



X-LEGEND Entertainment Corp.

Corporate Social Responsibility Best Practice Principles

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Chapter 1 General Principles

Article 1: Purpose

To fulfill the corporate social responsibility initiatives and to promote economic, environmental, and social advancement for purposes of sustainable development, in accordance with the provisions of the law, the Articles of Incorporation, and the signed contract and the relevant standards with TPEX, and take the development trend of social responsibility at local or abroad and the Company's overall operating activities, and industrial characteristics into consideration, adopt the Principles to followed.

Article 2: Scope of codes

The Scope includes the entire operations of the Company and the business group.

To actively fulfill the corporate social responsibility in the course of the Company's business operations so as to follow international development trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as responsible corporate citizens, and to enhance competitive edges built on corporate social responsibility.

Article 3: In fulfilling corporate social responsibility initiatives, the Company shall, in the corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance.

Article 4: To implement corporate social responsibility initiatives, The Company is advised to follow the principles below:

1. Exercise corporate governance.
2. Foster a sustainable environment.
3. Preserve public welfare.
4. Enhance disclosure of corporate social responsibility information.



Chapter 2 Exercising Corporate Governance

Article 5: The directors of the Company shall exercise the due care of good administrators to urge the Company to perform its corporate social responsibility initiatives, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its corporate social responsibility policies.

The board of directors of the Company is advised to give full consideration to the interests of stakeholders, including the following matters, in the company's performance of its corporate social responsibility initiatives:

1. Identifying the Company's corporate social responsibility mission or vision, and declaring its corporate social responsibility policy, systems or relevant management guidelines;
2. Making corporate social responsibility the guiding principle of the Company's operations and development, and ratifying concrete promotional plans for corporate social responsibility initiatives; and
3. Enhancing the timeliness and accuracy of the disclosure of corporate social responsibility information.

The board of directors shall appoint executive-level positions with responsibility for economic, environmental, and social issues resulting from the business operations of the Company, and to report the status of the handling to the board of directors. The handling procedures and the responsible person for each relevant issue shall be concrete and clear.

Article 6: For the purpose of managing corporate social responsibility initiatives, the Company's OSH department as the dedicated unit to be in charge of proposing and enforcing the corporate social responsibility policies, systems, or relevant management guidelines, and concrete promotional plans and to report on the same to the board of directors and in the annual report. The Company adopts reasonable remuneration policies, to ensure that remuneration arrangements support the strategic aims of the organization, and align with the interests of stakeholders. And the employee performance evaluation system will be combined with corporate social responsibility policies, and that a clear and effective incentive and discipline system could be established.

Article 7: The Company shall, based on respect for the rights and interests of stakeholders, identify stakeholders of the Company, and establish a designated section for



stakeholders on the company website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important corporate social responsibility issues which they are concerned about.

Article 8: The Company shall establish a Corporate Governance Best-Practice Principles and Code of Ethical Conduct to improve corporate governance.

Article 9: The Company could conduct regular training based on the implementation of corporate social responsibility, including promote of Article 5, paragraph 2.

Chapter 3 Fostering a Sustainable Environment

Article 10: The Company shall follow relevant environmental laws, regulations and international standards to properly protect the environment and shall endeavor to promote a sustainable environment when engaging in business operations and internal management.

Article 11: The Company shall be committed to utilize all resources more efficiently and use renewable materials which have a low impact on the environment to improve sustainability of natural resources.

Article 12: The Company shall establish proper environment management systems based on the characteristics of their industries. Such systems shall include the following tasks:

1. Collecting sufficient and up-to-date information to evaluate the impact of the Company's business operations on the natural environment.
2. Establishing measurable goals for environmental sustainability, and examining whether the development of such goals should be maintained and whether it is still relevant on a regular basis.
3. Adopting enforcement measures such as concrete plans or action plans, and examining the results of their operation on a regular basis.

