

POYA International Co., Ltd.

Procedures for Ethical Management and Guidelines for Conduct

- Article 1 The Company engages in commercial activities following the principles of fairness, honesty, faithfulness, and transparency. In order to fully implement a policy of ethical management and actively prevent unethical conduct, these Procedures for Ethical Management and Guidelines for Conduct (hereinafter, "Procedures and Guidelines") are enacted pursuant to the provisions of “ Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and the laws of the territories where the Company, its group enterprises and organization operate with a view to providing all personnel of the Company with clear directions for the performance of their duties.
- Article 2 The scope of application of these Procedures and Guidelines includes the subsidiaries of the Company, any incorporated foundation in which the Company's accumulated contributions, direct or indirect, exceed 50 percent of the total funds of the foundation, and other enterprises and organizations, such as institutions or juristic persons, substantially controlled by the Company.
- Article 3 The term "personnel of the Company" in these Procedures and Guidelines refers to any director, supervisor, managerial officer, employee, mandatary, or person having substantial control, of the Company or its group enterprises and organizations.
- Any provision, promise, request, or acceptance of improper benefits in whatever form or name by any personnel of the Company through a third party will be presumed to be an act by the personnel of the Company.
- Article 4 The term " unethical conduct " in these Procedures and Guidelines refers to that any personnel of the Company, in the course of their

duties, directly or indirectly provides, promises, requests, or accepts improper benefits or commits a breach of ethics, unlawful act, or breach of fiduciary duty for purposes of acquiring or maintaining benefits.

The counterparties of the unethical conduct in the preceding paragraph include public officials, political candidates, political parties or their staffs, and government-owned or private-owned enterprises or institutions and their directors, supervisors, managerial officers, employees, persons having substantial control, or other interested parties.

Article 5 The term "benefits" in these Procedures and Guidelines refers to any money, gratuity, gift, commission, position, service, preferential treatment, rebate, facilitating payment, entertainment, dining, or any other item of value in whatever form or name.

Article 6 The auditing office of the Company is the solely responsible unit (hereinafter, "responsible unit") in charge of the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines. Besides, the recording and filing of reports, the monitoring of implementation, and the irregular reports to the Board of Director shall be made by the responsible unit. The main duties of the responsible unit include the following items:

1. Assist to integrate the value of integrity and ethic with the operating strategy of the Company, and enact prevented measure against abuse for ethical management according to related laws and regulations.
2. Enact the prevented program against unethical behaviors, in which the standard procedure for operation and guideline for conduct of each position shall be clearly specified.
3. Make a plan of the internal organization, personnel structure and function, and set up the mechanism for supervision and for checks

- and balance toward higher risks of unethical behaviors of operating activities within the business scope of the Company.
4. Implement and coordinate the promotion and training of the ethical policies.
 5. Establish the system for handling accusation letters, and ensure the effectiveness of the execution.
 6. Assist the Board of Directors and the management to examine and evaluate whether the prevented measure has been executed effectively for carrying out the ethical management. The evaluation report of compliance status shall be made periodically according to the related operating procedures.

Article 7 Except under one of the following circumstances, the provision, acceptance, promise, or request of the benefits, regulated in Article 5, direct or indirectly by the given personnel of the Company shall be complied with the provisions of “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and these Procedures and Guidelines. The conduct shall be approved after carrying out the relevant procedures:

1. The conduct is undertaken to meet business needs and is in accordance with local courtesy, convention, or custom during domestic (or foreign) visits, reception of guests, promotion of business, and communication and coordination.
2. The conduct has its basis in normal social activities that are attended or others are invited to hold in line with accepted social custom, commercial purposes, or relationship development.
3. The conduct is invitations to guests or attendance at specific commercial activities or factory visits because of business needs, when the method of fee payment, number of participants, class of accommodations, and time period for the event or visit have been specified in advance.

4. The conduct is attendance at folk festivals that are open to and invite the attendance of the general public.
5. The conduct includes rewards, emergency assistance, condolence payments, or honorariums from the management.
6. Money, property, or other benefits offered to or accepted from a person other than relatives or friends shall be in line with the normal regulations of social community and the ordinary scope of custom.
7. Property received due to engagement, marriage, maternity, relocation, assumption of a position, promotion or transfer, retirement, resignation, or severance, or the injury, illness, or death of the recipient or the recipient's spouse or lineal relative shall be in line with the regulations of local society and normal custom.
8. Other conduct that complies with the rules of the Company.

Article 8 Except under the circumstances set forth in the preceding article, any provision or promise of the benefits, regulated in Article 5, direct or indirect to any personnel of the Company shall be managed according to the following procedures:

1. If there is no interested relationship of official duties between the party providing or offering the benefit and the personnel of the Company, the personnel shall report to their immediate supervisor within 3 days from the acceptance of the benefit. The responsible unit shall also be notified if necessary.
2. If an interested relationship of official duties does exist between the party providing or offering the benefit and the personnel of the Company, the personnel shall return or refuse the benefit, and shall report to his or her immediate supervisor and notify the responsible unit. When the benefit cannot be returned, then within 3 days from the acceptance of the benefit, the personnel shall refer

the matter to the responsible unit for handling.

