

Phihong Technology Co.,Ltd.
Business Ethics and Conduct Guidelines

Article 1: Basic Philosophy

Since its establishment, our company has adhered to the management philosophy of integrity, innovation, and challenge. We are committed to providing customers with the highest quality products and services through our unwavering dedication to integrity and high ethical standards. All personnel representing the company must understand and comply with the beliefs and policies outlined in these guidelines. Our basic philosophy remains unchanged despite changes in time, products, employees, or customers, and we will not compromise even under environmental pressure. The management philosophy is as follows:

- **Integrity:** The core of Phihong's corporate values and the central thought guiding all activities.
- **Innovation:** The competitive advantage that ensures Phihong's sustainable operation and global presence.
- **Challenge:** The driving force behind Phihong's pursuit of excellence and reform.

Article 2: Purpose

1. These guidelines aim to help all colleagues understand the company's expectations. They provide basic concepts of ethical conduct, general knowledge, good judgment, and integrity to address all business issues, ensuring that colleagues' decisions align with the company's values and the spirit of these guidelines.
2. The overall success of the company relies on the efforts of every employee. All employees are responsible for reading and understanding the principles and standards outlined in this report and ensuring that all business activities and conduct comply with the principles and standards specified in these guidelines.

Article 3: Labor and Human Rights

We will always treat each other with respect and fairness. Employment decisions should be based on business reasons, such as qualifications, abilities, and achievements. All our employees and job applicants have equal opportunities and will be treated fairly. We respect the dignity of every Phihong person, adhere to national laws and the United Nations Declaration of Human Rights, and establish internal company rules as specific guidelines in accordance with national and local labor laws.

1. **Child Labor:** We do not recruit or employ child labor as defined by law. For non-child laborers who have not yet reached the legal age of adulthood, the employment and corresponding protective measures should be implemented according to local laws by each factory or subsidiary.
2. **Employee Relations:**
 - The company is committed to providing a safe, healthy, and respectful working environment and fair working conditions for all employees, prohibiting any discrimination or harassment based on race, gender, nationality, disability, sexual orientation, or age.
 - All employees should respect their colleagues, and there should be no sexual harassment or bullying in the workplace. Employees must interact with colleagues, subordinates, and superiors openly, transparently, and honestly.
3. **Compensation and Benefits:** We set employee compensation (wages, working hours) and benefits policies based on relevant labor laws, while also attracting and encouraging capable and dedicated employees.

Article 4: Safety and Health

We are committed to providing a healthy and safe working environment, prohibiting threats, violence, or physical intimidation. Employees are responsible for complying with safety and health rules and practices to maintain a safe working environment and must immediately report accidents, injuries, and unsafe equipment, practices, and conditions to their supervisors.

Article 5: Environmental Protection

Our business activities worldwide must contribute to protecting the natural environment; we must hold all required permits and comply with all permit conditions, and strive to reduce waste. All departments must comply with the policies and principles outlined in "Safety and Health" when conducting business activities or designing and manufacturing products.

Article 6: Management System

1. **Management Responsibilities and Obligations:** Managers should lead by example based on our ethical standards. They are responsible for promoting open and honest two-way communication. Managers must be role models who respect and care for every colleague and should carefully monitor signs of unethical or illegal behavior. If there are concerns about unethical or illegal activities, appropriate and consistent actions should be taken.
2. **Financial and Company Records Integrity:** To make reliable business decisions, we will honestly and accurately record and report information. This includes business data such as quality, safety, personnel records, and financial records. All financial books, records, and accounts must accurately reflect transactions and events and comply with prescribed accounting principles and Pihong's internal control regulations. False or misleading records are prohibited. Payments can only be used for the purposes stated on the documents.
3. **Business Communication Records and Retention:** All business records and communications should be clear, truthful, and accurate. Business records and communications are often disclosed through litigation, government investigations, and the media. Avoid exaggeration, colorful language, speculation, legal conclusions, derogatory comments, or personal opinions about individuals and companies. This applies to all forms of correspondence, including emails and "informal" notes or memos. All records should be retained and destroyed according to Pihong's records retention policy.
4. **Employee Development:** We value talent development, providing employees with a happy and growth-oriented work environment, supporting and encouraging lifelong learning. We aim to discover outstanding talent, develop employee potential, inspire employee enthusiasm, and retain key talent, collectively achieving the company's policies, strategies, procedures, and improvement goals, enhancing the company's overall organizational competitiveness.

Article 7: Business Ethics

1. **Service Integrity:** All our services must be conducted with professionalism, independence, and impartiality, strictly adhering to the methods, standards, and policies approved by the group. We cannot yield to customer pressure for favorable treatment in one aspect in exchange for another.
2. **Responsibility to Customers and Consumers:** To maintain Pihong's valuable reputation, adhering to our quality processes and safety regulations is paramount. When we deliver products or services that do not meet Pihong's standards, we damage our good reputation.
3. **Marketing and Sales:** Our success depends on meeting customer needs, building long-term relationships based on honesty and integrity. We will compete fairly in the global market based on the merits of our products and services. We sell products and services honestly, without engaging in illegal activities or violating these guidelines to achieve sales targets. All our marketing and

advertising should be accurate and truthful. Omitting important facts or providing false information about the products sold is never acceptable. We only obtain business legally and ethically. Bribes or kickbacks are not allowed.

