



Taiwan Liposome Company, Ltd.

Name of Doc.

Code Of Ethics For Directors And Managerial officer

No. of Doc.

GM-020

Version

02

Page

1/3

#### **Article 1 Purpose and Ground**

To establish guidelines and standards for the Company's directors, and managerial officer to comply with code of ethics, and to reinforce the stakeholders and business partners that the Company is adopting the code of ethics. The Company has referenced the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies" to formulate this Code for compliance.

#### **Article 2 Application Scope**

The code applies to the Company's directors, and managerial officer, including president or who has the equivalent job level, and vice president or who has the equivalent job level, directors or who has the equivalent job level, manager of financial department, manager of accounting department, and/or any other person who has the right to manage or sign on behalf of the Company.

#### **Article 3 Content**

1) To prevent conflict of interest

A "conflict of interest" can occur when a director's or manager's personal interest is adverse to - or may appear to be adverse to - the interests of the Company as a whole. Conflicts of interest also arise when a director or manager, or a member of his or her immediate family which refers to a person's spouse, parents, children, and relatives within the three degree of kinship, receives improper personal benefits as a result of his or her position as a director or manager of the Company.

While the Company involves in a loan to, providing a guarantee of the obligations of, conducting a material transaction with, selling products to or purchasing products from a director or manager (or a member of his or her immediate family), the Company shall be aware of any conflict of interests.

The Company's directors and managerial officer shall disclose promptly to the Company any situation that involves, or may reasonably be expected to involve, a conflict of interest with the Company.

2) Prohibited from Company opportunities

Directors and managerial officer must refrain are set out below.

(a) taking for themselves personally opportunities that are discovered through the use of the Company's property, information or position.



Taiwan Liposome Company, Ltd.

Name of Doc.

Code Of Ethics For Directors And Managerial officer

No. of Doc.

GM-020

Version

02

Page

2/3

(b) competing with the Company.

Directors and managerial officer are expected to protect the assets of the Company and use them efficiently to advance the interests of the Company.

3) Confidentiality

Directors and managerial officer shall maintain the confidentiality of information that is related to the Company, its customer or suppliers entrusted to them by the Company and any other confidential information about the Company that comes to them, from whatever source in the course of the Company's business, in their capacity as director or manager except when disclosure is authorized or legally mandated.

4) Fair-dealing

Directors and managerial officer shall endeavor to deal fairly with the Company's customers, suppliers, competitors and employees. No director or manager should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other intentional unfair-dealing influence.

5) Protection and usage of assets

Directors or managerial officer shall be responsible to protect the Company's assets and to ensure the assets legally use in the Company's business; any theft, negligence in care or waste will affect the Company's profitability.

6) Compliance

Directors and management shall comply with Company Law, Securities and Transactions Laws, or any other laws and rules that regulate the Company's business activities.

7) Encouraging the whistleblowing of any illegal or unethical activities

Directors and managerial officer should promote ethical behavior and take steps to ensure the Company encourages employees to talk to managerial officer and other appropriate personnel when in doubt about the best course of action in a particular situation; encourages employees to report violations of laws, rules, regulations, the Company's internal rules, or the Employee Code of Conduct to appropriate personnel; and informs employees that the Company will not allow retaliation for reports made in good faith.



Taiwan Liposome Company, Ltd.

Name of Doc.

Code Of Ethics For Directors And Managerial officer

No. of Doc.

GM-020

Version

02

Page

3/3

#### 8) Violation

None of directors, or managerial officer will be subject to retaliation because of a good faith report of a suspected violation. Violations will be investigated by the Board and be penalized by the Company's rules and regulations and disclosed on MOPS of the personnel's position, name, date of violation, violation matters, violated rules, violation dealings and other relevant information. If any penalty resulting from violation of this Code, the person who violates can file complaint in accordance with relevant laws and regulations.

#### **Article 4 Procedure of waiver**

If there is any need to exempt a director or manager from the compliance of the Code, such exemption must be approved by the board of directors. The date when the board of directors approves the exemption, and any objection or reservation by any independent director, the period for exemption, the reasons for exemption, and the principles for granting an exemption shall be promptly posted on MOPS to enable the shareholders to evaluate whether the board of directors' resolution is appropriate, so as to avoid any random or suspicious exemption and ensure appropriate control over the exemption mechanism for the purposes of protecting the Company. .

#### **Article 5 Disclosure**

The code and any of its amendment will be disclosed in the Company's website, annual report, prospectus and MOPS.

#### **Article 6 Execution and Amendment**

The Code and its amendment will be enforced after Board resolution and shall be submitted to the Audit Committee and reported to shareholders meeting.