

# Continental Holdings Corporation

## Guideline for Reporting and Handling Unlawful, Immoral or Unethical behavior

Classification : L3

Code : CPG-11

Version: 3.0

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Revision History

Sequent No.	Date	Version	Description
0	Jan. 3, 2018	1.0	Initiation
1	Nov. 15, 2018	1.1	Initiation of English content.
2	Jul. 16, 2019	2.0	For SOP simplification, CEC's "Whistle Blower Guideline" is terminated, and in light of certain requirements in CEC's "Whistle Blower Guideline", this Guideline is revised accordingly.
3	Jan. 02, 2020	3.0	<ol style="list-style-type: none"><li>1. Added external channel of reporting in 5.3.1 2).</li><li>2. Added the manner for handling anonymous reports in 5.3.1 5).</li><li>3. Revised wordings in 5.3.1 2), 5.3.1 3), 5.3.1 4), 5.3.4, 5.3.5, 5.3.6, 5.3.7.</li></ol>

## **1 Purpose**

This Guideline is formulated to implement the ethic and integrity principles provided for in the Group's Code of Conduct, and to ensure the sustainable operation and development of the Group.

## **2 Scope**

This Guideline shall apply to all directors, supervisors, managers, and staffs within the Group (as defined below).

## **3 Reference**

- 3.1 Ethical Corporate Management Best Practice Principles for TWSE and Taipei Exchange Listed Companies (TWSE: Taiwan Stock Exchange)
- 3.2 CPG-07 Code of Conduct

## **4 Terms and Definitions**

- 4.1 Unlawful acts: Refer to acts conducted by staffs of the Group while performing their duties that are in violation of laws or regulations, infringe the rights of any company within the Group, or infringe the rights of other employees or third parties.
- 4.2 Immoral or unethical acts: Refer to any violation of the Group's Code of Conduct by staffs of the Group while performing their duties, including, but not limited to, directly or indirectly provide, promise, demand or accept any undue advantage, or other violations of good faith, illegal conduct, or breach of fiduciary duty in order to obtain or maintain personal interests.
- 4.3 Benefits: Refer to any valuable thing or object such as money, gifts, commissions, positions, services, privileges, or rebates. However, occasional normal social etiquettes that do not affect the specific rights and obligations are exempt from this provision.
- 4.4 Group: Refer to Continental Holdings Corporation (“CHC”) and all its Subsidiaries, branches, and units in Taiwan and overseas collectively.

## **5 Description**

### **5.1 Process Map:**

Nil

### **5.2 Authority & Responsibility**

- 1) Legal department: Formulate and maintain this handling Guideline.
- 2) This Guideline shall be announced and implemented after approval by CHC's Chief Executive Officer (the "CEO"), and the same shall apply to its revisions.

### **5.3 Reporting and Handling Unlawful, Immoral or Unethical behaviors:**

#### **5.3.1 Reporting**

- 1) The whistleblower may report the unlawful, immoral or unethical acts or suspected ones to CHC's CEO office ("CEO Office") verbally or in writing. The email address of CEO Office for receiving such reports is: WB.Box@continental-holdings.com.
- 2) The CEO may designate subsidiaries of the Group to establish reporting channel on their respective official website to receive reports from external people or suppliers. Upon receipt of an external report by a subsidiary, the CEO or General Manager of the subsidiary shall conduct preliminary investigation, or designate appropriate officer(s) to do so. Clause 5.3.2 shall apply mutatis mutandis to the procedure of preliminary investigation. If the complaint involves a serious violation, it shall be promptly reported to the CEO.
- 3) The whistleblower is advised to provide the following information:
  - (1) The whistleblower's name.
  - (2) The name or other identification information for the accused.
  - (3) Specific facts that can facilitate the investigation.
- 4) When a Division/ Department/Office Head becomes aware of any suspected unlawful, immoral or unethical acts, said Division/ Department/Office Head shall immediately adopt the appropriate disposition, report to a higher Supervisor, fill-out the CPG-11-001B " Unlawful, Immoral or Unethical Incident Reporting and Handling Form", and notify the CEO Office.
- 5) A case initiated by an anonymous report may be closed without further investigation, if the anonymous report provides no concrete facts or evidences for investigation, or, after preliminary investigation, no evidence was found to warrant further

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investigation.

**5.3.2 Preliminary Investigation**

- 1) After the CEO Office has received a report or notification; the CEO shall designate an officer to interview the reporter; fill-out the CPG-11-001B "Unlawful, Immoral or Unethical Incident Reporting and Handling Form "; and report to the CEO. If the case is serious, it shall be reported to CHC's Chairman of the board of directors.
- 2) After the preliminary investigation has been conducted, it shall be reported to the CEO to decide whether to proceed with a formal investigation.
- 3) If the whistleblower withdraws the report after filing the report, and after preliminary investigation it is confirmed that the report is unfounded, the case may be closed without further investigation.

**5.3.3 Special Task Force**

- 1) The CEO shall form a special task force if a formal investigation is to be executed for the case. The assigned team members for the task force shall conduct the investigation, to discuss and propose the handling solution.
- 2) If the report is only relevant to a subsidiary of CHC, the case may be investigated in accordance with this Guideline by a special task force designated by the subsidiary's chief executive officer or general manager, and Clause 5.3.7 shall be followed to make a decision on the case. However, if such subsidiary's chief executive officer or general manager has a conflict of interest in the case, it shall be reported to the CEO and handled in accordance with Article 5.3.3 1).

**5.3.4 All managers and staffs of the Group shall provide necessary assistances for the investigations of any cases.**

**5.3.5 The identity of the whistleblower shall not be disclosed without legitimate cause, and reasonable measures shall be taken to protect the whistleblower's identity. If the whistleblower is an employee of the Group, no one shall take retaliation action against the whistleblower. If anyone violates this provision to take retaliation action against the whistleblower, such person shall be subject to disciplinary action. Unless otherwise provided for by laws, this clause shall not be applicable, if the whistleblower's allegation is clearly false, or the whistleblower is convicted of perjury or false accusation.**

**5.3.6 The report handling process and method shall be based on the principles of**

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objectivity, justice, and fairness. The accused shall be given reasonable opportunities to explain his/her case.

5.3.7 After the investigation of a case is completed, the special task force shall provide a written report to the CEO and provide recommendations of disciplinary actions (if necessary), and relevant corrective and preventive actions (“CAPA”) for the CEO’s decision. If the case involves a serious violation, the CEO shall timely update important investigation findings and decision to CHC’s Chairman or the Board of Directors.

5.3.8 The case files shall be kept by the CEO Office for 5 years. If the case involves judicial proceedings, the case file shall be kept until the end of the judicial proceedings.

## **6 Forms and Templates**

6.1 CPG-11-001B Unlawful, Immoral or Unethical Incident Reporting and Handling Form

## **7 Appendix**

Nil.