



## Code of Ethical Conduct

Note: The original version of this regulation is published in Chinese. In case of discrepancy between the Chinese and English versions the Chinese version shall prevail.

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**Taiwan High Speed Rail Corporation  
Code of Ethical Conduct**

**Table of Contents**

Titles .....	Page
Title of Corporate Document .....	Cover Sheet
Table of Contents .....	i
Article 1 (Purpose and basis for adoption).....	1
Article 2 (Applicable scope and definition).....	1
Article 3 (Standard of ethical conduct) .....	1
Article 4 (Team spirit and the principle of good faith) .....	1
Article 5 (Equal employment and non-discrimination) .....	1
Article 6 (Healthy and safe work environment).....	1
Article 7 (Respect for privacy).....	2
Article 8 (Confidentiality).....	2
Article 9 (Obligation to correctly produce and preserve documents and materials) .....	2
Article 10 (Proper protection of the Corporation's assets).....	2
Article 11 (Prohibition of insider trading) .....	3
Article 12 (Prohibition of using corporate position to pursue private benefit) .....	3
Article 13 (Prohibition of conflict of interest) .....	3
Article 14 (Preventing possible conflicts of interest).....	3
Article 15 (Fair trade and treatment).....	4
Article 16 (Prohibition of gifts, bribes, or improper benefits) .....	4
Article 17 (Obligation to report transactions truthfully) .....	4
Article 18 (Respecting the intellectual property rights of others).....	4

**Taiwan High Speed Rail Corporation  
Code of Ethical Conduct**

Article 19	(Restriction against partisan political activity) .....	4
Article 20	(Restriction against interfering with others engaging in partisan political activity).....	4
Article 21	(Whistleblowing obligations).....	4
Article 22	(Disciplinary action) .....	5
Article 23	(Remedial procedure with respect to disciplinary action) .....	5
Article 24	(Procedures for exemption).....	5
Article 25	(Adoption and implementation of relevant rules).....	5
Article 26	(Announcement and implementation of this Code) .....	6

**Taiwan High Speed Rail Corporation  
Code of Ethical Conduct**

**Article 1 (Purpose and basis for adoption)**

To guide the conduct of Corporation personnel to comply with the ethical standards of the Corporation, and to acquaint stakeholders with the ethical standards that Corporation personnel are required to comply with in executing their duties, and to expressly provide that the Corporation's business activities shall not run counter to the public interests of society, this Code is adopted under Article 9-05 of the Corporation's Guidelines for Corporate Governance.

**Article 2 (Applicable scope and definition)**

"Corporation personnel" in this Code means Directors, management at all levels and other employees.

"Corporation employees" in this Code means management at all levels and other employees.

**Article 3 (Standard of ethical conduct)**

Corporation personnel shall comply with laws and regulations and this Code, and strive for a high Standard of ethical conduct.

The Corporation's Directors and management at all levels shall take the initiative and lead by example to promote and put this Code into practice.

**Article 4 (Team spirit and the principle of good faith)**

When executing their duties, Corporation personnel shall stress team spirit, and discard self-seeking departmentalism. They further shall rigorously follow the principle of good faith, and maintain a proactive, earnest, and responsible attitude.

**Article 5 (Equal employment and non-discrimination)**

The Corporation shall respect diversified society, and give Corporation employees equal employment and professional career development opportunities. It may not treat individuals differently, nor discriminate in any way, based on factors such as gender, race, religious belief, political party, sexual orientation, occupational level, nationality, or age.

**Article 6 (Healthy and safe work environment)**

The Corporation shall provide Corporation personnel with a healthy and safe work environment.

Corporation personnel shall jointly maintain a healthy and safe work environment, and may not engage in any sexual harassment, or other violent, threatening, or

**Taiwan High Speed Rail Corporation  
Code of Ethical Conduct**

intimidating conduct.

**Article 7 (Respect for privacy)**

Corporation personnel shall respect each other's personal privacy, and shall not spread rumors or engage in malicious gossip or verbal bullying.

**Article 8 (Confidentiality)**

Corporation personnel shall prudently manage matters or confidential information that they learn in the course of their duties. Unless such a matter or information has already been disclosed by the Corporation, or unless the personnel is providing it as necessary in the course of executing his or her duties, personnel may not disclose such matters or information to any other person, nor use them for any purpose other than the purposes of work. This confidentiality obligation shall continue even after Corporation personnel have departed from employment.

Confidential information under the preceding paragraph includes information of and regarding the Corporation's personnel and customers, inventions, business secrets, technical information, product design, manufacturing and professional expertise, financial and accounting materials, intellectual property rights, and all other information that has not been publicly disclosed and the utilization or disclosure of which could harm the Corporation or its customers.

**Article 9 (Obligation to correctly produce and preserve documents and materials)**

Corporation personnel shall ensure the accuracy and completeness of all types of documents and materials, and preserve them appropriately. If personnel discover that any document or material is lost or damaged or that there is any nondisclosure or misrepresentation in the content, the personnel shall notify their unit manager to investigate the cause.

**Article 10 (Proper protection of the Corporation's assets)**

Corporation personnel shall protect the Corporation's assets, and shall use them efficiently when executing their duties.

When executing their duties, Corporation personnel shall take particular care to avoid any resources such as data, information systems, or network equipment suffering any disruption, damage, or invasion, to safeguard the confidentiality, integrity, and usability of all kinds of information of the Corporation.

