

TAIWAN CEMENT CORPORATION
Ethical Corporate Management Best Practice Principles

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Amended for the first time by the 5th meeting of the 22nd board of directors on March 30, 2016
Amended for the second time by the 8th meeting of the 23rd board of directors on March 22, 2019
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Amended for the sixth time by the 26th meeting of the 23rd board of directors on May 12, 2021

Article 1 (Purpose of Formulation and Scope of Application)

These Principles are formulated to foster a corporate culture of ethical management and sound development, and offer a mode for establishing good commercial practices.

These Principles are applicable to the business groups and organizations of the Company, which comprise its subsidiaries, any foundation to which the Company's direct or indirect contribution of funds exceeds 50 percent of the total funds received, and other institutions or juridical persons which are substantially controlled by the Company (hereinafter referred to as "business group").

Article 2 (Prohibition of Unethical Conduct)

When engaging in commercial activities, directors, managers, employees, and mandataries of the Company or persons having substantial control over the Company (hereinafter referred to as "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 (hereinafter referred to as "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 (Type 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. 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 or Regulations)

The Company 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, the Taiwan Stock Exchange Corporation (TWSE) / GreTai Securities Market (GTSM) listing rules, or other laws or regulations regarding commercial activities, as the underlying basic premise to facilitate ethical corporate management.

Article 5 (Policy)

The Company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.

Article 6 (Commitment and Implementation)

The Company shall require the directors and senior management to issue a statement of compliance with the ethical corporate management policies, and shall require employees to comply with such policies as part of their employment conditions.

The Company and its respective business group shall clearly specify in its internal rules, external documents and the Company's website the ethical corporate management policies and the commitment by the board of directors and the management on rigorous and thorough implementation of such policies, and shall carry out the policies in internal management and in external commercial activities. The Company shall make and keep documented information regarding the policies, statements, commitments and implementation as stated in the preceding paragraphs.

Article 7 (Commercial Activities based on ethical management)

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

Prior to any commercial transactions, the Company shall take into consideration the legality of its agents, suppliers, clients, or other trading counterparties and whether any of them are involved in unethical conduct, and shall avoid any dealings with persons so involved.

When entering into contracts with agents, suppliers, clients, or other trading counterparties, the Company shall include in such contracts terms requiring compliance with ethical corporate management policy and that in the event the trading counterparties are involved in unethical conduct, the Company may at any time terminate or rescind the contracts.

Article 8 (Prohibition of Offering and Accepting Bribes)

When conducting business, the Company and the Company's 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, including through the political party, the organizations which are involved in political activities individuals directly or indirectly provided donations, or bribery in disguise in the form of sponsorship.

Article 9 (Prohibition of Illegally Offering Political Donations)

When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the Company and the Company's 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 10 (Prohibition of Making or Offering Inappropriate Donations and Sponsorship)

When making or offering donations and sponsorship, the Company and the

Company's 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 11 (Prohibition of Unreasonable Presents, Hospitality or Other Improper Benefits)
The Company and the Company's directors, managers, employees, mandataries, and substantial controllers shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.

Article 12 (Prohibition of Infringing Intellectual Property Rights)
The Company and the Company's 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 13 (Prohibition of Engaging in Unfair Competition)
The Company 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 14 (Prevention of Products and Services from Damaging Stakeholders)
In the course of research and development, procurement, manufacture, provision, or sale of products and services, the Company and the Company's 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. 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 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 15 (Environment, Health and Safety)
In order to implement the company's environmental protection and circular economy philosophy and commitments, the company and its directors, managers, employees, mandataries, and substantial controllers shall abide by relevant environmental protection laws and policies, in all operating activities, the company shall attach importance to the efficiency of the use of various resources, and are committed to controlling air pollution, hazardous waste, water and soil pollution, energy use, and noise generated during the design and manufacturing process.
The company shall be committed to providing a safe and healthy working environment. The directors, managers, employees, assignees and substantive controllers of the company shall be committed to providing a safe and healthy

working environment, and complying with relevant domestic regulations regarding work safety and physical and mental health in accordance with international laws, company policies and regulations; and shall participate in physical and mental health promotion activities, and receive safety and health training based on the relevant legal requirement.

Article 16 (Organization and Responsibility)

The directors, managers, employees, mandataries, and substantial controllers of the Company shall exercise the due care of good administrators to urge the company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies.

