

Desiccant Technology Co., Ltd.

Integrity Operating Procedures and Code of Conduct

1. Purpose and Scope of Application

- 1.1 The Company conducts business activities based on the principles of fairness, honesty, integrity, and transparency. In order to implement the policy of integrity management and actively prevent dishonest behavior, this Operating Procedure and Code of Conduct is established in accordance with the "Code of Conduct for Listed and OTC Companies" and relevant laws and regulations in the operational locations of the Company and its affiliated enterprises and organizations. It specifies the matters that personnel of the Company should pay attention to when performing their duties.
- 1.2 This Operating Procedure and Code of Conduct applies to the Company's subsidiaries, foundations that the Company directly or indirectly donates to with a cumulative amount exceeding fifty percent, and other affiliated enterprises and organizations that have substantial control over the Company.

2. Scope of Application

- 2.1 The term "company personnel" referred to in this operating procedure and code of conduct refers to directors, managers, employees, appointees, and individuals with substantial control within the company and group entities.
- 2.2 If company personnel obtain, promise, request, or accept any improper benefits through a third party, it shall be presumed that the act was committed by the company personnel.

3. Dishonest Behaviors

- 3.1 The term "dishonest behaviors" referred to in this operating procedure and code of conduct refers to any behaviors of company personnel during the execution of business that directly or indirectly offer, accept, promise, or request any improper benefits, or engage in other behaviors that violate integrity, legality, or fiduciary obligations.
- 3.2 The targets of the aforementioned behaviors include public officials, political candidates, party officials, as well as any public or private enterprises or organizations, and their directors (trustees), managers, employees, individuals with substantial control or other stakeholders.

4. Forms of Benefits

The term "benefits" referred to in this operating procedure and code of conduct includes any form or name of money, gifts, presents, commissions, positions, services, favors, kickbacks, facilitation fees, entertainment, hospitality, and other valuable items.

5. Dedicated Unit

The company designates the Administrative Management Center as the dedicated unit (hereinafter referred to as the "Company Dedicated Unit"), and allocates sufficient resources and competent personnel to handle the revision, implementation, interpretation, consultation services, and content registration and filing of this operation procedure and code of conduct. The main responsibilities of the Company Dedicated Unit are as follows, and it shall report regularly (at least once a year) to the board of directors :

- 5.1 Assist in integrating integrity and moral values into the company's business strategy, and cooperate with the establishment of legal and regulatory measures to ensure the implementation of measures for honest and ethical operation.
- 5.2 Regularly analyze and evaluate the risks of dishonest behavior within the scope of business and formulate prevention plans for dishonest behavior. Develop related standard operating procedures and codes of conduct for each plan.
- 5.3 Plan internal organization, staffing, and responsibilities, and establish mutual supervision and balance mechanisms for business activities with higher risks of dishonest behavior within the scope of business.
- 5.4 Promote and coordinate the dissemination of integrity policy advocacy and training.
- 5.5 Plan a whistleblowing system to ensure its effectiveness in execution.
- 5.6 Assist the board of directors and management in checking and evaluating the effectiveness of the preventive measures established for honest and ethical operation, and regularly evaluate the compliance status of relevant business processes and prepare reports.
- 5.7 Prepare and properly maintain documented information on integrity operation policy, its compliance statement, implementation commitments, and execution status.

6. Prohibition of Offering or Receiving Improper Benefits

The company's personnel shall comply with the provisions of the "Code of Conduct for Listed and Over-the-Counter Companies' Honest and Ethical Operation" and the provisions of this operation procedure and code of conduct when directly or indirectly offering, receiving, promising, or requesting benefits as defined in Article 4, unless otherwise provided in the following subparagraphs and handled according to the relevant procedures :

- 6.1 In accordance with local courtesy, customs, or practices during domestic or overseas visits, hosting foreign guests, promoting business, and communication and coordination, based on business needs.
- 6.2 Participating in or inviting others to hold normal social activities based on normal social customs, business purposes, or relationship building.
- 6.3 Inviting customers or being invited to participate in specific business activities or factory visits due to business needs, and specifying the cost-sharing method, the number of participants, accommodation level, and duration of the above activities.
- 6.4 Participating in public and open folk festivals and celebrations that invite the general public.
- 6.5 Rewards, aid, condolences, or condolences provided by superiors.
- 6.6 For social etiquette customs or other situations that comply with the company's regulations.

