

HSING TA CEMENT CO., LTD.

Category		Procedures for Reporting Dishonest or Improper Conduct		Formulated by	Audit Department	Document No.	H O A C 0 1 4	
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Version	Revision			Description of Revision	Drafted by	Reviewed by	Approved by	Date
	Revision No.	Page	Article(s)					
A				Newly enacted	Regulation Formulation Taskforce	Wu, Lien-Fu	Yang, Te-Hsiung	April 23, 2015
A	1	2/3	Article 6	Revised relevant wording pursuant to the FSC Order No. 10200531121 to establish the Audit Committee in replacement of supervisors' functions.	Regulation Formulation Taskforce	Wu, Lien-Fu	Yang, Chih-Hsiung	May 8, 2018

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Article 1 : (Purpose) This Procedure is established to provide a clear basis for the personnel of the Company to report dishonest or improper conduct, for compliance accordingly. This Procedure shall apply not only to the Company but also to its subsidiaries. Article 2 : (Rewards) The Company encourages both internal and external personnel to report dishonest or improper conduct. Depending on the seriousness of the reported case, a reward of up to NT\$80,000 may be granted. Any internal personnel found to have made a false or malicious accusation shall be subject to disciplinary action, and in severe cases, shall be dismissed. Article 3 : (Reporting Channels) The Company shall establish and announce on its official website an independent internal reporting mailbox and hotline for use by both internal and external personnel. Article 4 : (Whistleblower Identification) The whistleblower shall provide at least the following information: 1. Name, national identification number, and contact information such as address, phone number, or email. 2. Name of the reported person or other identifiable information that can specify the individual concerned. 3. Specific facts and evidence sufficient for investigation. Article 5 : (Confidentiality and Protection Measures) All personnel involved in handling reported cases shall sign a written confidentiality statement to protect the identity of the whistleblower and the content of the report. The Company undertakes to protect whistleblowers from any improper treatment as a result of the report. Article 6 : (Handling Procedures) Reported cases shall be handled by the Audit Department in accordance with the following procedures: 1. If the reported case involves general employees, it shall be submitted to the Vice President; if it involves a director or senior executive, it shall be submitted to the Audit Committee. 2. The Audit Department and the responsible supervisor or personnel referred to in the preceding paragraph shall immediately investigate the relevant facts and may request assistance from other departments when necessary. 3. If the reported person is found to have violated relevant laws, regulations, or ethical management policies, the Company shall immediately require the reported person to cease the conduct and take appropriate disciplinary or legal actions, including filing for damages if necessary, to protect the Company’s reputation and interests.					

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4. All documents relating to the acceptance of the report, investigation process, and investigation results shall be retained in written or electronic form for five (5) years. If litigation arises before the expiry of the retention period, the relevant records shall be preserved until the conclusion of the litigation.

5. Where the report is verified as factual, the relevant departments shall be instructed to review the Company’s internal control systems and operating procedures and to propose corrective measures to prevent recurrence of similar conduct.

6. The Audit Department shall report verified whistleblowing cases, handling results, and subsequent corrective measures to the Board of Directors.

Article 7 : (Approval and Implementation)
This Procedure shall be implemented upon approval by the Chairperson of the Board. The same shall apply to any amendments.