To achieve sound ethical corporate management of the Company, the auditing office is responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs, and reporting the following to the board of directors on a regular basis (no less frequently than once in a year):

1. Assist integrating ethical and moral values into the Company's business strategy and formulate anti-fraud measures in accordance with laws and regulations to ensure ethical corporate management.
2. Regularly analyze and evaluate the risk of unethical conduct within the business scope; formulate the prevention plan of unethical conduct accordingly; and establish standard operational procedures and guidelines related to work and business in each plan.
3. Plan the internal organization and staff establishment and allocate responsibilities. Place mutual supervision and balance mechanism for the business activities with higher risk of unethical conduct within the business scope.
4. Promote and coordinate the training for ethical policy.
5. Plan the whistle-blowing system and ensure the effectiveness of implementation.
6. Assist the board of directors and management in checking and evaluating the effectiveness of the preventive measures established according to the ethical management. Regularly evaluate and follow up the relevant business processes and prepare reports accordingly.

Article 17 (Compliance with Laws and Regulations when Conducting Business)

The Company and the Company's directors, managers, employees, mandataries, and substantial controllers shall comply with laws and regulations and the prevention programs when conducting business.

Article 18 (Avoidance of Interest)

The Company shall adopt policies for preventing conflicts of interest to identify, monitor, and manage risks possibly resulting from unethical conduct, and shall also offer appropriate means for directors, managers, and other stakeholders attending or present at board meetings to voluntarily explain whether their interests would potentially conflict with those of the company.

When a proposal at a given board of directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, supervisors, managers, and other stakeholders attending or present at board meetings of the Company, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is

likely to prejudice the interest of the company, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings.

The Company's directors, managers, employees, mandataries, and substantial controllers shall not take advantage of their positions or influence in the company to obtain improper benefits for themselves, their spouses, parents, children or any other person.

Article 19 (Prohibition of Discriminatory Behaviors)

The Company and the Company's directors, managers, employees, mandataries, and substantial controllers shall not discriminate in recruitment or in the workplace on grounds of race, color, age, gender, sexual orientation, race, disability, pregnancy, beliefs, political affiliation, community members or marital status.

Article 20 (Prohibition of Insider Trading)

The Company and the Company's directors, managers, employees, mandataries, and substantial controllers shall observe Securities and Exchange Act, and may neither use non-public information he/she knows to conduct insider trading, nor disclose such information to other parties in order to prevent such other parties to use non-public information to conduct insider trading.

Article 21 (Accounting Systems and Internal Control Systems)

The Company 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 the Company shall, based on the assessment results of the risk of unethical conduct, draw up the relevant audit plan, including the audit object, scope, items, frequency, etc., and examine the compliance of the prevention plan accordingly. 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 the audit referred to in the preceding paragraph shall be communicated to the senior management and the dedicated unit handling the ethical management, and an audit report shall be prepared and submitted to the board of directors.

Article 22 (Operational Procedures and Guidelines)

The Company shall establish operational procedures and guidelines for the plan of prevention from an unethical conduct to guide directors, managers, employees, and substantial controllers on how to conduct business. The procedures and guidelines contain the following matters:

1. Standards for determining whether improper benefits have been offered or accepted.
2. Procedures for offering legitimate political donations.
3. Procedures and the standard rates for offering charitable donations or sponsorship.
4. Rules for avoiding work-related conflicts of interests and how they should be

reported and handled.

5. Rules for keeping confidential trade secrets and sensitive business information obtained in the ordinary course of business.
6. Regulations and procedures for dealing with suppliers, clients and business transaction counterparties suspected of unethical conduct.
7. Handling procedures for violations of these Principles.
8. Disciplinary measures on offenders.
9. Procedures for handling prohibition of employment discrimination.
10. Procedures for investigating and handling prohibition of engaging in unfair competition.
11. Procedures for investigating and handling prohibition of insider trading.

Article 23 (Training Program and Appraisal)

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

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

The Company 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 24 (Whistle-blowing System)

The Company 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 company insiders and outsiders to submit reports.
2. Dedicated personnel or unit appointed to handle whistle-blowing system. Any tip involving a director or senior manager shall be reported to the independent directors. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted.
3. Follow-up measures to be taken after the investigation of the case according to the seriousness of the case. If necessary, the case shall be reported to the competent authority or transferred to the judicial authority for further investigation.
4. Documentation of case acceptance, investigation processes, investigation results, and relevant documents.
5. Confidentiality measures and the access right control of the identity of whistle-blowers and the content of reported cases.
6. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing.
7. Whistle-blowing incentive measures.

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

Article 25 (Disciplinary and Appeal System)

The Company 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 26 (Disclosure of Information)

The Company shall collect quantitative data about the promotion of ethical management and continuously analyze and assess the effectiveness of the promotion of ethical management policy. The Company 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 27 (Review of Ethical Corporate Management Policies and Measures)

The Company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage their directors, managers, and employees 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 28 (Implementation)

The Principles shall be implemented after the board of directors grants the approval, and shall be sent to each member of the audit committee and reported at a shareholders' meeting. The same procedure shall be followed when the Principles have been amended.

When the ethical corporate management best practice principles are submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it 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 objection 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.