

Fulfillment of the ethical corporate management, deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and reasons thereof

Criteria	Implementation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Y	N	Summary	
<p>I. Establishment of ethical corporate management policies and programs</p> <p>(I) Has the Company established the ethical corporate management policies approved by the Board of Directors and specified in its rules and external documents the ethical corporate management policies and practices and the commitment of the Board of Directors and senior management to rigorously and thoroughly implement such policies?</p> <p>(II) Has the Company established a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within its business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly, which shall at least include the preventive measures specified in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?</p>	V		<p>(I) The Company has developed the "Ethical Corporate Management Best Practice Principles," "Procedures for Ethical Management and Guidelines for Conduct," and "Code of Ethical Conduct for Directors and Managers," all of which are disclosed on the Company's website. These guidelines outline the foundation for implementing ethical business practices and emphasize the Board of Directors and management's commitment to maintaining ethical operations.</p> <p>(II) To mitigate unethical behavior, the Company has strengthened preventive measures in its regulations and external communications, particularly focusing on high-risk business activities. Additionally, employee education and awareness programs are conducted to reinforce the Company's commitment to ethical practices, the principles behind them, and the consequences of non-compliance. The content of these programs aligns with the preventive measures stipulated in Article 7, Paragraph 2 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies," ensuring that employees clearly understand the standards they are expected to follow, thereby reducing potential instances of unethical conduct.</p> <p>(III) The Company has established the "Ethical Corporate</p>	No significant deviation

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(III) Has the Company specified in its prevention programs the operating procedures, guidelines, punishments for violations, and a grievance system and implemented them and review the prevention programs on a regular basis?			Management Best Practice Principles," "Procedures for Ethical Management and Guidelines for Conduct," "Code of Ethical Conduct for Directors and Managers," and "Code of Conduct for Employees" to provide a comprehensive framework for ethical business conduct. These guidelines clearly outline the standards employees must adhere to when performing their duties. Additionally, the Company has established a reporting mechanism and disciplinary procedures for handling suspected violations, ensuring that such incidents are properly managed and reviewed.	
<p>II. Fulfillment of ethical corporate management</p> <p>(I) Has the Company evaluated business partners' ethical records and include ethics-related clauses in the business contracts signed with the counterparties?</p> <p>(II) Has the Company set up a dedicated unit under the Board of Directors to promote ethical corporate management and regularly (at least once every year) report to the Board of Directors the implementation of the ethical corporate management policies and prevention programs against unethical conduct?</p> <p>(III) Has the Company established policies to prevent conflicts of interest, provide appropriate communication channels, and implement them accordingly?</p>	V		<p>(I) When entering into contracts, the Company includes provisions requiring compliance with its ethical business management policy. Should any party engage in unethical conduct during business activities, the other party has the right to unconditionally terminate or rescind the contract at any time.</p> <p>(II) The General Manager's Office is responsible for developing the ethical business management policy. Upon discovering any unethical behavior, the handling process and subsequent review and improvement actions must be reported to the Board of Directors.</p> <p>(III) The "Code of Ethical Conduct for Directors and Managers" establishes appropriate channels for directors and managers to proactively disclose any potential conflicts of interest with the Company.</p> <p>(IV) The Company has implemented an "Accounting System" and</p>	No significant deviation

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<p>(IV) Has the Company established effective accounting systems and internal control systems to implement ethical corporate management and had its internal audit unit, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans, and audit the compliance with the prevention programs accordingly or entrusted a CPA to conduct the audit?</p> <p>(V) Has the Company regularly organized internal and external educational training on ethical management?</p>			<p>an "Internal Control System" for adherence by management and employees. Additionally, procedures to prevent insider trading have been established to ensure compliance with ethical business policies. Internal auditors conduct periodic checks on regulatory compliance. Verified reports of violations prompt appropriate corrective actions or legal measures to maintain the system's effectiveness.</p> <p>(V) Company supervisors provide ongoing training and awareness programs for employees. New employees also receive orientation on internal policies and relevant laws.</p>	
<p>III. Status for enforcing whistleblowing systems in the Company</p> <p>(I) Has the Company established specified whistleblowing and incentive systems and convenient whistleblowing channels? Are appropriate personnel assigned to the accused party?</p> <p>(II) Has the Company established the standard operating procedures for investigating reported misconduct, follow-up measures</p>	V		<p>(I) The Company has established a "Whistleblowing Policy," providing clear and accessible channels for reporting, and designating appropriate departments to handle reported cases.</p> <p>(II) Confidentiality measures and investigation procedures for whistleblowing are outlined in the "Ethical Business Management Procedures and Code of Conduct." Employees</p>	No significant deviation

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<p>to be adopted after the investigation, and related confidentiality mechanisms?</p> <p>(III) Has the Company provided protection to whistleblowers against receiving improper treatment?</p>			<p>who suspect or identify violations of laws, regulations, ethical standards, or the code of conduct may report to designated personnel such as Independent Directors, managers, or internal audit supervisors.</p> <p>(III) All reports will be handled confidentially, and the Company is committed to fully protecting whistleblowers from retaliation or any unfair treatment.</p>	
<p>IV. Enhancing information disclosure</p> <p>Has the Company disclosed its Ethical Management Best Practice Principles and the results of its implementation on the Company's website and MOPS?</p>	V		<p>The Company has made disclosures on both the Market Observation Post System and its official website (https://www.nemstek.com.tw).</p>	No significant deviation
<p>V. Where the Company has established its own Ethical Management Best Practice Principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies," please describe any derivation from the Principles and its operations: No significant deviation.</p>				
<p>VI. Other important information to facilitate a better understanding of the Company's ethical corporate management operations: No.</p>				