

**Continental Holdings Corporation**  
**Code of Group Ethics and Business Conduct**

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Revision History

Revision Count	Revision Date	Revision	Revision Content
0	July 21, 2021	1.0	First release

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**Article 1 Purpose and Scope**

In order to foster the following ethical values and business conducts to Continental Holdings Corp. (CHC) and its member companies (subsidiaries directly controlled by CHC, collectively referred to as “the Company.”), and establish related guidelines to Company directors, supervisors, managers, employees, or persons having substantial control over the Company (hereafter referred to as “Company personnel”) while conducting business operations.

**Article 2 Commitment and Principles**

1. In order to achieving sustainable development, The Company embraces the spirit of honesty, fairness and trust and commits to promote customer service, professionalism and value creation to build business ethical policy.
2. The Company is fully committed to comply with all laws and regulations and fulfills corporate social responsibilities. The Company treats shareholders, customers, employees, suppliers, and all other stakeholders, whether internal or external, in an honest, transparent and responsible manner.
3. According to the principle of fair competition., The Company commits to collaborate with business partners who share the same spirit of ethical values building reciprocity relationships that could maximize the value of products and services.

Company personnel should perform their duties with great prudence to detect and prevent unethical behavior and comply with the codes of ethics and business conduct through the organizational and supervisory mechanisms

**Article 3 Improper Advantages**

The “improper advantages” includes but not limited to money, gifts, commissions, positions, services, preferential treatment, kickbacks and any type of under-the-table payments.

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Company personnel should not directly or indirectly offer, promise, request, or accept any improper advantages, or behave in an unethical, illegal, or immoral manner (hereafter referred to as “unethical conduct.”)

**Prohibition against Unethical Conduct**

**Article 4 Prohibition against the offering and accepting of bribes**

Company personnel is not allowed to give, promise to give, solicit or accept any form of bribes, whether directly or indirectly. Personnel should avoid any kind of quid pro quo behavior which may lead to suspicion of bribery.

Business partners should not offer bribes to or solicit bribes from Company personnel.

Violators will be banned from doing further business with the Company. Company personnel should notify the direct department head immediately and seek the assistance from Company if they are threatened by violators.

**Article 5 Prohibition against unreasonable gifts or hospitality**

Company personnel are not allowed to solicit or offer unreasonable gifts or hospitality, whether directly or indirectly, with the intention to create or influence business in return. The solicitation or offering which may cause Company’s reputational damage or the offering of unreasonable gifts or hospitality are transferred through a direct relative, spouse or another party are prohibited as well.

Occasionally, common business interactions without violating local laws, regulations and company rules and do not against any specific rights and obligations, are excluded.

Company personnel should immediately return any gift or hospitality provided by another party that may be considered improper advantages. If it cannot be returned or prevented, Company personnel should report to the direct department head and resolve the matter in accordance with Company procedures.

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**Article 6 Prohibition against political donations or improper charitable donations and sponsorships**

The Company should not offer political donations to any political party, organizations or individuals engaged in political activities; nor may charitable donations be used to engage in surreptitious bribery or to solicit improper advantages.

All donations and sponsorships must comply with local laws and must be submitted to the competent direct department head for approval in accordance with Company authorization rules. A written record of the decision is required to ensure the stated purpose is in line with the actual usage.

**Article 7 Prohibition against violation of intellectual property rights and trade secrets**

Company personnel should adhere to the relevant laws, internal procedures and contract terms on intellectual property rights. Without getting consent from intellectual property rights owners, no one is allowed to use, reveal, dispose of, destroy or engage in other behaviors that violate intellectual property rights.

Employees are obliged to protect the Company's trade secrets and protect them against infringement or improper disclosure; when signing contracts with other parties, they must follow related Company procedures to ensure that the other party understand and complies with the Company's trade secrets rules.

**Article 8 Prohibition against insider trading**

Company personnel should comply with the Securities and Exchange Act and Company insider trading rules, and should not take advantage of any undisclosed information to engage in insider trading. Personnel are also prohibited from divulging undisclosed information to any other party or allowing another party from engaging in insider trading on their behalf. The scope of insiders includes employees who access to the information due to their position, individuals who are subject to Securities and Exchange Act as well as shares held in the name

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of their spouse, non-adult children, or any other persons.

**Expectations and Requirements for Business Parties**

**Article 9 Assessment of ethical management prior to development of commercial relationships**

Company personnel should clearly state the Company's stance on ethical performance during commercial interactions with other parties. Business partners' goodwill, the history of breaching business and unethical practice should be evaluated as cooperation criteria before building business relationship.

**Article 10 Stipulation of ethical management in contracts**

Commercial contracts between the Company and another party should stipulate their commitment to obey their promises on ethical performance policy, and protection of intellectual property rights and trade secrets. Violations may result in the contract being terminated or rescinded at any time and demanding for compensation in accordance with the contract. Violators will be banned from doing further business with the Company.

