

EVA Airways Corporation

Ethical Corporate Management Best Practice Principles

Article 1

To strengthen the corporate culture of ethical management and improve the development of the Company, these Principles are hereby formulated referring to “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies in Taiwan”.

These Principles are applicable to any subsidiary of the Company, any foundation that its cumulative funds directly or indirectly donated by the Company are more than fifty percent or other institutions or juristic persons having de facto control (hereinafter referred to as “Conglomerate and Organization”).

Article 2

When going into commercial activities, directors, supervisors, managers, employees, fiduciaries and parties having de facto control of the Company and Conglomerate and Organization (hereinafter collectively referred to as “Our Staffs”; and the parties having de facto control also referred to as “De Facto Controllers”) shall neither directly or indirectly offer, promise to offer, request or accept any unjustified benefit nor have any unethical conduct, including breach of good faith, illegal conduct or breach of fiduciary duty (hereinafter referred to as “Unethical Conduct”).

Parties referred to in the preceding paragraph shall include public servants, political candidates, political parties or their staffs as well as any public or private enterprise or institution and its directors, supervisors, managers, employees, De Facto Controllers or other interested parties.

Article 3

Benefit as set forth in these Principles shall mean any valuable thing, including money, endowments, commissions, positions, services, preferential treatments or rebates in any form or in any name. However, benefit received or given occasionally as the accepted social customs and that will not adversely affect the specific rights and obligations shall be excluded.

Article 4

The Company shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, TWSE/GTSM listing rules or other rules and regulations relating to commercial activities, as the basic condition for achieving the purpose of ethical management.

Article 5

With the management philosophy of integrity, transparency and responsibility, the Company shall establish the policies based upon the ethical and set up good corporate governance and risk control mechanism so as to create the operational environment of sustainable development.

Article 6

Procedures for ethical management and guidelines for conduct laid down by the Company shall clearly and minutely stipulate the practical methodology for ethical management and the program for prevention of unethical conduct, including operating procedure, guidelines for conduct and training and education program. Meanwhile, it shall also comply with the applicable rules and regulations where the Company and Conglomerate and Organization locate.

Article 7

The Company shall, when laying down procedures for ethical management and guidelines for conduct, analyze the operating activities with higher risk with regard to the unethical conduct within its business scope and build up the related preventive measures.

The operating procedure for ethical management and guidelines for conduct laid down by the Company shall at least include the preventive measures against the underlying conducts:

1. To offer and accept bribes;
2. To provide illegal political donations;
3. To provide improper charitable donations or sponsorship;
4. To offer or accept unreasonable gifts, entertainments or other unjustified benefits;
5. To infringe trade secret, trademark, patent, copyright and other intellectual properties;

6. To be engaged in unfair competition conduct; and/or
7. To prejudice interest, health and safety of consumers or other interested parties when researching and developing, purchasing, manufacturing, providing or selling the products and services.

Article 8

The Company and Conglomerate and Organization shall explicitly specify the ethical management policies in its bylaws and external documents. Besides, the Board of Directors and the Management shall aggressively fulfill its promises in regard to the ethical management policies, which shall be precisely implemented in the internal management and external commercial activities.

Article 9

The Company shall be engaged in commercial activities in fair and transparent manner on the basis of the ethical corporate management best practice principles.

Prior to any commercial dealings, the Company shall take into account legality of its agents, suppliers, clients or other trading counterparties and if any unethical conduct was involved, and it is advisable to avoid doing any business with any party with any record of unethical conduct.

With respect to any contract entered into by and between the Company and its agents, suppliers, clients or other trading counterparties, such contract shall as far as possible contains the provision relating to the compliance of ethical management policies and the provision for termination of the contract at any time provided that the trading counterparties get involved in any unethical conduct.

Article 10

When executing any business, the Company and its staffs shall not directly or indirectly offer, promise to offer, request or accept any unjustified benefit in any form to or from its clients, agents, contractors, suppliers, public servants or other interested parties.

Article 11

As for the donation directly or indirectly provided to the political parties or organizations or individuals participating in the political activities, the

Company and its staffs shall comply with the Political Donations Act and the applicable internal operating procedure of the Company and shall not try gaining the commercial benefits or trading advantages by means of such donation.

Article 12

For the charitable donation or sponsorship, the Company and its staffs shall comply with the applicable laws and internal operating procedure and shall not offer bribes surreptitiously.

Article 13

The Company and its staffs shall not directly or indirectly offer or accept any unreasonable gifts, entertainments or other unjustified benefits so as to set up the commercial relationship or affect the commercial transactions.

Article 14

The Company and its staffs shall observe the applicable regulations relating to intellectual property, internal operating procedure of the Company as well as provisions of contract. Without consent of the owner of intellectual property, the Company and its staffs shall not use, divulge, dispose of or otherwise infringe intellectual property.

Article 15

The Company shall be engaged in operating activities in accordance with the applicable competition regulations and shall not make any unfair competition.

Article 16

The Company shall, when researching and developing, purchasing, manufacturing, providing and selling the products and services, comply with the applicable regulations and international standards, assure of transparency and safety relating to information of the products and services, establish and publish policies for protecting interest of consumers and other interested parties and enforce such policies at the operating activities in order to prevent such products and services from damaging interest, health and safety of consumers and other interested parties directly and indirectly. If any facts are found that such products and services might prejudice health and safety of consumers and other interested parties, such products shall be basically called back or such services shall be suspended forthwith.

Article 17

Directors, managers, employees, fiduciaries and De Facto Controllers of the Company shall exercise duty of care of a good administrator, push the Company to prevent unethical conduct, review its effects from time to time and improve continuously in order to assure of implementation of ethical management policies.

