in unethical conduct, and shall avoid any dealings with persons so involved.

When entering into contracts with their agents, suppliers, clients, or other trading counterparties, GCM Ind. Co., Ltd. shall include in such contracts terms requiring compliance with ethical corporate management policy and that in the event the trading counterparties are involved in unethical conduct, GCM Ind. Co., Ltd. may at any time terminate or rescind the contracts.

Article 7

When conducting business, GCM Ind. Co., Ltd. and their directors, supervisors, managers, employees, mandataries, and substantial controllers, may not directly or indirectly offer, promise to offer, request, or accept any improper benefits in whatever form to or from clients, agents, contractors, suppliers, public servants, or other stakeholders.

Article 8

When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, GCM Ind. Co., Ltd. and its directors, supervisors, managers, employees, mandataries, and substantial controllers, shall comply with the Political Donations Act and their own relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.

Article 9

When making or offering donations and sponsorship, GCM Ind. Co., Ltd. and their directors, supervisors, managers, employees, mandatories, and substantial controllers shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.

Article 10

GCM Ind. Co., Ltd. and its directors, supervisors, managers, employees, mandatories, and substantial controllers shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.

Article 11

GCM Ind. Co., Ltd. and its directors, supervisors, managers, employees, mandatories, and substantial controllers shall observe applicable laws and regulations, the company's internal operational procedures, and contractual provisions concerning intellectual property, and may not use, disclose, dispose, or damage intellectual property or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights holder.

Article 12

GCM Ind. Co., Ltd. shall engage in business activities in accordance with applicable competition laws and regulations, 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 13

In the course of research and development, procurement, manufacture, provision, or sale of products and services, GCM Ind. Co., Ltd. and its directors, supervisors, managers, employees, mandatories, and substantial controllers shall observe applicable laws and regulations and international standards to ensure the transparency of information about, and safety of, their products and services. They shall also adopt and publish a policy on the protection of the rights and interests of consumers or other stakeholders, and carry out the policy in their operations, with a view to preventing their products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders. Where there are 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, in principle, recall those products or suspend the services immediately.

Article 14

The directors, supervisors, managers, employees, mandatories, and substantial controllers of GCM Ind. Co., Ltd. shall exercise the due care of good administrators to urge the company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies.

Article 15

When a proposal at a given board of directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, supervisors, managers, and other stakeholders attending or present at board meetings of GCM Ind. Co., Ltd. the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of the company, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings. GCM Ind. Co., Ltd. and its directors, supervisors, managers, employees, mandatories, and substantial controllers shall not take advantage of their positions or influence in the companies to obtain improper benefits for themselves, their spouses, parents, children or any other person.

Article 16

The member of GCM Ind. Co., Ltd. shall abide by the trade secrets of the company's regulation, shall not reveal any secrets to others, and shall not inquire or collect the company's trade secrets that are not related to their positions.

Article 17

The member of GCM Ind. Co., Ltd. shall abide by the regulation of the Securities and Exchange Act, and shall not engage in insider trading by the undisclosed information they know, and shall not disclose to others to prevent insider trading.

Article 18

Institutions or persons involved in the merger, division, acquisition, share transfer, important memorandums, strategic alliances, and other business cooperation plans or important contracts of GCM Ind. Co., Ltd. should sign a confidentiality agreement with GCM Ind. Co., Ltd. and promise not to disclose

the information they know. Without the consent of GCM Ind. Co., Ltd., they cannot disclose trade secrets or other material information to others.

Article 19

GCM Ind. Co., Ltd. shall establish effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in an unethical conduct, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to ensure that the design and enforcement of the systems are showing results.

The internal auditor of GCM Ind. Co., Ltd. shall, based on the results of risk assessment of involvement in unethical conduct, devise relevant audit plans including auditees, audit scope, audit items, audit frequency, etc., and examine accordingly the compliance with the prevention programs. The internal auditor may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary. The results of examination in the preceding paragraph shall be reported to senior management and the ethical management dedicated department and put down in writing in the form of an audit report to be submitted to the board of directors.

Article 20

The chairperson, general manager, or senior management of GCM Ind. Co., Ltd. shall communicate the importance of corporate ethics to its directors, employees, and mandatories on a regular basis.

GCM Ind. Co., Ltd. shall periodically organize training and awareness programs for directors, supervisors, managers, employees, mandatories, and substantial controllers and invite the companies' commercial transaction counterparties so they understand the companies' resolve to implement ethical corporate management, the related policies, prevention programs and the consequences of committing unethical conduct.

GCM Ind. Co., Ltd. shall apply the policies of ethical corporate management when creating its employee performance appraisal system and human resource policies to establish a clear and effective reward and discipline system.

Article 21

GCM Ind. Co., Ltd. shall adopt a concrete whistle-blowing system and scrupulously operate the system. The whistle-blowing system shall include at least the following:

1. An independent mailbox or hotline, either internally established and publicly announced or provided by an independent external institution, to allow internal and external personnel of the company to submit reports.

2. Dedicated personnel or department appointed to handle the whistle-blowing system. Any tip involving a director or senior management shall be reported to the independent directors or supervisors. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted.
3. Follow-up measures to be adopted depending on the severity of the circumstances after investigations of cases reported are completed. Where necessary, a case shall be reported to the competent authority or referred to the judicial authority.
4. Documentation of case acceptance, investigation processes, investigation results, and relevant documents.
5. Confidentiality of the identity of whistle-blowers and the content of reported cases, and an undertaking regarding anonymous reporting.
6. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing.
7. Whistle-blowing incentive measures.
When material misconduct or likelihood of material impairment to GCM Ind. Co., Ltd. comes to their awareness upon investigation, the dedicated personnel or department handling the whistle-blowing system shall immediately prepare a report and notify the independent directors in written form.

Article 22

GCM Ind. Co., Ltd. shall adopt and publish a well-defined disciplinary and appeal system for handling violations of the ethical corporate management rules, and shall make immediate disclosure on the company's internal website of the title and name of the violator, the date and details of the violation, and the actions taken in response.

Article 23

GCM Ind. Co., Ltd. shall collect quantitative data about the promotion of ethical management and continuously analyze and assess the effectiveness of the promotion of ethical management policy. They shall also disclose the measures taken for implementing ethical corporate management, the status of implementation, the foregoing quantitative data, and the effectiveness of promotion on their company websites, annual reports, and prospectuses, and shall disclose their ethical corporate management best practice principles on the Market Observation Post System(M.O.P.S).

Article 24

GCM Ind. Co., Ltd. shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage their directors, managers, and employees to make suggestions, based on which the adopted ethical corporate management principles and measures taken will be reviewed and improved with a view to achieving better implementation of ethical management.

Article 25

These Principles shall be implemented after being approved by the board of directors, and shall be sent to all supervisors and Report to the shareholders' meeting, and the same applies when amending. When a TWSE/GTSM listed company submits its ethical corporate management best practice principles to the board of directors for discussion pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. Any objections or reservations of any independent director shall be recorded in the minutes of the board of directors meeting. An independent director that cannot attend the board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the board of directors meeting.

Article 26

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