Article 13: The Company's OSH department is the dedicated unit for drafting, promoting, and maintaining relevant environment management systems and concrete action plans, and hold environment education courses for the managerial officers and other employees.



Article 14: The Company shall take into account the effect of business operations on ecological efficiency, promote and advocate the concept of sustainable consumption, and conduct research and development, procurement, production, operations, and services in accordance with the following principles to reduce the impact on the natural environment and human beings from their business operations:

1. Reduce resource and energy consumption of their products and services.
2. Reduce emission of pollutants, toxins and waste, and dispose of waste properly.
3. Improve recyclability and reusability of raw materials or products.
4. Maximize the sustainability of renewable resources.
5. Enhance the durability of products.
6. Improve efficiency of products and services.

Article 15: To improve water use efficiency, the Company shall properly and sustainably use water resources and establish relevant management measures.

The Company shall construct and improve environmental protection treatment facilities to avoid polluting water, air and land, and use their best efforts to reduce adverse impact on human health and the environment by adopting the best practical pollution prevention and control measures.

Article 16: The Company shall adopt standards or guidelines generally used in Taiwan and abroad to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following:

1. Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the company.
2. Indirect greenhouse gas emissions: emissions resulting from the generation of externally purchased or acquired electricity, heating, or steam.

The Company shall monitor the impact of climate change on the operations and should establish company strategies for energy conservation and carbon and greenhouse gas reduction based upon the Company's operations and the result of a greenhouse gas inventory. Such strategies should include obtaining carbon credits to promote and minimize the impact of the business operations on climate change.

Chapter 4 Preserving Public Welfare

Article 17: The Company shall comply with relevant laws and regulations, and the International Bill of Human Rights, with respect to rights such as gender equality, the right to work, and



prohibition of discrimination.

The Company, to fulfill its responsibility to protect human rights, shall adopt relevant management policies and processes, including:

1. Presenting a corporate policy or statement on human rights.
2. Evaluating the impact of the company's business operations and internal management on human rights, and adopting corresponding handling processes.
3. Reviewing on a regular basis the effectiveness of the corporate policy or statement on human rights.
4. In the event of any infringement of human rights, the company shall disclose the processes for handling of the matter with respect to the stakeholders involved.

The Company shall comply with the internationally recognized human rights of labor, including the freedom of association, the right of collective bargaining, caring for vulnerable groups, prohibiting the use of child labor, eliminating all forms of forced labor, eliminating recruitment and employment discrimination, and shall ensure that its human resource policies do not contain differential treatments based on gender, race, socioeconomic status, age, or marital and family status, so as to achieve equality and fairness in employment, hiring conditions, remuneration, benefits, training, evaluation, and promotion opportunities.

The Company shall provide an effective and appropriate grievance mechanism with respect to matters adversely impacting the rights and interests of the labor force, in order to ensure equality and transparency of the grievance process. Channels through which a grievance may be raised shall be clear, convenient, and unobstructed. The Company shall respond to any employee's grievance in an appropriate manner.

Article 18: The Company shall provide information for its employees so that the employees have knowledge of the labor laws and the rights they enjoy in the countries where the company have business operations.

Article 19: The Company shall provide safe and healthful work environments for its employees, including necessary health and first-aid facilities and shall endeavor to curb dangers to employees' safety and health and to prevent occupational accidents.
The Company shall organize training on safety and health for its employees.

Article 20: The Company shall create an environment conducive to the development of its employees' careers and establish effective training programs to foster career skills.



The Company shall appropriately reflect the corporate business performance or achievements in the employee remuneration policy, to ensure the recruitment, retention, and motivation of human resources, and achieve the objective of sustainable operations.

Article 21: The Company shall establish a platform to facilitate two-way communication between the management and the employees for the employees to obtain relevant information on and express their opinions on the company's operations, management and decisions.

The Company shall respect the employee representatives' rights to bargain for the working conditions, and shall provide the employees with necessary information and hardware equipment, in order to improve the negotiation and cooperation among employers, employees and employee representatives. In addition, the Company shall, by reasonable means, inform employees of operation changes that might have material impacts.

