

# Code of Conduct for Ethical Management

## Chapter I General Provisions

### Article 1 (Scope of Application)

This guideline applies to all executives and employees who are overseen by SIMMTECH Co., Ltd (SIMMTECH Holdings Co., Ltd., SIMMTECH Co., Ltd., SIMMTECH (Xi'an) Co., Ltd., SIMMTECH GRAPHICS Co., Ltd., affiliates, overseas corporations, and subsidiaries), hereinafter referred to as the "Company".

### Article 2 (Policy)

This guideline establishes criteria for decision-making and judgment for ethical conflicts that may arise in the course of business performance so that executives and employees can understand and implement "Regulations for Ethical Management."

### Article 3 (The principle of ethical decision-making and conduct)

1. Executives and employees shall comply with the "Simmtech Statement" for decision making and judgment criteria in the course of performing their duties.

- I do not lie.
- I do find the cause of the problems in me.
- I do love the company with all my might.
- I do treat my colleagues as my parents and siblings.

2. However, the decision and judgment of ethical situations during the detailed work shall be in accordance with this Code of Conduct for Ethical Management.

### Article 4 (Definitions of Terms)

The terms used in these guidelines mean the following:

1. Money and valuables: All economic benefits including money (including cash and gift certificates, vouchers and securities such as discount vouchers), gifts (goods), and expenditure for congratulations and condolences.

2. Entertainment and dine : Providing or receiving meals, leading roles, golf, performances, tourism, gambling entertainment, etc.
3. Convenience: Means the benefits of transportation, accommodation, tourist information, event support, etc. other than acceptance of money, entertainment.
4. Stakeholders: Individuals or groups (customers, executives and employees, shareholders, partners, communities, countries, etc.) that may be directly or indirectly affected by their work performance.
5. Embezzlement of public funds: The act of intercepting public funds and making them one's own property.
6. Exploitation of public funds: The act of returning public funds elsewhere in private.
7. Disposal of property: Unauthorized removal of the Company's property for personal use or sale, etc.
8. Other uses: The act of using the Company's facilities, machinery, materials, and other goods for private purposes.
9. Neglect of duty: The act of inflicting losses on the Company by not doing what is due to a position or responsibility.
10. Tardiness and Absenteeism defect: Intentional or habitual tardiness, absence without notice, or abnormally handled Tardiness and Absenteeism.
11. Negligence in the supervision of management: An act of causing losses to the Company by failing to fulfill his or her duty of care as a manager.
12. Excess of authority: An act of violating a person's authority by engaging in something that he or she should not do in his or her position or something other than his or her authority.
13. Sexual harassment: To utter or act sexually disgraceful to the other person.
14. Bullying in the Workplace: By using the advantage of status or relationships to cause physical and mental pain to other employees or to worsen the working environment beyond the appropriate scope of work.
15. Unreasonable business process: Delay, aid, instigate, or falsely report work for the purpose of benefiting or disadvantageous to a particular stakeholder.
16. Personal information: Information concerning a living individual that can be identified by name, Social Security number(Am), ID number(UK) video, etc.

(Including information that can be easily combined with other information even if it cannot identify a particular individual by itself);

17. External Activities: Activities such as lectures, contributions, reviews, advice, etc. in external education, public relations, discussion sessions, seminars, public hearings, or other meetings, using information and knowledge acquired during the Company's tenure.

18. Ordinary level: A level that is deemed to have been provided equally in similar cases, taking into account the location and purpose, the scope and status of participants, the internal standards of the organizer, and the ability to bear expenses, etc., which does not violate the relevant laws and regulations.

## Chapter 2 Unethical conduct with stakeholders

### Article 5 (Illegal solicitation)

1. Do not make fraudulent requests to stakeholders who perform their duties directly or through a third party, including the following contents, which are in violation of the Company's regulations or statutes, or hinder the fair performance of their duties against fair trade practices, or perform their duties on the basis of fraudulent requests received from interested parties.

A) The act of intervening in personnel management, such as recruitment and evaluation.

B) The act of requesting or accepting offers or arranging future employment or recruitment, etc.

C) The act of signing a transaction contract and corresponding benefits.

D) Other acts of soliciting and arranging or instructing unjustly for personal gain.

