



Taiwan Liposome Company, Ltd.

Name of the Document

Procedures of Whistle-blowing System for Illegal,
Immoral or Dishonest Activities

No. of the Document

GM-027

Version

02

Page

1/3

Article 1 Ground

This Procedures of Whistle-blowing System for Illegal, Immoral or Dishonest Activities (the "Procedure") is established to stimulate code of ethics and business integrity. The Company encourages any reports of behaviors that is illegal or violation of code of conduct or business ethics.

Article 2 Purpose

In order to supplement Code of Conduct and Code of Business Ethics, the Company establishes internal and external whistleblowing channels and management system to ensure the legal right of whistle-blower and his/her counter-parties.

Article 3 Responsible Unit

- 1) Spokesperson and acting spokesperson: to receive complaints from shareholders, investors or stakeholders.
- 2) Top management or internal auditor: to receive complaints from directors, management, officers, employees, contractors, customers or suppliers. Once the reporting items concerning any members of the board of director or management officers, it shall be reported to independent directors or supervisors.
- 3) Audit Committee of Statutory Auditors or any Statutory Auditor: to receive complaints regarding accounting, internal account controls, or auditing matters. These Procedures covers complaints relating to accounting, internal account controls, or auditing matters, including (i) fraud, deliberate error or gross negligence or recklessness in the preparation, evaluation, review or audit of the Company's financial statements; (ii) fraud, deliberate error or gross negligence or recklessness in the recording and maintaining of the Company's financial records; (iii) deficiencies in or noncompliance with the Company's internal accounting controls; (iv) misrepresentation or false statements to management, regulators, outside auditors or others by a senior officer, accountant or other employee regarding a matter contained in the Company's financial records, financial reports or audit reports; or (v) deviation from full and fair reporting of the



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No. of the Document

GM-027

Version

02

Page

2/3

Company's results or financial condition.

Article 4 Whistleblowing Channels

The informed matters can be made by either of the following three ways: "report in person", "report on phone", or "report by mail."

Article 5 Procedures

1) Anonymous report: Anonymous letter of accusation is acceptable, and once deemed as susceptible and suspicious, the case will be processed accordingly.

We have also established a procedure under which complaints regarding accounting, internal accounting control, or audit matters may be reported anonymously. Employees may anonymously report these concerns to our Compliance Email Box at [____].

Employees should make every effort to report their concerns using the method specified above. The complaint procedure is specifically designed so that employees have a mechanism that allows the employee to bypass a supervisor he or she believes is engaged in prohibited conduct under this policy. Anonymous reports should be factual, instead of speculative or conclusory, and should contain as much specific information as possible to allow the officer investigating the report to adequately assess the nature, extent and urgency of the investigation.

2) Named report : the whistle-blower shall provide relevant sources of information to responsible unit, including names, department and position of the informed party and related persons, date and time of the informed case, description of the case, and any supporting evidence. The responsible unit shall investigate the case by the reporting contents and specific facts to determine if any violation of laws or unethical behaviors. Once the violation is verified, the case shall be reported to the president with an investigation reports and supporting evidence. However, if any material matters, damage or loss to the Company, it shall be reported to independent directors or supervisor by a written report.

3) The Company shall maintain confidentiality of the informed matters and shall



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No. of the Document

GM-027

Version

02

Page

3/3

investigate by independent channels, in order to protect the whistleblower. The identity of whistleblower and the informed contents shall keep it highly confidential.

- 4) If the whistleblower is a colleague of the Company, the Company shall ensure that employee will not be improperly treated or retaliated due to the whistleblowing action.
- 5) In order to ensure the informed person's rights to benefit of doubt and fair treatment and not to be retaliated, the Company shall give the informed person an opportunity to provide a statement of opinion, to appeal or to hold a hearing.
- 6) Documentation of case acceptance, procedure of investigation and results of investigation shall be retained in written report and digital files and be stored properly.

Article 6 Rewards and Punishments

Once the informed matter is confirmed after investigation, it shall be further proceeded in accordance with laws and regulations or the Company's rules. The whistle-blower shall be rewarded properly by President.

Article 7 Supplement

Any matter not set forth in these Procedures shall be governed by the laws and regulations of the Republic of China, or laws, regulations, directives, or rules related to the trading of securities on the TPEX.

Article 8 Execution and Amendment

These Procedures and its amendment will be enforced after Board resolution, reviewed by supervisors or Audit Committee of Statutory Auditors and reported to general shareholders' meeting.

Notwithstanding anything herein to the contrary, this Code must also be complaint with relevant rules and regulations of The Nasdaq Stock Market LLC and the U.S. Securities and Exchange Commission.