7. Handling Procedures for Offering or Accepting Improper Benefits

- 7.1 When company personnel encounter someone who directly or indirectly offers or promises benefits as defined in Article 4, except in situations described in the previous articles, they should follow the following procedures:
 - 7.1.1 If the person providing or promising benefits has no vested interests with the recipient's position, the recipient should report it to their immediate supervisor within three days of receiving the benefits, and inform the relevant unit of the company if necessary.
 - 7.1.2 If the person providing or promising benefits has vested interests with the recipient's position, the recipient should return or refuse the benefits, report it to their immediate supervisor and inform the relevant unit of the company. If unable to return the benefits, they should hand them over to the relevant unit of the company within three days of receiving them.
- 7.2 The vested interests with the recipient's position in the previous section refer to one of the following situations:

- 7.2.1 Having a business relationship, commanding and supervising, or receiving fee subsidies or awards.
- 7.2.2 Seeking, conducting, or having established a contract, such as a procurement or sales agreement, or other related contractual relationship.
- 7.2.3 Other situations that may receive beneficial or detrimental effects from the company's business decisions, execution or non-execution.
- 7.3 The relevant unit of the company should propose appropriate suggestions, such as returning, paying for, transferring to charity, or other measures, based on the nature and value of the first benefit, and submit them to the general manager for approval before implementation.

8. Prohibition of Offering or Promising Facilitation Fees

- 8.1 The company shall not offer or promise any facilitation fees.
- 8.2 If any company personnel provide or promise facilitation fees due to threats or intimidation, they should record the process and report it to their immediate supervisor and inform the relevant unit of the company.
- 8.3 Upon receiving the notification in the previous section, the relevant unit of the company should handle it immediately, review related matters, and reduce the risk of recurrence. If any illegal activities are discovered, the judicial authorities should be immediately notified.

9. Handling Procedures for Political Donations

The company shall conduct business activities in a fair and transparent manner. When providing political donations, the company should follow the company's regulations and the following regulations :

- 9.1 The political donation should comply with the political donation-related laws and regulations of the recipient's country, including the upper limit and form of political donations.
- 9.2 The decision should be recorded in writing.
- 9.3 The political donation should be properly accounted for according to legal and accounting procedures.
- 9.4 When providing political donations, the company should avoid engaging in any business dealings, applying for permits, or other matters related to the company's interests with government-related units.

10. Procedures for processing charitable donations or sponsorships.

The company provides charitable donations and sponsorship, which should be

handled in accordance with the company's rules and the following provisions :

- 10.1 It should comply with the regulations of the country or region in which the company operates.
- 10.2 Decisions should be recorded in writing.
- 10.3 Charitable donations should be made to charitable organizations, and not for any other purpose such as bribery.
- 10.4 Any benefits obtained from sponsorship should be clear and reasonable, and not involve any commercial transactions with the company or individuals related to the company's employees.
- 10.5 After making a charitable donation or sponsorship, the company should confirm that the use of the funds is consistent with the intended purpose.

11. Avoidance of Conflicts of Interest

- 11.1 Directors, managers, and other stakeholders who attend or participate in board meetings and who have a vested interest in the matters being discussed, or their representatives, should disclose the important contents of their interests at the meeting. If such interests are deemed harmful to the interests of the company, they should abstain from discussing or voting on the matter, and should not exercise the voting rights of other directors. Directors should also exercise self-discipline and not support each other in inappropriate ways.
- 11.2 Spouses, blood relatives within two degrees, or companies that are under the control or subsidiary of directors, who have an interest in the matters discussed in the preceding paragraph, are considered to have a personal interest in the matter.
- 11.3 When executing company business, if employees find any conflicts of interest that may benefit themselves, their spouses, parents, children, or related parties, they should report relevant information to their immediate supervisors and the company's dedicated unit, and their immediate supervisors should provide appropriate guidance.
- 11.4 Company employees should not use company resources for business activities outside the company, and should not let their participation in activities outside the company affect their job performance.

12. Information Confidentiality and Intellectual Property Preservation

- 12.1 The company should establish a dedicated unit to manage, preserve, and keep confidential its trade secrets, trademarks, patents, copyrights, and other intellectual property, and should periodically review the results of its

implementation to ensure the continued effectiveness of its procedures.

- 12.2 Company personnel should strictly follow the relevant operational procedures for intellectual property in the preceding paragraph, not disclose any company trade secrets, trademarks, patents, copyrights, or other intellectual property to others, and should not inquire or collect any company trade secrets, trademarks, patents, copyrights, or other intellectual property that is not related to their job duties.

13. Prohibition of Unfair Competition

The company should comply with the Fair Trade Act and other relevant competition regulations, and should not fix prices, manipulate bidding, restrict production or quotas, or share or divide markets, customers, suppliers, operating areas, or business types in any unfair manner that harms the interests of competitors, consumers, or society.

14. Prohibition of Insider Trading and Confidentiality Agreement

14.1 Employees of the company shall comply with the provisions of the Securities Exchange Act and shall not engage in insider trading using undisclosed information they know, nor disclose it to others to prevent others from engaging in insider trading using such undisclosed information.

