

# **Ethical Corporate Management Best Practice Principles for President Chain Store Corporation**

Date of Last Amendment: July 30, 2025

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## **Article 1 (Purpose and Scope of Application)**

President Chain Store Corporation (hereinafter "this Corporation") engages in commercial activities following the principles of fairness, honesty, faithfulness, and transparency, and in order to fully implement a policy of ethical management and actively prevent unethical conduct, these Procedures for Ethical Management and Guidelines for Conduct (hereinafter, "Procedures and Guidelines") are adopted pursuant to the provisions of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies and the applicable laws and regulations of the places where this Corporation and its business groups and organizations operate, with a view to providing all personnel of this Corporation with clear directions for the performance of their duties.

The subsidiaries of this Corporation, foundations to which it directly or indirectly contributes more than 50% of the funds, and other institutions or legal entities over which it has substantive control, shall establish their own ethical management principles, operational procedures, and codes of conduct in alignment with the spirit of these Procedures and Guidelines.

## **Article 2 (Prohibition of Unethical Conduct)**

When engaging in commercial activities, directors, managers, employees, and mandataries of this Corporation or persons having substantial control over such companies ("substantial controllers") shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty ("unethical conduct") for purposes of acquiring or maintaining benefits.

Parties referred to in the preceding paragraph include civil servants, political candidates, political parties or members of political parties, state-run or private-owned businesses or institutions, and their directors, supervisors, managers, employees or substantial controllers or other stakeholders.

## **Article 3 (Definition of Benefits)**

"Benefits" in these Principles means any valuable things, including money, endowments, commissions, positions, services, preferential treatment or rebates of any

type or in any name, banquet dining and gift giving are also prohibited. Benefits received or given occasionally in accordance with accepted social customs and that do not adversely affect specific rights and obligations shall be excluded.

#### **Article 4 (Compliance with Laws and Regulations)**

This Corporation shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Statute, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, TWSE/TPEx listing rules, or other laws or regulations regarding commercial activities, as the underlying basic premise to facilitate ethical corporate management.

#### **Article 5 (Prevention Programs)**

The ethical management policy formulated by this Corporation shall clearly and comprehensively outline specific operational practices and prevention programs against unethical conduct (hereinafter referred to as "prevention programs"), which shall include operational procedures, codes of conduct, and educational training, among others. In formulating the prevention programs, this Corporation shall comply with the relevant laws and regulations of the jurisdiction where the Corporation and its affiliated enterprises and organizations operate.

During the formulation of the prevention programs, this Corporation should engage in communication with employees, key business partners, and other stakeholders.

#### **Article 6 (Scope of Prevention Programs)**

This Corporation shall establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within their business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly and review their adequacy and effectiveness on a regular basis.

This Corporation shall establish prevention programs that include preventive measures against the following behaviors:

1. Offering and acceptance of bribes.
2. Illegal political donations.
3. Improper charitable donations or sponsorship.
4. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits.
5. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights.

6. Engaging in unfair competitive practices.
7. Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services.

## **Article 7 (Commitment and Implementation)**

This Corporation shall require directors and senior management to issue a declaration of compliance with the ethical management policy and shall include the obligation to adhere to the ethical management policy as part of the employment terms for employees.

This Corporation shall clearly state the ethical management policy on its website, along with the commitment of the board of directors and senior management to actively implement the policy, and shall ensure its effective execution in both internal management and external business activities.

This Corporation shall create documented information regarding the ethical management policy and its implementation, and shall properly maintain and store such documentation.

## **Article 8 (Ethical Management of Business Activities)**

This Corporation shall engage in commercial activities in a fair and transparent manner based on the principle of ethical management.

Before entering into any business transactions, this Corporation shall consider the legality, reputation, and whether any unethical conduct is involved with the counterparties, and shall avoid engaging in transactions with those who have a history of unethical conduct. When entering into contracts with their agents, suppliers, clients, or other business counterparties, this Corporation shall include ethical management clauses in such contracts.

## **Article 9 (Prohibition on the offering and acceptance of bribes)**

When conducting business, this Corporation and their directors, managers, employees, mandataries, and substantial controllers, may not directly or indirectly offer, promise to offer, request, or accept any improper benefits in whatever form to or from clients, agents, contractors, suppliers, public servants, or other stakeholders.