The term "An interested relationship of official duties does exist between the party providing or offering the benefit and the personnel of the Company" as referred to in the preceding paragraph, refers to one of the following circumstances:

1. When the two parties have commercial dealings, a relationship of direction and supervision, or subsidies (or rewards) for expenses.
2. When a contracting, trading, or other contractual relationship is being sought, is in progress, or has been established.
3. Other circumstances in which a decision regarding the Company's business, or the execution or non-execution of business, will result in a beneficial or adverse impact.

The responsible unit of the Company shall make a proposal, based on the nature and value of the benefit under paragraph 1, that it shall be returned, accepted on payment, given to the public, donated to charity, or handled in another appropriate manner. The proposal shall be implemented after being reported and approved.

Article 9 The Company shall neither provide nor promise any facilitating payment.

If any personnel of the Company do provide or promise a facilitating payment under threat or intimidation, the personnel shall submit a report to their immediate supervisor stating the facts and shall notify the responsible unit.

Upon receipt of the report under the preceding paragraph, the responsible unit shall take immediate action and undertake a review of relevant matters in order to minimize the risk of recurrence. In a case involving alleged illegality, the responsible unit shall also immediately report to the relevant judicial agency.

Article 10 Political contributions by the Company shall be made in accordance with the following provisions and the relative regulations of the Company' s authorization chart. The matter shall be reported to the supervisor for approval, and a notification shall be given to the responsible unit. If the amount of a contribution is more than the amount which shall be authorized by the Board of Directors in the Company' s authorization chart, it shall be made only after being reported to and approved by the Board of Directors.

1. It shall be ascertained that the political contribution is in compliance with the laws and regulations governing political contributions in the country in which the recipient is located, including the maximum amount and the form in which a contribution may be made.
2. A written record of the decision-making process shall be kept.
3. Account entries shall be made for all political contributions in accordance with applicable laws and regulations and relevant procedures for accounting treatment.
4. In making political contributions, commercial dealings, applications for permits, or carrying out other matters involving the interests of the Company with the related government agencies shall be avoided.

Article 11 Charitable donations or sponsorships by the Company shall be made in accordance with the following provisions and the relative regulations of the Company' s authorization chart. The matter shall be reported to the supervisor for approval, and a notification shall be given to the responsible unit. If the amount of a charitable donation or sponsorship is more than the amount which shall be authorized by the Board of Directors in the Company' s authorization chart, it shall be made only after being reported to and approved by the Board of Directors.

1. It shall be ascertained that the donation or sponsorship is in

compliance with the laws and regulations of the country where the Company is doing business.

2. A written record of the decision making process shall be kept.
3. A charitable donation shall be given to a valid charitable institution and may not be a disguised form of bribery.
4. The returns received as a result of any sponsorship shall be specific and reasonable, and the subject of the sponsorship may not be a counterparty of the Company's commercial dealings or a party with which any personnel of the Company has a relationship of interest.
5. After a charitable donation or sponsorship has been given, it shall be ascertained that the destination to which the money flows is consistent with the purpose of the contribution.

Article 12 The directors and managerial officers of the Company and the stakeholders presenting or participating at the Board meeting as a non-voting observer shall express opinions about the relationship of interests in the Board meeting when a proposal at a Board meeting concerns a director's personal interest or the interest of the juristic person represented by the director. If such a relationship is likely to prejudice the interest of the Company, the director may not participate in the discussion nor vote on that proposal. In addition, the director shall refuse involvement in discussion and voting, and may not exercise voting rights as proxy on behalf of another director. The directors shall exercise discipline among them, and may not support each other in an inappropriate manner.

If in the course of conducting company business, any personnel of the Company discovers that a potential conflict of interest exists involving themselves or the juristic person that they represent, or that they or their spouse, parents, children, or a person with whom they have an interested relationship is likely to obtain improper benefits, the

personnel shall report the relevant matters to both his or her immediate supervisor and the responsible unit. The immediate supervisor shall provide the personnel with proper instructions.

The personnel of the Company shall not participate in the non-company's business activities by utilizing the Company's resources and shall not affect the work performance because of such participation in the non-company's business activities.

Article 13 Legal Affairs Section of General Administrative Division is the special unit, being charged with formulating and implementing procedures for managing, preserving, and maintaining the confidentiality of the Company's intellectual properties like trade secret, trademark, patent and copyright. It shall also conduct irregular reviews on the results of implementation to ensure the sustained effectiveness of the confidentiality procedures.

The personnel of the Company shall thoroughly observe the related operating regulations with respect to intellectual properties in the preceding paragraph, and shall not disclose the Company's intellectual properties like trade secrets, trademark, patent and copyright to others. Nor shall the personnel inquiry or collect the Company's intellectual properties like trade secrets, trademark, patent and copyright which are unrelated to his/her individual duties.

