

Compal Electronics, Inc. & its subsidiaries

Ethical Corporate Management Best Practice Principles

Article 1 Purpose

The purpose to set up this principle is to foster the corporate culture of ethical management and sound development, and to offer a reference framework for establishing good commercial practices. This principle is applicable to the company and its subsidiaries

Article 2 Forbid unethical conduct

When engaging in commercial activities, directors, supervisors, managers, employees, appointees or persons having substantial control over such companies ("substantial controllers") shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty ("unethical conduct") for purposes of acquiring or maintaining benefits.

Article 3 Types of benefit

"Benefits" in the Principles means any valuable things, including money, endowments, commissions, positions, services, preferential treatment or rebates of any type or in any name. Benefits received or given occasionally in accordance with accepted social customs and that do not adversely affect specific rights and obligations shall be excluded.

Article 4 Relevant laws and regulations compliance

The company complies with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Statute, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, TWSE/GTSM-listing rules, or other laws or regulations regarding commercial activities, as the underlying basic premise to facilitate ethical corporate management.

Article 5 Policy

The company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.

Article 6 Prevention program

The company is, in accordance with the operational philosophies and policies prescribed in the preceding article, establish the prevention program and comply with relevant laws and regulations of the territory where the companies and their business group are operating.

Article 7 Scope of prevention program

When establishing the prevention program, the company shall analyze which business activities within their business scope which may be at a higher risk of being involved in an unethical conduct, and strengthen the preventive measures.

Article 8 Undertaking and execution

The company and its subsidiaries shall request their directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy.

The company and its subsidiaries shall clearly specify in their rules and external documents and on the company website the ethical corporate management policies and the commitment by the board of directors and senior management on rigorous and thorough implementation of such policies, and shall carry out the policies in internal management and in commercial activities.

The company and its subsidiaries shall compile documented information on the ethical management policy, statement, commitment and implementation mentioned in the first and second paragraphs and retain said information properly.

Article 9 Ethical corporate management on commercial activities

The company shall engage in commercial activities in a fair and transparent manner.

Prior to any commercial transactions, the company shall take into consideration the legality of their agents, suppliers, clients or other trading counterparties, and their records of unethical conduct, if any. It is advisable not to have any dealings with persons who have any records of unethical conduct.

When entering into contracts with other parties, the company shall include in such contracts provisions if demanding ethical corporate management policy compliance and that in the event the trading counterparties are suspected of engaging in unethical conduct, the company may at any time terminate or cancel the contracts.

Article 10 Forbid offering and accept of bribes

When conducting business, the company and their directors, supervisors, managers, employees, appointees and substantial controllers, shall not directly or indirectly offer, promise to offer, request or accept any improper benefits from clients, agents, contractors, suppliers, public servants, or other interested parties.

Article 11 Forbid providing illegal political donations

When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the company and their directors, supervisors, managers, employees, appointees and substantial controllers, shall comply with the Political Donations Act and their own relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.

Article 12 Forbid providing improper charitable donations or sponsorship

When making or offering donations and sponsorship, the company and their directors, supervisors, managers, employees, appointees and substantial controllers shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.

Article 13 Forbid offering or accepting unreasonable presents, hospitality, or other improper benefits

The company and their directors, supervisors, managers, employees, appointees and substantial controllers shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.

Article 14 Forbid violating intellectual property rights

The company and their directors, supervisors, managers, employees, appointees and substantial controllers shall comply with relevant rules of intellectual property rights, internal operating process and contents of contract. Forbid to use, disclose, dispose, damage or other behaviors that violate intellectual property rights except to grant the approval from the owner of the intellectual property rights.

Article 15 Forbid engaging in unfair competition behavior

The company shall comply with relevant competition regulations while engage in commercial activities. Not allow to fix price, control the bid, restrict output quantity and quota, or to distribute customer, suppliers, operating area or commercial types to share or divide market.

Article 16 Forbid product and service damaging interested parties

The company and their directors, supervisors, managers, employees, appointees and substantial controllers shall comply with laws and regulations when conducting product and service in R&D, procurement, manufacturing, providing or selling process The goal is to ensure the transparency and safety of product and service information, to build up and publish the right' protection policy of their consumers or other interested parties, and to implement those policies when conducting business, to avoid product or service directly or indirectly damage consumers' or other interested parties' right. The company shall recall that product or stop providing that service immediately if the product or service directly or indirectly damage consumers' or other interested parties' right,

Article 17 Organization and responsibility

The directors, supervisors, managers, employees, mandataries, and substantial controllers of the company shall exercise the due care of good administrators to urge the company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies.

