

Formosa Saint Jose Corp.

Ethical Corporate Management Best Practice Principles

Article 1 (Purpose and Scope of Application)

To establish a culture of integrity and promote sound and sustainable development, the Company hereby adopts this Code as a reference framework for fostering proper business practices.

This Code applies to the Company, its subsidiaries, foundations to which the Company directly or indirectly contributes more than fifty percent (50%) of the total funds, and other institutions or legal entities over which the Company exercises substantive control (collectively, the “Group Enterprises and Organizations”).

Article 2 (Prohibition of Dishonest Conduct)

The Company’s directors, officers, employees, agents, appointees, or persons with substantive control (collectively, “Persons with Substantive Control”), in the course of conducting business activities, shall not directly or indirectly offer, promise, request, or accept any improper benefit, nor engage in any other dishonest conduct that violates the principles of integrity, laws and regulations, or fiduciary duties, for the purpose of obtaining or maintaining benefits (collectively, “Dishonest Conduct”).

The counterparts to the conduct described in the preceding paragraph include public officials, candidates for public office, political parties or party officials, as well as any public or private enterprises or institutions and their directors (trustees), supervisors (supervisory board members), officers, employees, persons with substantive control, or other interested parties.

Article 3 (Forms of Benefits)

For the purposes of this Code, the term “benefits” refers to anything of value, including, but not limited to, money in any form or under any name, gifts, commissions, positions, services, preferential treatment, rebates, or other similar advantages. However, benefits arising from normal social courtesy, which are incidental in nature and do not pose any risk of affecting specific rights or obligations, shall not be subject to this restriction.

Article 4 (Compliance with Laws and Regulations)

The Company shall comply with the Company Act, Securities and Exchange Act, Business Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, relevant regulations applicable to listed and OTC companies, and other laws and regulations governing commercial activities, as the fundamental basis for implementing integrity-based management.

Article 5 (Policy)

Based on the principles of integrity, transparency, and accountability, the Company shall formulate policies founded on ethical and honest conduct, and establish sound corporate governance and risk management mechanisms, in order to create a sustainable operating environment for long-term development.

Article 6 (Preventive Measures)

The integrity management policy formulated by the Company shall clearly and specifically prescribe concrete practices for ethical business conduct and preventive measures against dishonest behavior (hereinafter referred to as the "Preventive Measures"), including operating procedures, codes of conduct, and education and training programs.

The Preventive Measures established by the Company shall comply with the relevant laws and regulations of the jurisdictions where the Company and its group enterprises and organizations operate.

In the process of formulating the Preventive Measures, the Company shall communicate with employees, labor unions, major business partners, or other stakeholders.

Article 7 (Scope of the Preventive Measures)

The Company shall establish a risk assessment mechanism for dishonest conduct, and shall regularly analyze and assess business activities within its scope of operations that involve relatively higher risks of dishonest conduct. Based on such assessment, the Company shall formulate Preventive Measures and periodically review their appropriateness and effectiveness.

In formulating the Preventive Measures, the Company shall make reference to generally accepted domestic and international standards or guidelines. The Preventive Measures shall at least cover the prevention of the following conduct:

1. Bribery and acceptance of bribes.
2. Provision of illegal political contributions.
3. Improper charitable donations or sponsorships.
4. Offering or accepting unreasonable gifts, hospitality, or other improper benefits.
5. Infringement of trade secrets, trademark rights, patent rights, copyrights, or other intellectual property rights.
6. Engagement in unfair competition.
7. Products or services that, during research and development, procurement, manufacturing, provision, or sales, directly or indirectly harm the rights, health, or safety of consumers or other stakeholders.

Article 8 (Commitment and Implementation)

1. The Company should require its directors and senior management to provide written statements committing to compliance with the integrity and ethical management policy, and shall include compliance with such policy as a condition of employment for its employees.
2. The Company and its group enterprises and organizations shall explicitly state the integrity and ethical management policy in their internal regulations, external documents, and on the Company's website, and shall clearly express the commitment of the board of directors and senior management to actively implement such policy, which shall be effectively carried out in internal management and business activities.

The Company shall prepare and properly retain documented information regarding the integrity and ethical management policies, statements, commitments, and implementation referred to in the preceding paragraphs.

Article 9 (Integrity and Ethical Business Conduct)

1. The Company shall conduct its business activities in accordance with the principles of integrity and ethical management, and in a fair and transparent

manner.

2. Prior to entering into any business relationship, the Company shall consider the legality of its agents, suppliers, customers, or other business counterparties, and whether they have engaged in any dishonest or unethical conduct, so as to avoid transactions with parties involved in such conduct.
3. Contracts entered into by the Company with its agents, suppliers, customers, or other business counterparties shall include provisions requiring compliance with the integrity and ethical management policy, and granting the Company the right to terminate or rescind the contract at any time if the counterparty is involved in dishonest or unethical conduct.

Article 10 (Prohibition of Bribery and Acceptance of Bribes)

The Company and its directors, managers, employees, appointees, and persons with substantive control shall not, in the course of performing their duties, directly or indirectly provide, promise, request, or accept any form of improper benefit from customers, agents, contractors, suppliers, public officials, or other interested parties.