Article 14 The Company shall engage in business activities in accordance with Fair Trade Act and applicable competition laws and regulations, and may 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 15 The Company shall collect and understand the applicable laws and regulations and international standards, which shall be observed by the Company when offering the products and services. The summary of such matters needing attention shall be announced to drive the

Company's personnel to ensure the transparency of information about, and safety of, the products and services in the course of procurement, provision, or sale of the products and services.

Where there are media reports or 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 stakeholders, the Company shall, in principle, recall those products or suspend the services immediately. The investigation shall be carried out and the improved program shall be raised.

The responsible unit of the Company shall submit to the Board of Directors the matter in the preceding paragraph, the treatment and the improved measures.

Article 16 The Company's personnel shall adhere to the provisions of the Securities and Exchange Act, and may not take advantage of undisclosed information of which they have learned to engage in insider trading. Personnel are also prohibited from divulging the undisclosed information to any other party in order to prevent another party from using such information to engage in insider trading.

Any other institution or person outside of the Company that is involved in any merger, demerger, acquisition and share transfer, major memorandum of understanding, strategic alliance, other business partnership plan, or the signing of a major contract by the Company shall be required to sign a non-disclosure agreement in which they undertake not to disclose to any other party any trade secret or other material information of the Company acquired as a result, and that they may not use such information without the prior consent of the Company.

Article 17 The Company shall disclose its policy of ethical management in its internal rules, annual reports, on the company's websites, and in other promotional materials in order to make the suppliers, customers, other

business-related institutions and personnel fully aware of its principles and rules with respect to ethical management of the Company.

Article 18 Any personnel of the Company, when engaging in commercial activities, shall make a statement to the trading counterparty about the ethical management policy and related rules of the Company. Also, the personnel shall clearly refuse to provide, promise, request, or accept, directly or indirectly, any improper benefit in whatever form or name, including rebates, commissions, facilitating payments, or other improper benefits provided or accepted through other channels.

Article 19 Any personnel of the Company shall avoid business transactions with an agent, supplier, customer, or other counterparty who involve in unethical behaviors. When the counterparty or partner in cooperation is found to have engaged in unethical conduct, the personnel shall immediately cease dealing with the counterparty and blacklist it for any further business interaction in order to effectively implement the Company's ethical management policy.

Article 20 Before making a contract with another party, the Company shall fully understand the status of the other party's ethical management and shall make observance of ethical management policies of the Company part of the terms and conditions of the contract, stipulating at the least the following matters:

1. Whenever a party to the contract becomes aware that any personnel has violated the terms and conditions of the contract which prohibit the acceptance of commissions, rebates, or other improper benefits, the party shall immediately notify the other party of the violator's identity, the manner in which the provision, promise, request, or acceptance was made, and the monetary amount or other improper benefit that was provided, promised, requested, or accepted. The party shall also provide the other party with pertinent evidence and cooperate fully with the investigation.

2. Wherever a party is discovered to be engaged in unethical conduct in its commercial activities, the other party may terminate or rescind the contract unconditionally at any time.
3. Specific and reasonable payment terms shall be set up, including the place and method of payment and the requirement for compliance with related tax laws and regulations.

Article 21 When discovering or receiving a complaint about any personnel's involvement in unethical conduct, the Company shall ascertain the relevant facts without delay. If it is verified that there is a violation of applicable laws and regulations or the Company's policy and procedures of ethical management, the Company shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, the Company will institute legal proceedings and seek damages to safeguard its reputation, rights and interests. If the internal personnel misreport or bring a false accusation on purpose, the Company shall give punishment to such personnel according to the regulations. With serious consequences, the personnel shall be dismissed.

With respect to the unethical conduct that has occurred, the Company shall charge the relevant units with the task of reviewing the internal control system and relevant procedures, and proposing corrective measures to prevent a recurrence of the same unethical conduct. The responsible unit of the Company shall submit to the Board of Directors a report on the unethical conduct, actions taken, subsequent reviews and corrective measures.

Article 22 If any personnel of the Company discover that another party has engaged in unethical conduct towards the Company and such unethical conduct involves alleged illegality, the Company shall report the relevant facts to the judicial and prosecutorial authorities; where a public service agency or public official is involved, the Company shall additionally notify the governmental anti-corruption agency.

- Article 23 If any personnel of the Company seriously violate ethical conduct, the Company shall dismiss the personnel from his or her position or terminate his or her employment according to applicable laws and regulations or the personnel policy and procedures of the Company.
- The Company shall disclose on its internal website the name and title of the violator, the date and details of the violation, and the actions taken in response.
- Article 24 These Procedures and Guidelines and any amendments to it shall enter into force after it has been adopted by the Audit Committee and Board of Directors, and submitted to a shareholders meeting.
- When submitting these Procedures and Guidelines to Board of Directors for discussion, the opinions of independent directors shall be taken into full consideration. If an independent Director objects to or expresses reservations about such a matter, it shall be recorded in the Board meeting minutes; if an independent Director intends to express an objection or reservation but is unable to attend the meeting in person, the Director shall issue a written opinion in advance, unless there is a legitimate reason for exception, and the opinion shall be recorded in the Board meeting minutes.
- Article 25 These Procedures and Guidelines were enacted on October 27, 2014. The first amendment was made on March 23, 2015.