To achieve sound ethical corporate management, the company shall establish a dedicated unit and responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs, and shall report to the board of directors on a regular (at least once a year) basis.

Article 18 Legal compliance for conducting business

The company and their directors, supervisors, managers, employees, appointees and substantial controllers shall comply with laws and regulations and the prevention program when conducting business.

Article 19 Preventing conflicts of interests

The company shall promulgate policies for preventing conflicts of interests, which can discriminate, supervise and manage the possible risk of resulting unethical conduct, as well as to offer appropriate means for directors, supervisors, managers and other interested party who attend the board meeting to voluntarily explain whether their interests would potentially conflict with those of the companies.

The companies' directors, supervisors, managers and other interested parties that attend the board of director meeting shall exercise a high degree of self-discipline, a director may present his opinion and answer relevant questions but is prohibited from participating in discussion of or voting on any proposal where the director or the juristic person that the director represents is an interested party, and such participation is likely to prejudice the interests of the company; neither shall a director vote on such proposal as a proxy of another director in such circumstances. The directors shall practice self-discipline and must not support one another in improper dealings.

The companies' directors, supervisors, managers, employees and substantial controllers shall not take advantage of their positions in the companies to obtain improper benefits for themselves, their spouses, parents, children or any other person.

Article 20 Accounting and Internal

Control The company shall establish effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in an unethical conduct, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to ensure that the design and enforcement of the systems are showing results. The internal audit unit of the company shall based on the assessment of the risk of involvement in unethical conduct and executive the audits. The results of examination shall be reported to senior management and the ethical management dedicated unit and the board of directors.

Article 21 Directions

The company shall establish prevention program and relevant guidelines in accordance with Article 6 hereof to guide directors, supervisors, managers, employees, and substantial controllers on how to conduct business.

Article 22 Training awareness and assessment

The company shall organize training and awareness programs for directors, supervisors, managers, employees, appointees and substantial controllers, and invite the companies' commercial transaction counterparties to join the programs so they understand the company's resolve to implement ethical corporate management, the related policies, prevention program and the consequences of committing unethical conduct.

The company shall apply the policies of ethical corporate management when creating its employee performance appraisal system and human resource policies to establish a clear and effective reward and discipline system.

Article 23 Violation-reporting system

The company shall adopt a concrete whistle-blowing system and scrupulously operate the system. The whistle-blowing system shall include at least the following:

1. An independent mailbox or hotline, either internally established and publicly announced to allow company insiders and outsiders to submit reports.
2. Follow-up measures to be adopted depending on the severity of the circumstances after investigations of cases reported are completed. Where necessary, a case shall be reported to the competent authority or referred to the judicial authority.
3. Documentation of case acceptance, investigation processes, investigation results, and relevant documents.
4. Confidentiality of the identity of whistle-blowers and the content of reported cases, and an undertaking regarding anonymous reporting.
5. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing.

When material misconduct or likelihood of material impairment to the TWSE/GTSM listed company comes to their awareness upon investigation, the dedicated personnel or unit handling the whistle-blowing system shall immediately prepare a report and notify the independent directors in written form.

Article 24 Disciplinary and complaint system

The company shall establish a well-defined disciplinary and complaint system to handle violation of the ethical corporate management rules, and disclose the status on the company's internal website.

Article 25 Information disclosure

The company shall disclose the implement status of its own ethical corporate management best practice principles on company websites, annual reports and prospectuses.

Article 26 Review and revise for ethical corporate management policy and measures

The company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management, and encourage directors, supervisors, managers and employees to make suggestions so as to review and improve their ethical corporate management best practice principles and achieve better results from implementing the principles.

Article 27 Establishment, amendment, and implementation

The principles of the company shall be implemented after the board of directors grants the approval. The same procedure shall be followed when the principles have been amended.

When the company submits its principles to the board of directors for discussion pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. Any objections or reservations of any independent director shall be recorded in the minutes of the board of directors meeting.

An independent director that cannot attend the board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there is some

legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the board of directors meeting.

The provisions regarding supervisors in these Principles shall apply mutatis mutandis to the audit committee.

Article 28 Supplementary provisions

These Principles were established and approved by the board of directors for implementation on December 23, 2014.

The first revision was made and approved by the board of directors for implementation on August 11, 2015.

The second revision was made and approved by the board of directors for implementation on November 11, 2019.