To reinforce the control of ethical management of the Company, the Human Resources Division shall be responsible for formulating and executing ethical management policies and preventive measures. The Human Resources Division shall be in charge of the underlying affairs, reporting to the Board of Directors:

1. To help add honest and ethical value to the corporate management policies; and to take the relevant preventive measures pursuant to the applicable decrees in order to assure of ethical management;
2. To lay down and amend procedures for ethical management and guidelines for conduct;
3. To promote and coordinate guidance and training relating to ethical policies;
4. To plan impeachment system; and
5. To help the Board of Directors and the Management check and evaluate if the preventive measures for implementing ethical management work effectively; evaluate the compliance of the related operating procedure; and render the report.

Article 18

When executing the business, the staffs of the Company shall comply with regulations, procedures for ethical management and guidelines for conduct laid down by the Company.

Article 19

The Company shall draw up the policy for preventing conflict of interest so as to identify, supervise and control the risk of unethical conduct that may be resulted from conflict of interest and provide a proper channel to allow the

directors, managers and other interested parties at the board meeting to take initiative in explaining if there is any latent conflict of interest with the Company.

Should any subject proposed at the board meeting have any interests with any director or his proxy, such director shall explain the important details of such interests at that board meeting. In case of prejudice to the corporate benefits, such director shall not join discussion and voting and shall recuse such discussion and voting. Moreover, such director shall not act as the proxy of other director at the voting. The directors shall self-discipline and cannot offer improper mutual supports.

Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in the matter.

The staffs of the Company shall not cause himself, spouse, parents, children or any other parties to acquire unjustified benefits by making use of his position or influence.

Article 20

To compliance with the ethical corporate management best practice principles, the Company shall also set up effective accounting system and internal control system and shall not have any external book or reserve any secret book. Moreover, it shall review such systems at all times in order to assure of continuous effectiveness relating to design and implementation of such systems.

The internal Auditing Division of the Company shall check the compliance of the above systems, submitting the audit report to the Board of Directors. Besides, the certified public accountant may be employed to carry out such audit. When necessary, the professionals may be invited to extend their help.

Article 21

Procedures for ethical management and guidelines for conduct laid down by the Company shall concretely define the notice when the staffs of the Company are executing the business. It shall at least include the following:

1. Standards for determining offer or acceptance of unjustified benefits;
2. Operating procedure for offering legal political donations;
3. Operating procedure for providing justified charitable donations or sponsorship and for standard of amount;
4. Requirements for avoiding conflict of interest relating to the position and its reporting and operating procedure;
5. Non-disclosure requirements relating to confidentiality and sensitive information obtained from the business;
6. Code and operating procedure relating to suppliers, clients and/or trading counterparties getting involved in unethical conduct;
7. Operating procedure when finding violation of the Principles; and
8. Disciplinary punishment to be adopted to the violator.

Article 22

Chairman, President and Officers shall periodically convey the importance of unethical to the directors, employees and fiduciaries.

The Company shall periodically hold training and propaganda programs for directors, managers, employees, fiduciaries and De Facto controllers so as to allow them to completely know the Company's determination, policies and preventive measures relating to ethical management as well as consequence for violating ethical conduct.

The Company shall combine policies of ethical management, employee's performance assessment and human resources policy in order to set up a clear and effective reward and punishment system.

Article 23

The Company shall create a practical impeachment system and implement it precisely. This system shall include the following:

1. To set up and publish internal independent impeachment letterbox and special phone line for use by internal and external staffs of the Company;
2. To nominate ad hoc personnel or unit for handling impeachment cases; in case any director or officer is involved in the impeachment, it shall report to the independent director; and to stipulate the types of impeachment cases and the standard operating procedure for investigation;
3. To record and archive acceptance and investigation process, investigation results and relevant documentation with regard to impeachment cases;
4. To deal with name of impeacher and details of impeachment in confidential and responsible manner; and
5. To protect impeacher from any improper treatment due to the impeachment case.

In the wake of investigation, if the ad hoc personnel or unit for handling impeachment cases of the Company finds significant violation cases or that the Company might incur serious damage, it shall forthwith notify the independent director in writing.

Article 24

The Company shall expressly formulate and publish the regulations governing discipline and appeal with regard to the violation against requirements of ethical management, disclosing the information relating to name and position of violator, violation date, violation details and disposition at the internal website of the Company immediately.

Article 25

Not only shall the Company disclose the adopted measures and performance relating to the ethical management at the website, annual report and prospectus, but also shall provide the details of the Principles at the Market Observation Post System (MOPS).

Article 26

The Company shall take notice of development of domestic and foreign standards relating to the ethical management at any time and encourage directors, managers and employees to make suggestions, so that the Company

can review and improve the ethical management policies and the measures adopted by the Company in order to upgrade the effectiveness of the ethical management.

Article 27

These Principles shall be put into practice after approval by the Board of Directors. This provision is also applicable to its amendment.

When reporting these Principles to the Board of Directors for further discussion pursuant to the provision of the preceding paragraph, the Company shall fully take into consideration the opinions of every independent director, and their opposite and reserved opinions will be duly recorded in the minutes of the board meeting. If the independent director fails to attend the board meeting personally to advance his opposite or reserved opinions, unless there are justified reasons, the independent director shall submit his written opinions in advance. Such opinions will be also duly recorded in the minutes of the board meeting.

The History of “Ethical Corporate Management Best Practice Principles”

1. The Principles was made on December 23, 2014.
2. The Principles was amended on August 10, 2017.
3. The Principles was amended on April 14, 2020.