## **Article 10 (Prohibition of improper political donations)**

When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, this Corporation and their directors,

managers, employees, mandataries, and substantial controllers, shall comply with the Political Donations Act and their own relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.

#### **Article 11 (Prohibition of improper charitable donations or sponsorships)**

When making or offering donations and sponsorship, this Corporation and their directors, managers, employees , mandataries, and substantial controllers shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.

#### **Article 12 (Prohibition on the offering or acceptance of unreasonable presents, hospitality, or other improper benefits)**

This Corporation and their directors, managers, employees, mandataries, and substantial controllers shall not directly or indirectly offer or accept any unreasonable gifts, hospitality or other improper benefits to establish business relationship or influence commercial transactions.

#### **Article 13 (Prohibition on the infringement of intellectual property, including Trademark, Patent and Copyright..etc.)**

This Corporation and their directors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations, the company's internal operational procedures, and contractual provisions concerning intellectual property, and may not use, disclose, dispose, or damage intellectual property or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights holder.

#### **Article 14 (Not engaging in unfair competitive activities)**

This Corporation shall engage in business activities in accordance with applicable competition laws and regulations, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.

#### **Article 15 (Preventing products or services from damaging stakeholders)**

In the course of research and development, procurement, manufacture, provision, or sale of products and services, this Corporation and their directors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations and international standards to ensure the transparency of information about, and safety of, their products and services. They shall also adopt and publish a policy on

the protection of the rights and interests of consumers or other stakeholders, and carry out the policy in their operations, with a view to preventing their products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders. Where there are sufficient facts to determine that the company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the company shall, in principle, recall those products or suspend the services immediately.

#### **Article 16 (Prohibition of Disclosure of Trade Secrets)**

Personnel of this Corporation shall strictly comply with the company's confidentiality regulations and shall not disclose any company trade secrets they are aware of to others. They shall also refrain from inquiring about or collecting company trade secrets that are unrelated to their duties.

#### **Article 17 (Prohibition of Insider Trading)**

Personnel of this Corporation shall comply with the provisions of the Securities and Exchange Act and shall not engage in insider trading by using any non-public information they are aware of. They shall also refrain from disclosing such information to others to prevent its use in insider trading.

#### **Article 18 (Organization and Responsibilities)**

The Chairman, General Manager, or senior management of this Corporation shall regularly communicate the importance of integrity to the Board of Directors, employees, and mandataries.

This Corporation, its Board of Directors, managers, employees, mandataries, and de facto controllers shall fulfill their duty of care as good managers, ensuring the implementation of this Code of Conduct and the Corporation's ethical management procedures and guidelines, preventing unethical behavior. They shall continuously review its effectiveness and make improvements, while also incorporating it into employee performance evaluations to ensure the realization of ethical management.

To strengthen the management of ethical business practices, this Corporation shall establish an Integrity, Risk, and Cybersecurity Management Committee under the Board of Directors, responsible for promoting and overseeing the implementation of the ethical business policy and prevention programs. The Task Force will be primarily responsible for the following matters and will report to the Board of Directors regularly (at least once a year):

1. Assisting in integrating integrity and ethical values into the Corporation's business policies and working with the legal framework to ensure relevant

anti-corruption measures are in place.

2. Regularly analyzing and assessing the risks of unethical behavior in the business scope and promoting the establishment of related preventive measures.
3. Promoting the organization, structure, responsibilities, and implementing a mutual supervision mechanism for business activities that present higher risks of unethical behavior.
4. Promoting and coordinating the ethical policy training and awareness programs.
5. Overseeing the operation of the whistleblower system to ensure its effectiveness.
6. Assisting the Board of Directors and senior management in evaluating whether the preventive measures established for ethical business practices are functioning effectively, and regularly assessing the compliance of related business processes, making reports as necessary.

#### **Article 19 (Board Members and Managers' Conflict of Interest)**

This Corporation shall establish a policy to prevent conflicts of interest, which will identify, monitor, and manage the risks of unethical behavior arising from conflicts of interest, and provide appropriate channels for directors, managers, and other stakeholders attending or present at Board meetings to proactively disclose any potential conflicts of interest with the Corporation.