Article 11 (Prohibition on Providing Illegal Political Contributions)

The Company and its directors, managers, employees, appointees, and persons with substantive control, when directly or indirectly providing contributions to political parties or organizations or individuals participating in political activities, shall comply with the Political Donations Act and the Company' s relevant internal procedures, and shall not do so for the purpose of seeking commercial benefits or transactional advantages.

Article 12 (Prohibition on Improper Charitable Donations or Sponsorships)

The Company and its directors, managers, employees, appointees, and persons with substantive control, when making charitable donations or providing sponsorships, shall comply with applicable laws and regulations as well as the Company' s internal operating procedures, and shall not use such donations or sponsorships as a means of disguised bribery.

Article 13 (Prohibition of Unreasonable Gifts, Hospitality, or Other Improper Benefits)

The Company and its directors, managers, employees, appointees, and persons

with substantive control shall not, directly or indirectly, offer or accept any unreasonable gifts, hospitality, or other improper benefits for the purpose of establishing business relationships or influencing commercial transactions.

Article 14 (Prohibition of Infringement of Intellectual Property Rights)

The Company and its directors, managers, employees, appointees, and persons with substantive control shall comply with intellectual property laws, the Company's internal procedures, and contractual provisions. Without the consent of the intellectual property owner, they shall not use, disclose, dispose of, damage, or otherwise infringe upon intellectual property rights.

Article 15 (Prohibition of Unfair Competition Practices)

The Company shall conduct its business activities in compliance with relevant competition laws and regulations. It shall not engage in price-fixing, bid-rigging, production or quota restrictions, or share or divide the market by allocating customers, suppliers, operating regions, or types of business.

Article 16 (Prevention of Harm to Stakeholders from Products or Services)

The Company and its directors, managers, employees, agents, and controlling parties shall, during the research and development, procurement, manufacturing, provision, or sale of products and services, comply with relevant laws, regulations, and international standards. They shall ensure transparency and safety of products and services, establish and disclose policies for protecting the rights and interests of consumers or other stakeholders, and implement these policies in operational activities to prevent products or services from directly or indirectly harming the rights, health, or safety of consumers or other stakeholders. If there is sufficient evidence that any product or service may endanger the safety or health of consumers or other stakeholders, the affected batch should, in principle, be recalled or the service discontinued.

Article 17 (Organization and Responsibilities)

The Company's directors, managers, employees, agents, and controlling parties shall exercise the duty of care of a prudent manager, supervise the Company in preventing dishonest or unethical behavior, and continuously review and improve implementation effectiveness to ensure the enforcement of the integrity management policy.

To maintain sound integrity management, the Company shall establish a dedicated

unit under the Board of Directors, equipped with adequate resources and competent personnel, responsible for the formulation and supervision of the integrity management policy and preventive measures. This unit shall primarily handle the following matters and report regularly (at least once a year) to the Board:

1. Assist in integrating integrity and ethical values into corporate strategies, and formulate anti-fraud measures in accordance with laws and regulations to ensure honest business operations.
2. Regularly analyze and assess high-risk business activities for potential dishonest behavior, formulate preventive measures, and establish standard operating procedures and conduct guidelines within each preventive plan.
3. Plan internal organization, staffing, and responsibilities, and implement mutual monitoring and balancing mechanisms for business activities with high risks of dishonest conduct.
4. Promote and coordinate integrity policy training programs.
5. Plan and maintain a reporting (whistleblowing) system to ensure its effectiveness.
6. Assist the Board and management in auditing and evaluating whether the preventive measures for integrity management are effectively operating, and periodically assess compliance in relevant business processes, producing formal reports.

Article 18 (Compliance with Laws in Business Execution)

The Company's directors, managers, employees, agents, and controlling parties shall, in the course of performing their duties, comply with all applicable laws and regulations as well as the Company's established preventive measures.

Article 19 (Conflict of Interest Avoidance)

1. The Company shall establish policies to prevent conflicts of interest, enabling the identification, supervision, and management of risks that may lead to dishonest behavior. It shall also provide appropriate channels for directors, managers, and other stakeholders attending or participating in board meetings to proactively disclose any potential conflicts of interest with the Company.

2. Directors, managers, and other stakeholders attending or participating in board meetings who have a conflict of interest regarding any board agenda item, either personally or on behalf of a legal entity they represent, shall disclose the material details of such conflict during the meeting. If the conflict may harm the Company' s interests, they shall abstain from discussion and voting and shall not act as a proxy for any other director' s voting rights. Directors are also expected to exercise self-discipline and refrain from providing undue support to one another.

3. Directors, managers, employees, agents, and controlling parties shall not use their positions or influence within the Company to obtain improper benefits for themselves, their spouses, parents, children, or any other person.

Article 20 (Accounting and Internal Control)

1. For business activities with higher risks of dishonest behavior, the Company shall establish effective accounting and internal control systems. No off-the-books or secret accounts shall be maintained, and the systems shall be regularly reviewed to ensure their design and implementation remain effective.