4. **Fair Competition:**

- We do not use any illegal or unethical means to obtain competitors' information. We must comply with antitrust and unfair competition laws in the countries where we conduct business activities.
- We do not reach agreements with competitors that harm customers, including price fixing and customer or contract allocation. We also avoid agreements that unreasonably restrict customers' ability to sell products, including setting product prices or selling products on the condition of purchasing other Pihong products.
- We also avoid monopolistic attempts, including pricing products below cost to eliminate competition.

5. **Procurement:** Procurement must be conducted in accordance with the company's procurement management methods in a fair and open manner to obtain the best quality goods and the most favorable prices for the company, without signing contracts based on personal preferences.

6. **Customer Information:** We protect customer and supplier information provided to us as seriously as we protect our own information, safeguarding sensitive, confidential, or proprietary customer information. Only those who need to know can access confidential information.

7. **Partners and Suppliers:** We treat partners, suppliers, vendors, and subcontractors fairly and honestly, without discrimination. We do not engage in business with companies or individuals that may damage Pihong's reputation and avoid doing business with companies that repeatedly violate laws, including local environmental, employment, safety, and anti-corruption regulations. All interactions with third parties must comply with laws and Pihong's business conduct guidelines. We do not use third parties to engage in any activities prohibited by law or Pihong's business conduct guidelines.

8. **Responsibility to Shareholders:** We comply with all regulations regarding the public disclosure of business information. All periodic reports, filings, and public information, whether oral or written, must be complete, fair, accurate, timely, understandable, and without significant omissions. All public disclosures must comply with the "Company Law" and the "Securities Exchange Act."

9. **Anti-Corruption:** Pihong complies with anti-corruption laws in the countries where it conducts business. Pihong personnel must not directly or indirectly bribe government officials, including employees of state-owned enterprises, and prohibit any form of corruption or bribery.

10. **Conflict of Interest:** We make business decisions in the best interest of Pihong. Pihong's managers, employees, and representatives must be loyal to Pihong. When dealing with suppliers, customers, and others, personal interests must not conflict with Pihong's interests, nor should there be any situation that could create such an impression.

11. **Receiving Gifts or Hospitality:**

- Pihong personnel must not accept kickbacks, overly generous (over US\$50 per person) gifts, or hospitality. They should treat suppliers, customers, and all related personnel fairly and objectively, without favoritism or bias due to personal financial or relationship interests.
- Pihong personnel are strictly prohibited from directly or indirectly requesting, accepting, offering, promising, or giving any valuable items, including payments, loans, banquets, hospitality, or gifts, as a condition or result of business dealings with Pihong Group.
- For business social etiquette, Pihong personnel may accept reasonable (under US\$50 per person) gifts or hospitality from suppliers or customers, but this must be reported to the highest supervisor of each business group and correctly recorded in the management unit.
- Any holiday gifts (boxes), business diaries, desk (monthly) calendars, etc., received by Pihong personnel should be handed over to the general affairs management unit of each

factory within three days of receipt, listed, registered in the "Vendor Gift Receipt Registration Form" (PHG-C4-AP33), and properly handled by the general affairs

- Employees involved in material procurement, outsourcing, facility engineering, business sales, equipment procurement and maintenance, quality supervision, and other economic activities, as well as the management of people, finances, and materials, and their families, are strictly prohibited from engaging in any form of commercial bribery. They must not accept any kickbacks, commissions, hospitality, entertainment, property, employment, domestic or international travel, shopping discounts, or any other direct benefits. Please refer to the Anti-Bribery Management Measures (PHG-C3-AP32) for implementation.
2. **Phihong's Gifts or Hospitality:** The group's policy allows Phihong employees to give reasonable (under US\$150 per person) gifts, general business banquets, and hospitality to business partners, and to incur reasonable expenses for related social activities according to customary practices to promote general business relationships. However, such actions must be approved by the highest supervisor of each business group in advance and correctly recorded in the management unit afterward.
 3. **Confidentiality:** The group's important values are openness and transparency. However, in some cases, these values must be carefully considered. Some information needs to be protected to safeguard the business interests of customers, partners, employees, and the group itself. This includes information not disclosed to the public and having confidential interests, such as:
 - Company business information: including customer details, market or financial information, methods, and procedures based on confidentiality obligations, and information disclosed by third parties.
 - Employee personal information: such confidential information must not be disclosed to others or used for personal gain. When it is necessary to disclose confidential information for business purposes, appropriate precautions must be taken to ensure the confidentiality of the information.
 - Confidential information of others: must be disclosed only with the prior permission of the relevant person or unit.
 4. **Compliance with Laws:** The group always complies with all applicable laws and regulations in the countries where it conducts business activities. Compliance with the law is the responsibility of every Phihong employee, and as responsible citizens, obeying the law is our duty.

Article 8: Related Documents and Records

- Anti-Bribery Management Measures (PHG-C3-AP32).
- Vendor Gift Receipt Registration Form (PHG-C4-AP33).

Article 9: Publication and Implementation

1. These Business Ethics and Conduct Guidelines shall be implemented upon approval by the Group General Manager and shall be amended in the same manner.
2. Any matters not covered in these guidelines shall be handled in accordance with relevant laws and regulations as needed.

