



PharmaEngine, Inc.

Codes of Ethical Conduct

Amended and approved by the Board of Directors on March 11, 2021

Article 1 Purpose of and basis for adoption

In recognition of the necessity to assist the Company in their establishment of codes of ethical conduct, the Codes are adopted for the purpose of encouraging directors and managerial officers of the Company (including general managers or their equivalents, assistant general managers or their equivalents, chief financial and chief accounting officers, and other persons authorized to manage affairs and sign documents on behalf of the Company) to act in line with ethical standards, and to help interested parties better understand the ethical standards of such companies.

It is advisable that the Company establishes a code of ethical conduct with reference to the “Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies” and it may develop respective codes of ethical conduct for different managerial officers.

Article 2 Applicability

Directors and managerial officers of the Company shall be subject to the Codes.

Article 3 Prevention of conflicts of interest

The directors or managerial officers of the Company shall perform their duties in an objective and efficient manner and shall not take advantage of their position in the Company to obtain improper benefits for either themselves or their spouse, parents, children, or relatives within the second degree of kinship. The Company shall be subject to “Operational Procedures for Loaning Funds to Others”, “Operational Procedures for Acquiring or Disposing of Assets” and relevant purchase and sale procedures when conducting loans of funds, provisions of guarantees, and major asset transactions or the purchase (or sale) of goods with the abovementioned personnel and the affiliated enterprise at which the abovementioned personnel works. The Company has established policies to prevent conflicts of interest, including “Ethical Corporate Management Best Practice Principles”, “Procedures for Ethical Management and Guidelines for Conduct” and “Rules of Procedure for Board Meetings” and shall offer appropriate means for directors and managerial officers to voluntarily explain whether there is any potential conflict between them



and the Company.

Article 4 Minimizing opportunities to pursue personal gain

The directors or managerial officers of the Company shall avoid engaging in any of the following activities: (1) Seeking an opportunity to pursue personal gain by using company property or information or taking advantage of their positions. (2) Obtaining personal gain by using company property or information or taking advantage of their positions. (3) Competing with the Company. When the Company has an opportunity for profit, it is the responsibility of the directors and managerial officers to maximize the reasonable and proper benefits that can be obtained by the Company.

Article 5 Confidentiality

The directors and managerial officers of the Company shall be bound by the obligation to maintain the confidentiality of any information regarding the Company itself or its suppliers and customers, except when authorized or required by law to disclose such information. Confidential information includes any undisclosed information that, if exploited by a competitor or disclosed, could result in damage to the Company or the suppliers and customers.

Article 6 Fair trade

The directors and managerial officers of the Company shall treat all suppliers and customers, competitors, and employees fairly, and may not obtain improper benefits through manipulation, nondisclosure, or misuse of the information learned by virtue of their positions, or through misrepresentation of important matters, or through other unfair trading practices.

Article 7 Safeguarding and proper use of company assets

The directors and managerial officers of the Company have the responsibility to safeguard company assets and to ensure that they can be effectively and lawfully used for official business purposes; any theft, negligence in care, or waste of the assets will all directly impact the Company's profitability.

Article 8 Legal compliance

The directors and managerial officers of the Company shall be in compliance with the Securities and Exchange Act and other applicable laws, regulations, and bylaws.

Article 9 Encouraging reporting on illegal or unethical activities

The Company shall raise awareness of ethics internally and encourage employees to report to a company independent director, managerial officer, chief internal auditor, or other appropriate individual upon suspicion or discovery of any activity in violation of a law or regulation or the code of ethical conduct. To encourage employees to report on illegal conduct, the company shall establish a concrete whistle-blowing system and make employees aware that the company will use its best efforts to ensure the safety of informants and protect them from reprisals.

Article 10 Disciplinary measures

When a director or managerial officer of the Company violates the code of ethical conduct, the Company shall handle the matter in accordance with the disciplinary measures prescribed in the code, and shall promptly disclose on the Market Observation Post System (MOPS) the date of the violation by the violator, reasons for the violation, the provisions of the code violated, and the disciplinary actions taken. The Company shall establish a relevant complaint system to provide the violator with remedies.

Article 11 Procedures for exemption

The code of ethical conduct adopted by the Company must require that any exemption for directors or managerial officers from compliance with the code be adopted by a resolution of the board of directors, and that information on the date on which the board of directors adopted the resolution for exemption, objections or reservations of independent directors, and the period of, reasons for, and principles behind the application of the exemption be disclosed without delay on the MOPS, in order that the shareholders may evaluate the appropriateness of the board resolution to forestall any arbitrary or dubious exemption from the code, and to safeguard the interests of the Company by ensuring appropriate mechanisms for controlling any circumstance under which such an exemption occurs.

Article 12 Method of disclosure

The Company shall disclose the code of ethical conduct it has adopted, and any amendments to it, on its official website, in its annual reports and prospectuses and on the MOPS.

Article 13 Enforcement

The Codes, and any amendments to it, shall enter into force after it has been adopted by the board of directors, delivered to each independent



director, and submitted to a shareholders meeting.

The Codes was established on September 30, 2011.

The first amendment was made on March 22, 2018.

The second amendment was made on March 11, 2021.