2. The Company' s internal audit unit shall develop audit plans based on the assessment of dishonest behavior risks. The plans shall include audit subjects, scope, items, and frequency, and shall be used to verify compliance with the prevention measures. Where necessary, external certified public accountants or other professionals may be engaged to assist in the audit.

3. The results of such audits shall be reported to senior management and the dedicated unit for integrity management, and an audit report shall be submitted to the Board of Directors.

Article 21 (Operational Procedures and Code of Conduct Guidelines)

The Company shall, in accordance with Article 6, establish operational procedures and guidelines that specify the matters to which directors, managers, employees, and persons with substantial control must pay attention when performing their duties. The content shall at minimum cover the following items:

1. Standards for determining the provision or acceptance of improper benefits.

2. Procedures for handling lawful political contributions.
3. Procedures and monetary standards for making legitimate charitable donations or sponsorships.
4. Rules for avoiding conflicts of interest related to duties, and the declaration and handling procedures.
5. Confidentiality requirements for confidential or commercially sensitive information obtained in the course of business.
6. Rules and handling procedures regarding suppliers, customers, and business partners involved in dishonest behavior.
7. Procedures for handling violations of the Company' s Code of Integrity.
8. Disciplinary measures to be taken against violators.

Article 22 (Education, Training, and Assessment)

1. The Chairperson, President (General Manager), or senior management of the Company shall regularly communicate the importance of integrity to directors, employees, and appointees.
2. The Company shall periodically provide education, training, and advocacy programs for directors, managers, employees, appointees, and persons with substantial control, and shall invite counterparties engaging in business activities with the Company to participate, so as to ensure their full understanding of the Company' s commitment to ethical business conduct, its policies, prevention measures, and the consequences of violations of integrity.
3. The Company shall integrate its ethical business conduct policies into employee performance evaluations and human resource policies, and establish clear and effective reward and disciplinary systems.

Article 23 (Whistleblowing System)

The Company shall establish and effectively implement a concrete whistleblowing system, the contents of which shall at least include the following:

1. Establish and publicly announce independent internal whistleblowing mailboxes, hotlines, or engage other external independent institutions to provide whistleblowing mailboxes or hotlines for use by both internal and external personnel.
2. Designate dedicated personnel or units to receive whistleblowing reports. If the reported matter involves directors or senior management, it shall be reported to the independent directors, and categories of whistleblowing matters as well as their corresponding standard operating procedures for investigation shall be established.
3. Establish follow-up measures to be taken after the completion of investigations of whistleblowing cases, based on the severity of the circumstances; where necessary, reports shall be made to the competent authorities or cases shall be referred to judicial authorities for investigation.
4. Maintain records and preservation of documents related to the acceptance of whistleblowing cases, the investigation process, investigation results, and the preparation of relevant documentation.
5. Ensure the confidentiality of the whistleblower's identity and the content of the report, and permit anonymous whistleblowing.
6. Establish measures to protect whistleblowers from improper treatment as a result of making a report.
7. Establish whistleblower reward mechanisms.

If the personnel or unit responsible for handling whistleblowing reports discovers, through investigation, any material violation or circumstances that may cause significant damage to the Company, a report shall be prepared immediately and the independent directors shall be notified in writing.

Article 24 (Disciplinary and Appeal System)

The Company shall clearly establish and publicly announce disciplinary and appeal systems for violations of the integrity and ethical business conduct requirements, and shall promptly disclose on the Company's internal website information regarding the violators, including their job titles, names, dates of violation, details of the violations, and the handling or disciplinary actions taken.

Article 25 (Information Disclosure)

The Company shall establish quantitative metrics for promoting ethical and integrity-based business practices, and shall continuously analyze and evaluate the effectiveness of the implementation of its integrity policies. The Company shall disclose on its website, in its annual report, and in its prospectus the measures adopted for ethical business conduct, the status of their implementation, and the aforementioned quantitative data and implementation results, and shall also disclose the contents of the Code of Ethical and Integrity-Based Business Conduct on the Market Observation Post System (MOPS).

Article 26 (Review and Amendment of Ethical and Integrity-Based Business Policies and Measures)

The Company shall at all times monitor developments in domestic and international regulations and standards relating to ethical and integrity-based business conduct, and shall encourage directors, managers, and employees to provide suggestions. Based on such input, the Company shall review and improve its established ethical and integrity-based business policies and the measures implemented thereunder, in order to enhance the effectiveness of the Company's ethical and integrity-based business practices.

Article 27 (Implementation)

1. These Operating Procedures and the Code of Conduct shall be implemented upon approval by a resolution of the Board of Directors and shall be submitted to the shareholders' meeting for reporting; the same shall apply to any amendments hereto.
2. When the Company submits the Ethical and Integrity-Based Business Code to the Board of Directors for discussion pursuant to the preceding paragraph, it shall fully take into consideration the opinions of all independent directors. Any dissenting or qualified opinions expressed by independent directors shall be recorded in the minutes of the board meeting. If an independent director is unable to attend the board meeting in person to express a dissenting or qualified opinion, he or she shall, unless there is a justifiable reason, submit a written opinion in advance, which shall also be recorded in the minutes of the board meeting.

Article 28

This Code was established on August 28, 2024.