**Article 11 Supplier management**

The Company should clarify the Company's ethical performance policy and regulations to suppliers, clearly stating the Company bans any kind of improper advantages. The supplier is required to adhere to the same policy and regulations given as aforesaid.

During the execution phase, suppliers' performance should be assessed, not only the contract enforcement but also the achievement of ethical performance policy. The assessments shall be retained as a reference for future supplier selections.

**Article 12 Prevent injury/damage/losses to stakeholders from products or services**

The products and services provided by the Company and suppliers should adhere to the law and international standards among all the process from R&D, purchasing, manufacturing, supply to sale to ensure information transparency and safety. Necessary protective measures

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should be provided to prevent direct or indirect injury caused by the products and services to the client or other stakeholders.

### **Whistleblowing Mechanism**

#### **Article 13 Handling of complaints**

The Company should establish whistleblowing channels for illegal, dishonest and unethical behaviors which led and managed by CEO/president of each company. As the case maybe, each complaint may set up a committee to conduct investigation and related discussion. The committee members will be assigned by the CEO/President. If the key Company executives or Board members are involved in the complaint, the investigation shall be handled by the CHC Chairman or Audit Committee.

In general, complaints should be non-anonymous. Anonymous complaints may however be processed if adequate details and proof are provided. Disciplinary action may be taken by the Company due to the false complaints or providing false information during the investigation.

#### **Article 14 Whistleblower protection**

The Company should protect the identity of whistleblower and the confidentiality of the complaint to prevent all forms of retaliation or interference with investigation. The Company should not take any form of retribution or disadvantage arrangement against the whistleblower, unless the complaint is a misrepresentation.

#### **Article 15 Whistleblowing channels**

The Company e-mail for reporting of illegal, dishonest and unethical behavior is:

WB.Box@continental-holdings.com. Whistleblowers can also submit their complaints through the complaint mailbox in each member company. The Company may assign a specific unit for handling complaints or entrust a professional third-party body.

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**Enforcement and Review**

**Article 16 Avoidance of conflicts of interest**

Any Company director, officer, or employee shall not use their position or influence to obtain improper advantages for themselves or other parties. As long as an individual recognizes the conflict of interest, he/she should voluntarily not enter into any related business or task.

The Company should provide a reporting channel to directors, supervisors, officers, or other stakeholders attending or present at Board meetings for voluntarily clarifying whether they have a conflict of interest with the Company. If an employee identifies a conflict of interest may lead to improper advantages for themselves or their spouse, parents, offspring, or other stakeholders, the employee should report the situation to the direct department head.

**Article 17 Organization and responsibility**

The Company shall establish a specific unit to promote and supervise the promotion of ethical performance policy and preventive measures. The unit should report regularly to the Board. Key tasks as described below:

1. Assisting in incorporating ethics and moral values into the Company's business strategy and developing anti-corruption measures in compliance with Company policy.
2. Assisting each unit with implementing prevention of unethical conduct in their management mechanisms and procedures.
3. Establishing internal Organizational Breakdown Structure to establish a suitable checks-and-balances mechanism for supervising business activities with higher risk of unethical conduct.
4. Promoting and coordinating awareness and educational activities on ethics policies.
5. Developing a whistleblowing system to ensure the effective implementation of the ethical performance policy.
6. Assisting with evaluating the effectiveness of preventive measures, developing of improvements, and preparing documents of assessment of policy outcomes and

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compliance.

**Article 18 Accounting, Internal Audits, and Internal Controls**

The Company should establish effective accounting and internal control systems to ensure financial accuracy and transparency, as well as effective control of risks related to all types of unethical conduct. These should also be constantly reviewed to maintain the effectiveness of the systems' design and enforcement.

The Company audit unit should regularly audit the implementation of related systems and prepares audit report for the Board.

**Article 19 Operating procedures and codes of conduct**

Member companies may establish, in accordance with the principles and spirit of Code of Group Ethics and Business Conduct, operating procedures or guidelines with specific rules. These should be tailored to their own business attributes and management focus. The contents include but not limited to offerings and acceptance improper advantages, authority for approval of donations and sponsorships, ownership of intellectual property rights and non-disclosure agreements, as well as work rules of unethical conduct.

**Article 20 Education, training and evaluation**

The Company should hold regular training, lesson, or dissemination of ethics virtue, ethical performance policy, preventive measures, and consequences of non-compliance to Company personnel and business partners. Ethical performance policies should be incorporated into the relevant performance management mechanisms.

**Article 21 Information disclosure**

The Company should keep records on ethical performance and analyze the effectiveness of policy implementation. Measures taken and the outcomes should be disclosed on the Company website, annual report, and prospectus to let all stakeholders and the general public



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realize how the Company fulfills its' commitment to ethical performance.

**Article 22 Implementation**

These Principles and any amendments hereto shall be implemented after Board approval.