Directors, managers, and other stakeholders attending or present at the Board meetings who have an interest in a matter being discussed that is related to their own or their represented entity's interests, shall disclose the significant details of their interest in the meeting. If such interests may harm the Corporation's interests, they shall not participate in the discussion or vote on the proposal. They shall recuse themselves from discussions and voting and may not act as a proxy for another director in voting. Directors shall also be self-disciplined and refrain from inappropriate mutual support.

This Corporation, its Board of Directors, managers, employees, mandataries, and de facto controllers shall not use their positions or influence within the Corporation to obtain improper benefits for themselves, their spouses, parents, children, or any other parties.

#### **Article 20 (Accounting and Internal Controls)**

This Corporation shall establish effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in an unethical conduct, not have under-the-table accounts or keep secret accounts, and conduct

reviews regularly so as to ensure that the design and enforcement of the systems are showing results.

The internal audit unit of this Corporation shall, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans, including auditees, audit scope, audit items, audit frequency, etc., and examine accordingly the compliance with the prevention programs. The internal audit unit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.

The results of examination in the preceding paragraph shall be reported to senior management and the ethical management dedicated unit and put down in writing in the form of an audit report to be submitted to the board of directors.

## **Article 21 (Training and Evaluation)**

The chairperson, general manager, or senior management of this Corporation shall communicate the importance of corporate ethics to its directors, employees, and mandataries on a regular basis.

This Corporation shall periodically organize training and awareness programs for directors, managers, employees, mandataries, and substantial controllers and invite the companies' commercial transaction counterparties so they understand the companies' resolve to implement ethical corporate management, the related policies, prevention programs and the consequences of committing unethical conduct.

This Corporation shall apply the policies of ethical corporate management when creating its employee performance appraisal system and human resource policies to establish a clear and effective reward and discipline system.

## **Article 22 (Whistle-blowing System)**

This Corporation shall adopt a concrete whistle-blowing system and scrupulously operate the system. The whistle-blowing system shall include at least the following:

1. An independent mailbox or hotline, either internally established and publicly announced or provided by an independent external institution, to allow internal and external personnel of the company to submit reports.
2. Dedicated personnel or unit appointed to handle the whistle-blowing system. Any tip involving a director or senior management shall be reported to the independent directors or audit committee. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted.
3. Documentation of case acceptance, investigation processes, investigation results, and relevant documents.

4. Confidentiality of the identity of whistle-blowers and the content of reported cases, and an undertaking regarding anonymous reporting.
5. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing.
6. Whistle-blowing incentive measures.

When material misconduct or likelihood of material impairment to this Corporation comes to their awareness upon investigation, the dedicated personnel or unit handling the whistle-blowing system shall immediately prepare a report and notify the independent directors or audit committee in written form.

### **Article 23 (Disciplinary and Appeal System)**

This Corporation shall adopt and publish a well-defined disciplinary and appeal system for handling violations of the ethical corporate management rules, and shall make immediate disclosure on the company's internal website of the title and name of the violator, the date and details of the violation, and the actions taken in response.

### **Article 24 (Disclosure of Information on Ethical Management)**

This Corporation shall collect quantitative data about the promotion of ethical management and continuously analyze and assess the effectiveness of the promotion of ethical management policy. They shall also disclose the measures taken for implementing ethical corporate management, the status of implementation, the foregoing quantitative data, and the effectiveness of promotion on their company websites, annual reports, and prospectuses, and shall disclose their ethical corporate management best practice principles on the Market Observation Post System.

### **Article 25 (Review and Revision of the Ethical Management)**

This Corporation shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage their directors, managers, employees and substantial controllers to make suggestions, based on which the adopted ethical corporate management policies and measures taken will be reviewed and improved with a view to achieving better implementation of ethical management.

### **Article 26 (Practice)**

The ethical corporate management best practice principles of this Corporation shall be reviewed by the Audit Committee and then implemented upon approval by the Board of Directors. The same procedure shall apply to any amendments thereto.

When this Corporation submits its ethical corporate management best practice

principles to the board of directors for discussion pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. Any objections or reservations of any independent director shall be recorded in the minutes of the board of directors meeting. An independent director that cannot attend the board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the board of directors meeting.

#### **Article 27 (Establishment and Revision Date)**

These Procedures and Guidelines were adopted on December 19, 2014. The first amendment was made on August 4, 2015. The second amendment was made on July 30, 2020. The third amendment was made on July 30, 2025. The forth amendment was made on December 10, 2025.