

# **YIEH PHUI ENTERPRISE CO., LTD.**

## **Code of Ethical Conduct**

Modified on June 18, 2015

### **Article 1 The purpose**

This Code of Ethical Conduct is stipulated for compliance in order to have sound corporate governance, have directors, supervisors, and managers acted ethically, and help the Company's stakeholders have a better understanding of the Company's ethical standards.

### **Article 2 Applicable objects**

This Code of Ethical Conduct is applicable to the Company's directors, supervisors, and managers, including President and the equals, (assistant) Vice President and the equals, Junior Vice President and the equals, Finance Officer, Accounting Officer, as well as others who are responsible for the Company's management services and signatures.

### **Article 3 Preventing conflicts of interest**

The Company's directors, supervisors, and managers are obliged to act in the best interests of the Company, in an objective and efficient way to handle official business, and not taking advantage of the position held in the Company for the illegal personal gains or for the illegal gains of Themselves, their spouse, parents, children, or three-grade relatives.

The aforementioned personnel or their respective affiliates that have conducted loaning of funds and making of guarantees, material asset transactions, and purchases (sales) with the Company will be listed as a motion in the Board meeting. Also, if it involves any director's conflict of interest that is detrimental to the interests of the Company, the director must have him/her excused at the time of voting; moreover, may not exercise voting right on behalf of other directors.

### **Article 4 Preventing illegal personal gains**

The Company shall prevent directors, supervisors, and managers from committing any of the following matters:

1. An opportunity for illegal personal gains using the Company's property and information or by taking advantage of his/her position held with the Company.
2. For illegal personal gains using the Company's property and information or by taking advantage of his/her position held with the Company.
3. Competing against the Company.

The directors, supervisors, and managers are responsible to maximize the legitimate interests of the Company when there is an opportunity for the Company to generate profits.

### **Article 5 Duty of confidentiality**

The Company's directors, supervisors, and managers are responsible for the confidentiality of the Company's and Customer's (Supplier's) information, unless it is otherwise authorized or required by law to make public. The confidential information includes all non-public information that is detrimental to the Company and customers after being used or disclosed by the competitors.

#### Article 6 Fair trade

Directors, supervisors, and managers shall treat the Company's purchase (sale) customers, competitors, and employees fairly; also, shall not obtain any illegal personal gains through manipulation, concealment, abuse of information that is learned from the job position, or, by making false statements on important matters, or, conducting unfair transactions.

#### Article 7 Protection and proper use of company assets

Directors, supervisors, and managers are obliged to protect the Company's assets and ensure their effective and legitimate use in the Company's business affairs; also, prevent affecting the Company's profitability due to a theft, negligence, or waste.

#### Article 8 Compliance with laws and regulations

Directors, supervisors, and managers must comply with all laws and regulations and the Company's related policies.

#### Article 9 Encourage reporting any illegal conduct or violation of ethical conduct

The Company should enhance and spread moral values and encourage employees to report any identified violation against the laws and regulations or this Codes of Ethical Conduct in accordance with the concrete whistle-blowing system of the Company to the supervisors, managers, internal audit director, or any adequate officers. The Company should make every effort to protect the identity and safety of the reporters from any retaliation.

#### Article 10 Disciplinary measures

A criminal, civil, and damage suit will be brought against the directors, supervisors, and managers who have violated the Code of Ethical Conduct in accordance with the law and regulations. Managers are also subject to the Employee Work Rules and Disciplinary Act with a maximum punishment of dismissal; also, the committed violation and the relevant handling process will be posted on the Market Observation Post System (MOPS) immediately.

The disciplined managers in the preceding paragraph who are not satisfied with the punishment may base on the Company's Employee Work Rules and Disciplinary Act to have an appeal filed with the Company.

Article 11 Procedures for applicable exemptions

The Company's directors, supervisors, and managers, if justified, after a resolution reached in the board meeting, shall be exempted from certain provisions of this Code of Ethical Conduct. However, the exempted employee's title, name, date of approval by the Board, independent director's objections or reservations, applicable exemption period, reasons for exemption, and applicable guidelines for exemption must be disclosed on the Market Observation Post System (MOPS) immediately.

Article 12 Announcement, implementation, and disclosure methods

This Code of Ethical Conduct is implemented after the board of directors approves it; also, it is forwarded to the supervisors and reported in the shareholders meeting; so is the amendment. In addition, it should be disclosed on the Company's website, in the annual report, prospectus, and MOPS.

Article 13 The Code of Ethical Conduct is implemented and announced after it is approved by the board of directors; so is the amendment.