**Taiwan High Speed Rail Corporation  
Code of Ethical Conduct**

**Article 11 (Prohibition of insider trading)**

When Corporation personnel in the course of their professional duties learn any information that could materially affect the trading price of securities of the Corporation, before such information has been publicly disclosed, the personnel shall keep the information strictly confidential in accordance with the Securities and Exchange Act, and may not use such information to engage in insider trading.

**Article 12 (Prohibition of using corporate position to pursue private benefit)**

Corporation personnel may not use their job positions to pursue any private benefit.

**Article 13 (Prohibition of conflict of interest)**

Corporation personnel may not, in their own name or the name of another, engage in any conduct, such as loaning of funds, material asset transactions, provision of guarantees, or other transaction or dealing, that conflicts with the interest of the Corporation.

**Article 14 (Preventing possible conflicts of interest)**

When any Corporation personnel member knows that any of the following circumstances exists with respect to any matter they deal with in the course of their professional duties, the personnel member shall report to their unit manager, and may participate in work or decision-making related to that matter only after obtaining approval from a member of management who is authorized to give such approval:

1. The matter may be a source of benefit to the personnel member himself or herself, or his or her spouse, lineal blood relative, third-degree or closer relative, partner, or institution at which he or she has been employed in the past or will be employed in the future.
2. There is a possibility that the personnel member's relationship with a person or institution referred to above could cause the personnel member to be unable to objectively and effectively execute his or her duties, which could result in harm to the Corporation.

If a personnel member referred to in the preceding paragraph is a Director or a managerial officer at any level of management, the personnel member shall report to the Audit Committee, and may participate in work or decision-making related to that matter only after obtaining approval by a resolution of the Board of Directors ("Board")

**Taiwan High Speed Rail Corporation  
Code of Ethical Conduct**

**Article 15 (Fair trade and treatment)**

Corporation personnel shall treat counterparties with which they have business dealings fairly, and may not engage in any unfair conduct. When engaging in transactions with related parties, they also shall adhere to the principle of fair treatment, and may not offer or receive any preferential treatment or benefit.

**Article 16 (Prohibition of gifts, bribes, or improper benefits)**

When executing their duties, Corporation personnel may not, for the benefit of themselves, the Corporation, or a third party, demand, agree to accept, deliver, or accept any form of gift, entertainment, kickback, bribe, or other improper benefit. This restriction shall not apply, however, to a gift or entertainment that is permitted by social etiquette and customs or the Corporation's rules.

**Article 17 (Obligation to report transactions truthfully)**

When Corporation personnel engage in transactions with others in the course of executing their professional duties, the personnel shall scrupulously report the content of the transactions, and may not commit any non-disclosure or misrepresentation that could harm the rights or interests of the Corporation.

**Article 18 (Respecting the intellectual property rights of others)**

When executing their duties, Corporation personnel shall respect the intellectual property rights of others and use them lawfully.

**Article 19 (Restriction against partisan political activity)**

Corporation employees, at the workplace or during work hours, may not engage in any partisan political activity, and also may not utilize resources of the Corporation to engage in such activities. This restriction shall not apply, however, to specific public relations activities by public relations personnel.

**Article 20 (Restriction against influencing others to engage in partisan political activity)**

The Corporation's Directors and management at all levels may not by any means influence Corporation employees to make political contributions, support a specific party or candidate, or participate in any other partisan political activity.

**Article 21 (Whistleblowing obligations)**

When Corporation personnel discover or reasonably suspect any conduct in violation of laws, regulations, or this Code, they shall immediately make a complaint or blow the whistle in accordance with relevant rules.

**Taiwan High Speed Rail Corporation**  
**Code of Ethical Conduct**

A person who is the subject of a complaint or whistleblowing may not engage in any intimidation or retaliation toward the personnel who makes the complaint or blows the whistle under the preceding paragraph.

**Article 22 (Disciplinary action)**

When a Corporation employee violates this Code, the Corporation shall consider the severity of the circumstances, and impose disciplinary action in accordance with relevant rules. The same shall apply when a unit manager knows of a violation and fails to correct it or fails to handle it in accordance with the Corporation's rules.

When a Director or a managerial officer at any level of management violates this Code and the circumstances are serious, the Corporation shall immediately disclose on the Market Observation Post System (MOPS) the job title and the name of the violator, date of the violation, description of the violation, the code or rules violated, and the measures taken to handle the violation.

**Article 23 (Remedial procedure with respect to disciplinary action)**

A Corporation employee who is subject to disciplinary action for a violation of this Code may file an appeal in accordance with relevant rules.

**Article 24 (Procedures for exemption)**

If a director or a managerial officer at any level of management requires an exemption from compliance with any provision of this Code, a proposal for the exemption shall be submitted in advance for deliberation by the audit committee, and passed by a resolution of the Board, before any conduct for which exemption is contemplated may be done.

Information on any exemption under the preceding paragraph shall furthermore be posted on the MOPS, including the job title and the name of the person permitted the exemption, the date the exemption was passed by the Board, the applicable period of the exemption, the reason for the exemption, and the relevant provisions of rule or code.

**Article 25 (Adoption and implementation of relevant rules)**

The Corporation shall adopt relevant rules to regulate the handling of the principles and related matters set out in this Code.



**Taiwan High Speed Rail Corporation**  
**Code of Ethical Conduct**

**Article 25-1 (Disclosure method)**

The Corporation shall disclose the Code of Ethical Conduct it has adopted, and any amendments to it, on the Corporation's website, in its annual reports and prospectuses, and on the MOPS.

**Article 26 (Announcement and implementation of this Code)**

This Code, and any amendments hereto, shall be publicly announced and implemented after it has been passed by resolutions of the Audit Committee and the Board and submitted in a report to a shareholders' meeting.