

Shinkong Synthetic Fibers Corporation

Code of Ethical Conduct

(Approved on May 28, 2021)

**Article 1 (Purpose and Basis)**

For the purpose of guiding the conduct of the Company's directors, managers, and other employees to comply with ethical standards, and enabling the Company's stakeholders to better understand the Company's ethical standards, this Code is hereby formulated as a basis for compliance.

**Article 2 (Scope of Application)**

This Code of Conduct shall apply to all directors, managers, and other employees of the Company.

The foregoing applicable persons are hereinafter collectively referred to as "Company Personnel."

**Article 3 (Standards of Ethical Conduct)**

**I. Prevention of Conflicts of Interest:**

(1) Company Personnel shall avoid situations in which personal interests intervene or may intervene in the overall interests of the Company, thereby giving rise to conflicts of interest, or situations in which, by virtue of their positions in the Company, they themselves, their spouses, or relatives within the second degree of kinship obtain improper benefits.

(2) Any lending of funds, provision of guarantees, material asset transactions, or purchase and sale transactions between the Company and its affiliated enterprises shall be handled in accordance with the Company's "Procedures for Transactions with Related Parties, Specific Companies, and Group Enterprises."

**II. Avoidance of Opportunities for Personal Gain:**

Company Personnel shall avoid the following:

- (1) Seeking opportunities for personal gain through the use of Company property or information, or by taking advantage of their positions.
- (2) Obtaining personal benefits through the use of Company property or information, or by taking advantage of their positions.
- (3) Competing with the Company. When the Company has business opportunities for profit, Company Personnel have a duty to enhance the legitimate and lawful interests that the Company may obtain.

### III. Confidentiality Obligations:

Company Personnel shall have a duty to maintain confidentiality with respect to information of the Company itself or its customers related to purchases or sales. Except where disclosure is authorized or required by law, such information shall be kept confidential.

Confidential information includes all non-public information that may be exploited by competitors or that may cause harm to the Company or its customers if disclosed.

Company Personnel shall comply with the provisions of confidentiality agreements entered into with the Company.

### IV. Fair Dealing:

Company Personnel shall treat the Company's customers related to purchases or sales, competitors, and employees fairly, and shall not obtain improper benefits through manipulation, concealment, abuse of information obtained by virtue of their positions, misrepresentation of material matters, or other unfair trading practices.

### V. Protection and Proper Use of Company Assets:

- (1) Company Personnel have a duty to protect the Company's assets and to ensure that such assets are used effectively and lawfully for business purposes, and to avoid theft, negligence, or waste that may adversely affect the Company's profitability.
- (2) Management of the Company's assets shall be handled in accordance with the Company's "Asset Management Regulations."

### VI. Compliance with Laws and Regulations:

In addition to complying with the Company's internal regulations, Company Personnel shall conduct themselves in accordance with the Securities and Exchange Act and other applicable laws and regulations.

## VII. Encouragement to Report Illegal or Unethical Conduct:

- (1) The Company has established anti-corruption mailboxes, hotlines, and suggestion boxes. Where employees in good faith suspect or discover any conduct in violation of work rules, this Code, or government laws and regulations, they may anonymously report the facts discovered. Such reports shall be handled by the responsible department supervisors.
- (2) Employees may also report directly to directors, managers, internal audit supervisors, or other appropriate supervisory personnel.
- (3) For any whistleblowing report, the Company's relevant receiving personnel shall make every effort to maintain confidentiality and protect the safety of the whistleblower to prevent retaliation.

## VIII. Disciplinary Measures:

- (1) Where Company Personnel are involved in violations of relevant government laws and regulations, the competent authorities shall pursue criminal and civil liabilities and claims for damages in accordance with law.
- (2) Where Company Personnel violate this Code, they may file an appeal immediately upon providing evidence, and the relevant supporting materials shall be submitted to the management meeting or the Board of Directors meeting for final resolution.
- (3) Where a court judgment determines that conduct is illegal, or where the management meeting or the Board of Directors meeting resolves that this Code has been violated and imposes disciplinary actions, the Company shall promptly disclose on the Market Observation Post System information including the date of violation, facts of the violation, provisions violated, and handling status of the personnel who violated this Code of Ethical Conduct.

## Article 4 (Procedures for Waiver)

Where it is necessary to grant a waiver to directors or managers from compliance with this Code of Ethical Conduct, such waiver shall be approved by a resolution of the Board of Directors. The Company shall promptly disclose on the Market Observation Post System the date of Board approval, any dissenting or qualified opinions of independent directors, the period of the waiver, the reasons for the waiver, and the provisions waived.

## Article 5 (Disclosure Method)

The Company shall disclose this Code of Ethical Conduct on its company website, in its annual reports, prospectuses, and on the Market Observation Post System. The same shall apply to any amendments hereto.

## Article 6 (Implementation)

This Code of Ethical Conduct shall be implemented upon approval by the Board of Directors and shall be submitted to the Shareholders' Meeting. The same shall apply to any amendments.