

## Annex 1

### **Ethical Corporate Management Specifications Guidelines for Communications Foundations**

I. These Guidelines are enacted by the National Communications Commission in order to guide the communications foundations to establish an organizational culture and sound development of ethical corporate management.

Privately and publicly sponsored communications foundations with a total property exceeding NT\$30 million shall establish ethical corporate management specifications in accordance with the Guidelines.

II. The communications foundation and its directors, supervisors, chief executive officer, employees and de facto controller shall not directly or indirectly provide, promise, request or accept any improper benefits, or commit other unethical acts that violate integrity, are illegal, or breach of fiduciary obligations, (hereinafter referred to as unethical acts) in order to obtain or maintain benefits, in the course of engaging in business activities.

The counterparties of the unethical acts prescribed in the preceding paragraph include public officials, political candidates, political parties or party officials, and any public or private enterprise, legal person group or entity or related organization, and its directors, supervisors, managerial officers, employees, de facto controller, or other interested parties.

III. The benefit referred to in these Guidelines refers to anything of value, including money, gifts, commissions, positions, services, preferential treatments and rebates in any form or name. However, those belonging to normal social etiquette and customs and being occasional without the risk of affecting specific rights and obligations are not limited.

IV. The communications foundation shall comply with relevant laws and regulations concerning communications and broadcasting, the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, related regulations on foundations, or other business act-related laws and regulations, as the basic prerequisite for the implementation of ethical corporate management.

V. The communications foundation shall, based on the business philosophy of integrity, transparency and responsibility, formulate policies based on integrity, and establish a sound foundation governance and risk control mechanism to create a sustainable business environment.

VI. The communications foundation shall, in accordance with the business philosophy and policies prescribed in the previous point, clearly and detailedly formulate the prevention plan of unethical acts in the ethical corporate management specifications (hereinafter referred to as the prevention plan), including operating procedures, codes of conduct, education and training, etc.

The prevention plan formulated by the communications foundation shall comply with the relevant laws and regulations of the place where the organization operates.

In the process of formulating the prevention plan, it is advisable for the communications foundation to coordinate and communicate with its employees, stakeholders, relevant interest groups or members of other representative organizations.

VII. When formulating a prevention plan, the communications foundation shall analyze the business activities with high risks of unethical acts within the business scope and strengthen relevant preventive measures.

The prevention plan formulated by the communications foundation shall at least cover the preventive

measures for the following acts :

- (I) Offering or receiving of bribery and money laundering
- (II) Providing illegal political contributions
- (III) Improper charitable donation or sponsorship
- (IV) Offering or accepting unreasonable gifts, entertainment or other improper benefits
- (V) Infringement of trade secrets, trademark rights, patent rights, copyrights and other intellectual property rights
- (VI) Products and services that directly or indirectly damage the rights, health and safety of consumers or other stakeholders during research and development, procurement, manufacturing, provision or sales

VIII. The communications foundation shall clearly state the ethical corporate management policy in its relevant regulations and outward documents. Its directors, supervisors and management shall commit to actively implement the policy and implement it in internal management and external business activities.

IX. The communications foundation shall conduct business activities in a fair and transparent manner.

Before conducting business transactions, the communications foundation shall consider the legality of its agents, suppliers, customers or other business partners and whether they have records of unethical acts, and shall avoid dealing with parties with records of unethical acts.

For the contract entered into by the communications foundation with others, its content shall include the provisions for the compliance of the ethical corporate management policy and that it may terminate or cancel the contract at any time if the counterparty is involved in unethical acts.

X. When performing business, the communications foundation and its directors, supervisors, chief executive officer, employees and de facto controller shall not directly or indirectly provide, promise, request or receive any form of illegitimate benefits, including rebates, commissions, and facilitating payments, or provide or receive improper benefits from customers, agents, contractors, suppliers, public officials or other stakeholders through other means.

XI. To provide donations directly or indirectly to political parties or organizations or individuals involved in political activities, the communications foundation and its directors, supervisors, chief executive officer, employees and de facto controller shall comply with the Political Donations Act and the communications foundation's relevant internal operations procedures, and shall not use it to seek commercial benefits or transaction advantages.

XII. For the charitable donation or sponsorship, the communications foundation and its directors, supervisors, chief executive officer, employees and de facto controller shall comply with relevant laws and internal operating procedures, and shall not be an offer of bribery in disguise.

XIII. The communications foundation and its directors, supervisors, chief executive officer, employees and de facto controller shall not directly or indirectly provide or accept any unreasonable gifts, entertainment or other improper benefits in order to establish relationships or influence transactions or operations.