14.2 Institutions or personnel who participate in the company's mergers, divisions, acquisitions, stock transfers, important memoranda, strategic alliances, other business cooperation plans, or important contracts shall sign a confidentiality agreement with the company, promising not to disclose any business secrets or other significant information known to them to others, and shall not use such information without the company's consent.

15. Declaration of Honest Business Policy to the Public

15.1 The company shall require directors and senior management to issue a statement of compliance with the honest business policy, and employment conditions shall require employees to comply with the honest business policy.

15.2 The company shall disclose its honest business policy in internal regulations, annual reports, company websites, or other promotional materials, and timely declare it at external events such as product launches or corporate briefings, so that suppliers, customers, or other business-related institutions and personnel can clearly understand its honest business philosophy and standards.

16. Examination Before Establishing Business Relationships

- 16.1 Before the company establishes business relationships with others, it shall evaluate the legality and honest business policy of agents, suppliers, customers, or other business counterparts, as well as whether they have a record of dishonest behavior, to ensure that their business operations are fair, transparent, and do not require, provide, or receive bribes.
- 16.2 In conducting the evaluation described above, the company may adopt appropriate verification procedures to examine the following matters regarding its business counterpart to understand their honesty and business operation conditions:
- 16.2.1 The country of origin, location of operations, organizational structure, business policies, and payment location of the enterprise.
 - 16.2.2 Whether the enterprise has established an honest business policy and its execution status.
 - 16.2.3 Whether the location where the enterprise operates is a high-risk country for corruption.
 - 16.2.4 Whether the business conducted by the enterprise belongs to a high-risk industry for bribery.
 - 16.2.5 The long-term business operation status and reputation of the enterprise.
 - 16.2.6 Consultation with its business partners regarding their opinions on the enterprise.
 - 16.2.7 Whether the enterprise has a record of dishonest behavior such as bribery or illegal political donations.

17. Explain the policy of conducting business with integrity to business partners

In the process of conducting business activities, company personnel should explain the company's policy of conducting business with integrity and relevant regulations to business partners and clearly refuse to directly or indirectly provide, promise, request, or accept any form or pretext of improper benefits.

18. Avoid conducting business with dishonest operators

Company personnel should avoid conducting business transactions with agents, suppliers, customers, or other business partners involved in dishonest behavior. If it is found that business dealings or cooperation with any dishonest parties, they should immediately stop conducting business with them and put them on the list

of refused business partners to uphold the company's policy of conducting business with integrity.

19. Include integrity in contracts

When the company signs a contract with another party, it should fully understand the other party's status of conducting business with integrity. The contract should include compliance with the company's integrity clauses and the following matters :

- 19.1 If either party becomes aware of personnel violating the contract clause prohibiting the acceptance of commissions, kickbacks, or other improper benefits, they should immediately inform the other party of the identity of such personnel, the method, amount, or other form of improper benefits provided, promised, requested or accepted, and provide relevant evidence to cooperate with the other party's investigation. If one party suffers damages due to this, it can request compensation from the other party and deduct it from the contract price that should be paid.
- 19.2 If either party's commercial activities involve dishonest behavior, the other party can terminate or rescind the contract unconditionally at any time.
- 19.3 Establish clear and reasonable payment terms, including payment location, method, and compliance with relevant tax regulations.

20. Handling of company personnel involved in dishonest behavior

The company encourages internal and external personnel to report dishonest or improper behavior. The relevant reporting system regulations, such as the acceptance, investigation, and reporting of reported cases, should be handled according to the company's regulations.

21. Handling of company personnel involved in dishonest behavior

If company personnel encounter dishonest behavior by others towards the company, and their behavior involves illegal activities, the company should notify judicial or prosecutorial agencies. If it involves government agencies or officials, the company should notify the government's anti-corruption agency.

22. Education and training

- 22.1 Regularly conduct internal promotion of the policy of conducting business with integrity to convey the importance of integrity and arrange the chairman, general manager, or senior management to convey the importance of integrity to directors, employees, and appointees.
- 22.2 Include conducting business with integrity in employee performance

evaluation and human resource policies, and establish a clear and effective reward and punishment and appeal system.

22.3 For company personnel who violate the integrity clause and whose behavior is significant, they should be dismissed or terminated in accordance with relevant laws or the company's personnel regulations.

22.4 Establish an internal intranet platform to provide integrity-related training courses and related materials.

23. Establishment, Revision, or Abolition

23.1 This operating procedure and code of conduct must be approved by the audit committee and the board of directors before implementation, and a report should be submitted to the shareholders' meeting. The same applies to revisions.

23.2 When submitting this operating procedure and code of conduct to the board of directors for discussion, the opinions of independent directors should be fully taken into account, and their opposing or reserved opinions should be recorded in the board meeting minutes. If independent directors cannot attend the board meeting in person to express their opposing or reserved opinions, except for legitimate reasons, they should provide written opinions in advance and record them in the board meeting minutes.