2. Do not offer, permit, grant, or accept bribes or other means to obtain unjust or improper profits.

3. Prohibit including the promise, provision, authorization, and acceptance of something of non-indirect value, either directly or through a third party, in order to obtain and retain business results, or to enable a particular person to obtain the transaction or to obtain unfair profits.

4. Not require or not being required to make false statements of record forgery or conditions and practices in relation to stakeholders.

#### Article 6 (Bribery)

1. Where a stakeholder, especially a partner, gives money or valuables regardless of their job-related status and the name of donation, sponsorship or donation, he or she shall politely refuse or immediately return them, and shall not provide them. However, exceptions are permitted in the following cases.

A) Souvenirs or goods for the use of public relations and events at an ordinary level distributed to an unspecified number of people.

B) \$30 or less for the purpose of mutual aid, gifts, etc. of ordinary level

D) Gifts, expenses, etc. provided to public officials, etc. within the limits permitted by the relevant statutes for the purpose of smooth performance of duties or socializing, ritual, or assisting;

2. If he/she is not aware of it and inevitably receives it, he/she shall immediately return it and report the results of the processing to the department in charge of ethical management. However, if there is a possibility of corruption or deterioration or the return destination is unclear, the department in charge of general affairs shall file a report with the department in charge of ethics management and donate it to the social welfare office and religious facilities in the name of the recipient, and record and manage it, separately.

3. Do not notify or receive assistance from the partner of the congratulations and condolences of the principal or colleague. If a partner has provided money for the funeral exceeding the wreath or ordinary level even though the congratulations and condolences have not been announced, it shall be returned politely.

#### Article 7 (Business entertaining)

1. Do not accept entertainment from interested parties or make requests or commitments. However, if any of the following are applicable, it shall be granted as an exception.

A) Meals at a normal level with suppliers for smooth job performance.

B) food, such as meals or drinking, provided uniformly to all attendees by the organizer at an official event.

D) Food, such as meals provided to public officials, etc. within the limits permitted by the relevant statutes for the purpose of smooth performance of duties or socializing, ritual, or assisting;

2. In principle, the Company shall pay for meals with business partners. However, if each party pays expenses by dividing them with its suppliers, it shall not exceed \$25/one time per person.

3. Expensive meals, drinking parties, access to entertainment and decadent establishments, and other luxury establishments and golf beyond the usual level with business partners are prohibited. However, in the case of sports, official meetings approved in advance by the Company.

#### Article 8 (Provision of convenience)

Do not accept convenience from interested parties, or make demands or commitments. provided, that this shall not apply to the convenience of transportation, lodging, food, etc. provided uniformly by the organizer to all participants at official events.

#### Article 9 (Loan of assets -> Asset loan)

1. Do not require or accept an offer from stakeholder to exempt, repay, or guarantee (regardless of the form of a lending institution) debt (such as credit card payments, credit, loan, interest, etc.).

2. The act of borrowing or lending assets, such as money with stakeholders, shall be regarded as an act of violation, regardless of whether the contract is concluded, interest, rental fee is paid or received.

#### Article 10 (Management of Caution for Spouse, Relatives)

Employees are restricted from receiving or providing cases to stakeholders in the case of spouses and relatives, so they should fulfill their usual care and management obligations.

## Chapter 3 Acts of Conflicting Interest with a Company

Article 11 (Deal with the Company in the name of employees, spouses and relatives)

1. In case of dealing with the Company in the name of the employees themselves, spouses, and relatives, to the department in charge of ethical management shall be reported in advance.

A) In the case of purchasing Company-owned assets in the name of the person, spouse, or relative.

B) In the case of selling the assets of the principal, spouse, and relatives to the Company.

2. Executives and employees shall report to the department in charge of ethical management that there is a special relationship regardless of whether the transaction occurs or not, even if the principal, spouse, or relative owns stakes in the partner company that is capable of exercising management rights or performs the duties of management, such as CEO, auditor, or executive.

Article 12 (Investment and property acquisition with stakeholders)

1. Employees themselves are not allowed to acquire assets (including land, condominium, golf/health club membership, joint venture projects, etc.) by investing jointly with interested parties regardless of their purpose.

2. All assets in a de facto ownership relationship, even if acquired in another's name, shall be deemed to have been invested jointly with interested parties.

Article 13 (Investment in Partners)

In principle, employees are prohibited from making personal investments in stocks, bonds, etc. of business partners that may affect independent judgments or interfere with the performance of their duties.