XIV. The communications foundation and its directors, supervisors, chief executive officer, employees and de facto controller shall abide by relevant laws and regulations, internal operating procedures and contractual provisions of intellectual property; without the consent of the owner of the intellectual property rights, no acts of use, leakage, disposal, damage or other violations of the intellectual property rights are allowed.

XV. During the process of research and development, procurement, manufacturing, provision or sales of products and services, the communications foundation and its directors, supervisors, chief executive officer, employees and de

facto controller shall comply with relevant laws and international standards to ensure that information transparency and safety of the products and services, formulate and disclose the rights and interests protection policies of its consumers or other stakeholders, and implement them in operational activities, to prevent products or services from directly or indirect harming the rights, health and safety of consumers or other stakeholders. When there are facts sufficient to make it believe that there is a likelihood for its products or services to endanger the safety and health of consumers or other stakeholders, it shall immediately recall the batch of products or suspend the services, in principle.

XVI. The directors and supervisors of the communications foundation shall exercise the due care of good administrators, supervise the communications foundation to prevent unethical acts, and review its implementation effectiveness and continuous improvement constantly, to ensure the implementation of the ethical corporate management policy.

In order to have a sound ethical corporate management, the communications foundation shall have a special unit to be responsible for the formulation, supervision and implementation of ethical corporate management policies and prevention plans, and report to the board of directors regularly.

XVII. When performing business activities, the directors, supervisors, chief executive officer, employees and de facto controller of the communications foundation shall comply with laws, regulations and the aforementioned prevention plan.

XVIII. The communications foundation shall formulate policies to prevent conflicts of interest and offer appropriate means for its directors, supervisors and chief executive officer to voluntarily explain whether there is any potential conflict between them and the communications foundation.

The directors shall exercise a high degree of self-discipline; if the director, or the juristic person the director is acting on its behalf, has an interest in a proposal submitted to the board of directors, posing potential risks detrimental to the interest of the communications foundation, the director shall state his or her opinions, shall not participate in the discussion or voting of the proposal, and shall voluntarily abstain from voting for himself or as proxy for another director. The directors shall exercise self-discipline and must not provide support to one another in an inappropriate manner.

The directors, supervisors and chief executive officer of the communications foundation shall not take advantage of their positions or influence in the communications foundation to obtain improper benefits for themselves, their spouses, parents, children or any other person.

IXX. The communications foundation shall establish effective accounting systems and internal control systems for business activities with high risks of unethical acts, shall not possess under-the-table or secret accounts, and shall conduct regular reviews so as to ensure effective design and enforcement of the systems.

The internal auditors of the communications foundation shall regularly review the implementation of the above systems, and prepare an audit report to submit to the board of directors.

XX. The communications foundation shall, in accordance with Article VI, formulate the operating procedures and codes of conduct, which shall concretely regulate the directors, supervisors, chief executive officer, employees and de facto controller while performing business. The content of the operating procedures and codes of conduct shall at least cover the following matters:

- (I) Standards of offering or accepting improper benefits
- (II) Procedures of providing legal political donations
- (III) Procedures and standards of providing legal charitable donation or sponsorship
- (IV) Regulations, declaration and process procedures of avoiding conflicts of interest related to duties

(V) Regulations pertaining to confidential and commercially sensitive information obtained in business

(VI) Regulations and procedures for suppliers, customers and counterparties in commercial interactions that are involved in unethical acts

(VII) Procedures in cases of violation against the ethical corporate management principles

(VIII) Disciplinary measures against violators

XXI. The chairman of the board, chief executive officer or senior management of the communications foundation shall regularly convey the importance of integrity to the directors, employees and appointees.

The communications foundation shall hold informative sessions for its directors, supervisors, chief executive officer, employees and de facto controller, invite counterparties engaged in trade and operation with the communications foundation to participate and shall ensure participants in these sessions gain awareness of the determination, policies and prevention plan of ethical corporate management of the communications foundation, as well as the consequences of being in breach of unethical acts.

XXII. The communications foundation shall offer appropriate means for whistle blowing, and assure the confidentiality of the informants and the content of reported cases.

The communications foundation shall formulate a disciplinary and appeal system for handling violations of the ethical corporate management regulations, and shall immediately make known the title and name of the violator, the date and details of the violation, and the actions taken in response on the communications foundation's website.

XXIII. The communications foundation shall at all times monitor the development of relevant national and international regulations concerning ethical corporate management and encourage its directors, supervisors, managers, and employees to make suggestions, on which the adopted ethical corporate management policies and measures taken will be reviewed and improved with a view to the most effective implementation of ethical management.