

Ethical Corporate Management Best Practice Principles for Compal Electronics Inc.

Article 1 Purpose

These Principles are established to assist COMPAL ELECTRONICS, INC. (the "Company") to foster a corporate culture of ethical management and sound development, and construct a reference framework for business operation. The scope of these Principles shall apply to the Company and its subsidiaries.

Article 2 Restriction on Unethical Conduct

When engaging in commercial activities, directors, supervisors, managers, employees, and mandataries of the Company 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 (hereinafter referred to as the "unethical conduct") for purposes of acquiring or maintaining benefits.

Article 3 Types of Benefits

"Benefits" described in these Principles mean 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 Legal Compliance

The Company complies with the regulations of 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, which is served as the underlying basic premise for the implementation of ethical corporate management.

Article 5 Policies

The Company upholds the operational philosophies of ethical, transparency and responsibility, base policies on the principle of good faith and establishes good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.

Article 6 Preventive Solution

The Company, in accordance with the preceding article philosophy and policies, establishes relevant provisions of the programs to forestall unethical conduct. The Company shall comply with relevant laws and regulations of the territory where the companies and their business group are operating.

Article 7 Scope of Prevention

During the establishment of the prevention programs, the Company shall analyze which business activities within their business scope which are relatively at a higher risk of being involved in an unethical conduct, and shall also strengthen the preventive measures.

Article 8 Undertaking and Execution

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

Article 9 Ethical Business Activities

The Company engages in commercial activities in a fair and transparent manner based on the principles of ethical management.

Prior to any commercial transactions, the Company shall consider the legality of their agents, suppliers, clients, or other trading counterparties and determine whether any of such personnel are involved in unethical conduct, and shall also avoid any dealings with personnel having any unethical records.

When entering into contracts with the agents, suppliers, clients, or other trading counterparties of the Company, the Company shall include in such contracts terms requiring compliance with ethical corporate management policy and that in the event the trading counterparties are involved in unethical conduct, the Company may at any time terminate or rescind the contracts.

Article 10 Restriction on Bribery and Acceptance of Bribes

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

Article 11 Restriction on Offering of Illegal Political Contributions

When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the Company and its directors, supervisors, managers, employees, mandataries, and substantial controllers, 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 Restriction on Offering of Improper Charitable Donations or Sponsorships

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

Article 13 Restriction on Accepting Unreasonable Gifts, Treats or other Improper Interests

The Company and its directors, supervisors, managers, employees, mandataries, 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 Restriction on Infringement of Intellectual Property Rights

The Company and its directors, supervisors, managers, employees, mandataries, and substantial controllers shall comply with applicable laws and regulations, the Company's internal operational procedures, and contractual provisions concerning intellectual property, and shall not use, disclose, dispose, or damage intellectual property or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights holder.

Article 15 Restriction on Conducts of Unfair Competition

The Company shall engage in business activities in accordance with applicable competition laws and regulations, and shall not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.

Article 16 Prevent Products or Services from Damaging Interested Parties

In the course of research and development, procurement, manufacture, provision, or

sale of products and services, the Company and its directors, supervisors, managers, employees, mandataries, and substantial controllers shall comply applicable laws and regulations and international standards to ensure the transparency of information about, and safety of, their products and services. They shall also establish and announce policies on the protection of the rights and interests of consumers or other interested parties, and implement the policies in their operations, with a view to preventing their products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other interested parties. Where there are sufficient facts to determine that the Company's products or services are likely to pose any hazard to the safety and health of consumers or other interested parties, the Company shall, in principle, recall those products or suspend the services immediately.

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 and to perform reviews on the results of the preventive measures as well as to make adjustments continuously in order to ensure thorough implementation of its ethical corporate management policies. To achieve sound ethical corporate management, the Company establishes a dedicated unit responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs as well as providing reports to the board of directors on a regular basis.

Article 18 Legal Compliance for Duty Execution

The Company and its directors, supervisors, managers, employees, mandataries, and substantial controllers shall comply with laws and regulations and the prevention programs when executing duties.

Article 19 Recusal of Conflict of Interest

The Company establishes policies for preventing conflicts of interest to identify, monitor, and manages risks possibly resulting from unethical conduct, and also provides appropriate means to directors, supervisors, managers, and other interested parties attending or present at board meetings to voluntarily explain whether their interests are potentially in conflict with those of the Company. When a proposal at a given board of directors meeting is related to the personal interest of, or the interest of the juristic person represented by, any of the directors, supervisors, managers, and other interested parties attending or present at board

meetings of the Company, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. In case where his or her participation is likely to prejudice the interest of the Company, the concerned person shall not participate in discussion of or voting on the proposal and recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings.

The Company's directors, supervisors, managers, employees, mandataries, and substantial controllers not take advantage of their positions or influence 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 of a relatively higher risk of being involved in an unethical conduct, and there shall be no externally concealed accounts or preservation of secret accounts, and the Company shall conduct reviews regularly so as to ensure that the design and enforcement of the systems continue to be effective.

The internal audit unit of the Company periodically examines the Company's compliance with the foregoing systems and prepares audit reports and submits the same to the board of directors.

Article 21 Precautions

The Company shall establish operational procedures and guidelines in accordance with Article 6 hereof to guide directors, supervisors, managers, employees, and substantial controllers on matters requiring attention during execution of duties.

Article 22 Educational Training and Performance Evaluation

The Company shall periodically organize training and awareness programs for directors, supervisors, managers, employees, mandataries, and substantial controllers and invite the Companies' commercial transaction counterparties in order to allow them to understand the Companies' determination on the implementation of ethical corporate management, relevant policies, prevention programs and the consequences of committing violation and unethical conduct.

Article 23 Violation-Reporting System

The Company provides a violation-reporting channel, and the identity of the reporter

and report content are kept confidential.

Article 24 Disciplinary and Appeal System

The Company establishes a well-defined disciplinary and appeal system for handling violations of the ethical corporate management rules, and discloses the details of the violation, and the handling status on the Company's internal website.

Article 25 Information Disclosure

The Company discloses the execution status of the principles of ethical management on its website, annual report and prospectus.

Article 26 Review and Correction of Ethical Management Policies and Measures

The Company monitors the development of relevant local and international regulations concerning ethical corporate management at all times and encourages its directors, supervisors, managers, and employees to make suggestions, based on which the adopted ethical corporate management policies and measures taken will be reviewed and improved with a view to achieving better implementation of ethical management.

Article 27 Establishment, Amendment, and Implementation

These Principles shall be approved by more than 1/2 of all members of the audit committee, and shall be reported to the board of directors for resolution, followed by implementation thereof. The same requirements shall be applicable to amendments thereof..

The requirements on supervisors specified in these Principles shall be applicable to the independent directors of the audit committee set up by the Company.

Article 28 Supplementary Provisions

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

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