



Ethical Corporate Management Best Practice Principles

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Article 1 (Purpose and applicable scope)

Taking into reference to the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, these Principles are adopted to assist the Corporation to build a corporate culture of ethical management and sound development, and offer a reference framework for establishing good commercial practices.

Article 2 (Prohibition of unethical conduct)

When engaging in commercial activities, the Corporation's directors, managerial officers, employees, and appointees may not directly or indirectly offer, promise, request or accept any improper benefit, nor commit any other unethical conduct, including breach of ethics, illegal conduct, or breach of fiduciary duty, for the purposes of acquiring or maintaining a benefit ("unethical conduct").

Article 3 (Types of benefit)

"Benefit" in these Principles may refer to any valuable thing, including money, gifts, commissions, positions, services, preferential treatment, or rebates of any type or name. Benefits received or given occasionally in accordance with accepted social etiquette and customs and that do not adversely affect specific rights and obligations shall be excluded.

Article 4 (Compliance with laws and regulations)

The 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/GTSM listing rules, or any other laws and regulations regarding commercial activities, as the underlying basic premise for implementing ethical corporate management.

Article 5 (Policy)

The Corporation shall abide by the operational philosophies of honesty, transparency, and responsibility. Base its policies on the principle of good faith and establish good corporate governance and risk control and management mechanisms, to create an operational environment for sustainable development.

Article 6 (Prevention programs)

The Corporation shall clearly and thoroughly prescribe specific ethical management practices, and programs to prevent unethical conduct. The content shall include operational procedures, conduct guidelines, and training courses. It shall also comply with relevant laws and regulations of the place where the Corporation and its organization are operating.

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Article 7 **(Scope of prevention programs)**

The Corporation shall analyze which business activities within its business scope may bear a higher risk of unethical conduct, and strengthen relevant preventive measures.

The ethical corporate management operational procedures and conduct guidelines, adopted by the Corporation, shall at least include preventive measures against the following:

- (a) Offering and acceptance of bribes.
- (b) Illegal political donations.
- (c) Improper charitable donations or sponsorship.
- (d) Offering or acceptance of unreasonable gifts or hospitality, or other improper benefits.
- (e) Infringement of trade secrets, trademark rights, patent rights, copyrights, or other intellectual property rights.
- (f) Engaging in unfair competitive conduct.
- (g) Selling of products and services, which directly or indirectly damage the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, and provision.

Article 8 **(Commitment and implementation)**

The Corporation and its organizational units shall clearly specify in their rules and external documents about the ethical corporate management policies and the commitment by the Board of Directors ("Board") and the management to rigorous and thorough implementation of the policies, and shall faithfully carry out the policies in internal management and in external commercial activities.

Article 9 **(Ethical corporate management in commercial activities)**

The Corporation shall engage in commercial activities in a fair and transparent manner based on the principles of ethical corporate management.

Prior to any commercial transaction, the Corporation shall take into consideration the legality of its agents, suppliers, customers, or other trading counterparties and whether any of them involved in unethical conduct, and shall avoid any dealings with persons involved in any unethical conduct.

When entering into contracts with agents, suppliers, customers, or other commercial trading counterparties, the Corporation shall include in contract terms and conditions to require compliance with ethical corporate management policy. In

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the event of a trading counterparty involved in unethical conduct, the Corporation may at any time terminate or rescind the contract.

Article 10 (Prohibition against offering or accepting bribes)

The Corporation and its directors, managerial officers, employees, and appointees may not directly or indirectly offer, promise, request, or accept any improper benefit in any form to or from any customer, agent, contractor, supplier, public servant, or other stakeholder, when conducting business activities,

Article 11 (Prohibition against illegal political donations)

The Corporation and its directors, managerial officers, employees, and appointees shall comply with the Political Donations Act and the Corporation's relevant internal operational procedures, and may not make such donations in exchange for commercial benefit or for advantage in a transaction, when offering a donation to a political party or organization or individual participating in political activities,

Article 12 (Prohibition against improper charitable donations or sponsorship)

The Corporation and its directors, managerial officers, employees, and appointees shall comply with relevant laws and regulations and internal operational procedures, and may not surreptitiously engage in bribery, when offering charitable donations or sponsorship,

Article 13 (Prohibition against unreasonable gifts, hospitality, or other improper benefits)

The Corporation and its directors, managerial officers, employees, and appointees shall not directly or indirectly offer or accept any unreasonable gifts, hospitality, or other improper benefits to establish business relationships or influence commercial transactions.

Article 14 (Prohibition against infringing intellectual property rights)

The Corporation and its directors, managerial officers, employees, and appointees shall comply with applicable laws and regulations, internal operational procedures, and contractual provisions relating to intellectual property. Without the prior consent of the intellectual property rights holder, they may not use, nor may they disclose, dispose, damage, or otherwise infringe, intellectual property rights.