Article 14 (Prohibition of additional job)

1. Executives and employees shall not engage in any concurrent or side activities that may affect independent judgment in relation to their duties or interfere with

the performance of their duties. However, investment companies, related companies, etc. that are approved by the Company's needs may concurrently serve, and if additional remuneration occurs in concurrent positions, it shall be dealt with in consultation with the human resources department.

2. If he/she is to hold an additional job or concurrent position without the approval of the Company, he/she shall report to the personnel department for review and approval, and notify the department in charge of ethical management.

#### Article 15 (External Activities)

The information and knowledge acquired during the Company's tenure shall be approved by a higher-level official if he/she conducts education, public relations, debates, seminars, public hearings, or other lectures, lectures, contributions, reviews, advice, etc. outside the Company.

#### Article 16 (Disclosure of Company Personnel Information)

They should not assist in leaking personal information or contact information of employees to the outside world or introduce them to the job placement business (headhunters, etc.).

#### Article 17 (Damage of Individuals' Dignity and Defeat of Company's Honor)

Executives and employees shall not engage in or teach unethical acts (gambling, sex crimes, violence, fraud, etc.) that can honestly and fairly perform their duties in accordance with laws, regulations of the Company, and their own conscience and undermine the dignity of individuals and the reputation of the Company.

### Chapter 4 Unethical Use of Company Assets

#### Article 18 (Exposure of Company Assets and Information)

1. Do not engage in acts such as embezzlement of public funds, misappropriation of public funds, leakage of property or use of other uses that result in loss of Company assets.

2. The Company's information and trade secrets shall not be divulged or provided internally or externally without prior approval.
3. Do not divulge bids, technologies, trade secrets, personal information of all stakeholders to the outside world or disclose them to third parties.

#### Article 19 (Waste of Budget and Private Use)

1. Avoid unnecessary budget waste in executing Company funds, such as investment budget and expense budget execution.
2. The Company expenses shall not be used privately, executed according to the purpose of use, and false evidence shall not be used.
3. In principle, the use of corporate credit cards shall be used transparently in accordance with the corporate credit card management regulations and guidelines for use. In particular, they should not be used at any time, place, or situation unrelated to work, or engaged in fraudulent activities such as prepayment or false transactions.

#### Article 20 (Using the Right SNS)

1. Do not post any data related to the company (such as business and meetings, business trips and travel routes, dinners, etc.) and any data that may infringe upon trade secrets on SNS.
2. Illegal acts such as defamation of others, violation of human rights, leakage of personal information and distribution of obscene materials should not be carried out on SNS.

#### Article 21 (Private use of undisclosed information)

Do not trade securities or other property interests, including stock transactions, using non-disclosure information concerning the company acquired during your tenure, and shall not advise or influence any action.

#### Article 22 (Safety and Risk Prevention)

1. Executives and employees shall do their best to prevent safety accidents when performing their duties.



2. In the event of an environmental/safety/health accident, such as a disaster, fire, chemical leakage, or environmental pollution, immediate reporting measures should be taken as well as all-out recovery.
3. Observe the usual environmental/safety/health regulations and thoroughly implement the safety regulations of the business operators.

## Chapter 5 Actions that Harm the Creation of a Healthy Corporate Culture

### Article 23 (Neglect of duty & Absenteeism and tardiness defect)

They shall not perform any act that causes losses to the company by failing to fulfill their individual responsibilities or misuse their authority, such as neglect of duty, Absenteeism and tardiness defect, neglect of supervision, unreasonable handling of duties, or misuse their authority.

### Article 24 (False Report)

Do not deliberately cover up, reduce, exaggerate, omit, or delay documents, coefficients, etc. to obscure or misjudge decisions and judgments of internal and external stakeholders.

### Article 25 (Injustices Between Executives and Employees)

The company should not engage in acts that harm the sound corporate culture, such as discrimination between executives and employees, unfair business orders, personal instructions using positions and responsibilities, verbal abuse, assault, and gambling entertainment.

### Article 26 (Sexual Harassment)

The employees shall not use their positions or cause other workers to suffer employment disadvantages or to cause sexual humiliation due to sexual language, behavior, etc. or conditions related to their duties.

### Article 27 (Work harassment)

They shall not cause physical or mental pain to other employees or worsen the working environment beyond the proper scope of their duties by taking advantage of their positions or relationships among employees.

date of implement

1. This Rule takes effect from 1st January 2020