Article 22: The Company shall take responsibility for its products and services, and take marketing ethics seriously. In the process of research and development, procurement, production, operations, and services, the company shall ensure the transparency and safety of its products and services. And shall establish and disclose policies on consumer rights and interests, and enforce the company in the course of business operations, in order to prevent the products or services from adversely impacting the rights, interests, health, or safety of consumers.

The Company could treat customers or consumers of its products or services in a fair and reasonable manner, including according to the following principles: fairness and good faith in contracting, duty of care and fiduciary duty, truthfulness in advertising and soliciting, fitness of products or services, notification and disclosure, commensuration between compensation and performance, protection of the right to complain, professionalism of salespersons etc. And also develop the relevant strategies and specific measures for implementation.

Article 23: The Company shall follow relevant laws, regulations and international guidelines when marketing or labeling its products and services and shall not deceive, mislead, commit fraud or engage in any other acts which would betray consumers' trust or damage consumers' rights or interests for ensuring the quality of its products and services.

Article 24: The Company shall evaluate and manage all types of risks that could cause interruptions



in operations, so as to reduce the impact on consumers and society.

The Company shall provide a clear and effective procedure for accepting consumer complaints to fairly and timely handle consumer complaints, shall comply with laws and regulations related to the Personal Information Protection Act for respecting consumers' rights of privacy and shall protect personal data provided by consumers.

Article 25: The Company shall assess the impact its procurement has on society as well as the environment of the community that it is procuring from, and shall cooperate with its suppliers to jointly implement the corporate social responsibility initiative.

Prior to engaging in commercial dealings, the Company shall assess whether there is any record of a supplier's impact on the environment and society, and avoid conducting transactions with those against corporate social responsibility policy.

When the Company enters into a contract with any of its major suppliers, the content should include terms stipulating mutual compliance with corporate social responsibility policy, and that the contract may be terminated or rescinded any time if the supplier has violated such policy and has caused significant negative impact on the environment and society of the community of the supply source.

Article 26: The Company shall evaluate the impact of its business operations on the community, and adequately employ personnel from the location of the business operations, to enhance community acceptance.

The Company shall, through equity investment, commercial activities, endowments, volunteering service or other charitable professional services etc., dedicate resources to organizations that commercially resolve social or environmental issues, participate in events held by citizen organizations, charities and local government agencies relating to community development and community education to promote community development.

Chapter 5 Enhancing Disclosure of Corporate Social Responsibility Information

Article 27: The Company shall disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles and shall fully disclose relevant and reliable information relating to its corporate social responsibility initiatives to improve information transparency.

Relevant information relating to corporate social responsibility which the Company shall disclose includes:



1. The policy, systems or relevant management guidelines, and concrete promotion plans for corporate social responsibility initiatives, as resolved by the board of directors.
2. The risks and the impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare.
3. Goals and measures for realizing the corporate social responsibility initiatives established by the companies, and performance in implementation.
4. Major stakeholders and their concerns.
5. Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues.
6. Other information relating to corporate social responsibility initiatives.

Article 28: The Company shall adopt internationally widely recognized standards or guidelines when producing corporate social responsibility reports, to disclose the status of its implementation of the corporate social responsibility policy. It also is advisable to obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports. The reports are advised to include:

1. The policy, system, or relevant management guidelines and concrete promotion plans for implementing corporate social responsibility initiatives.
2. Major stakeholders and their concerns.
3. Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development.
4. Future improvements and goals.

Chapter 6 Supplementary Provisions

Article 29: The Company shall at all times monitor the development of domestic and foreign corporate social responsibility standards and the change of business environment so as to examine and improve its established corporate social responsibility framework and to obtain better results from the implementation of the corporate social responsibility policy. °

Article 30: The Procedure shall be enforced upon resolution of the board of directors and approval of a shareholders' meeting. The same shall apply where the Rules are amended.