Article 15 (Prohibition against unfair competitive conduct)

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

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Article 16 (Preventing products or services from damaging stakeholders)

In the course of research and development, procurement, manufacture, provision, or sale of products and services, the Corporation and its directors, managerial officers, employees, and appointees shall comply with applicable laws and regulations and international standards to ensure the transparency of information about, and safety of, its products and services. It 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 the Corporation's operational activities, with a view to preventing its products or services from directly or indirectly injuring the rights and interests, health, or safety of consumers or other stakeholders. Where there are sufficient facts to determine that the Corporation's products or services are likely to pose any hazard to the safety or health of consumers or other stakeholders, the Corporation in principle shall promptly recall those products or suspend the services.

Article 17 (Organization and accountability)

The directors, managerial officers, employees, and appointees of the Corporation shall exercise the due diligence and care of good administrators, to oversee the Corporation to prevent any unethical conduct, and constantly review the implementation and results of preventive measures and continually make improvements.

Article 18 (Legal compliance in conducting business)

The Corporation and its directors, managerial officers, employees, and appointees shall comply with laws and regulations and the prevention programs when conducting business.

Article 19 (Recusal for conflict of interest)

The Corporation shall adopt policies for preventing conflicts of interest, to identify, monitor, and manage the risk of unethical conduct resulting from conflicts of interest. It shall also offer appropriate channels for directors, managerial officers, and other stakeholders attending or present at Board meetings to voluntarily explain whether their interests potentially conflict with those of the Corporation.

When a proposal at a Board meeting concerns a personal interest of, or interest of a juristic person represented by, any director, managerial officer, or other stakeholders attending or present at a Board meeting of the Corporation. The person shall make a clear statement at the Board meeting of the important content of the relationship of interest. If there is a likelihood of prejudicing the interest of the Corporation, the person may not participate in the discussion of and voting on the proposal and shall recuse himself/herself from the discussion and voting. The person may not exercise voting rights as proxy for another director. The directors shall practice self-discipline and may not support one another in any improper conduct.

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The Corporation's directors, managerial officers, employees, and appointees may not take advantage of their positions or influence in the Corporation to obtain any improper benefit for themselves, their spouses, parents, children or any other person.

Article 20 (Accounting and internal control)

The Corporation shall establish effective accounting systems and internal control systems for business activities at a higher risk of an unethical conduct. Under-the-table books or keep secret accounts are prohibited, and shall conduct reviews on regular basis to ensure the sustained effectiveness of the design and implementation of the systems.

The internal audit unit of the Corporation shall regularly examine the compliance with the systems under the preceding paragraph, and submit an audit report to the Board. The internal audit unit may appoint certified public accountant to carry out the audit, and may appoint professionals to assist if necessary.

Article 21 (Operational procedures and conduct guidelines)

The Corporation shall prescribe concrete internal guidelines by covering the following:

- (a) Standard rules for offering or acceptance of improper benefits.
- (b) Procedures for offering legitimate political donations.
- (c) Procedures and standard amounts for offering charitable donations or sponsorship.
- (d) Rules for avoiding work-related conflicts of interests, and procedures for reporting and handling conflicts of interest.
- (e) Rules for maintaining confidentiality of secrets and sensitive business information.
- (f) Rules and procedures for dealing with unethical conducts of suppliers, customers, and business transaction counterparties.
- (g) Procedures for handling violations of these Principles.
- (h) Disciplinary measures against violators of principles.

Article 22 (Education training and appraisal)

The chairman, president, or senior management of the Corporation shall regularly communicate the importance of corporate ethics to the directors, employees, and appointees.

The Corporation shall regularly hold education training, and awareness programs

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for directors, managerial officers, employees, and appointees to understand the Corporation's determination, policies, prevention measurement, and the consequences of committing any unethical conduct.

The Corporation shall combine the ethical corporate management policies with the employee performance appraisal system, and human resource policies, to establish a clear and effective reward and discipline system.

Article 23 (Whistleblowing system)

The Corporation shall adopt a concrete whistleblowing system and faithfully implement the system. The whistleblowing system shall include at least the following:

1. Establishment and announcement of an internal independent mailbox or hotline, for use by internal and external personnel.
2. Establish dedicated personnel or unit to handle the whistleblowing system. Any information involvement of director or senior management shall be reported directly to the Audit Committee.
3. Preserve documentation, records, and results of whistleblowing cases.
4. Keeping confidential of whistleblowers identity and the content of reported cases.
5. Protecting whistleblowers from inappropriate disciplinary actions.
6. Incentive measures for whistleblowers.

When material of misconduct or material of impairment to the Corporation occurred during the investigation, a report shall be prepared and notified the independent directors in writing.

Article 24 (Disciplinary and appeal system)

The Corporation shall adopt a well-defined disciplinary and appeal system.

Article 25 (Information disclosure)

The Corporation shall disclose information of ethical corporate management and the status of implementation on corporate website, in annual reports, and during public announcement.

Article 26 (Review and amendment of ethical corporate management policies and measures)

The Corporation shall continually monitor developments in relevant local and international regulations, concerning ethical corporate management and encourage its directors, managerial officers, and employees to make recommendations review and improve the ethical corporate management policies and measures taken

Article 27 (Implementation)

These Principles and any amendments hereto, shall be implemented after the approval by the Board of Directors, and shall be reported to the shareholders'

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meeting.