

# PEGATRON CORPORATION

## Codes of Ethical Conduct

(Translation – In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.)

### Article 1 Purpose of and basis for adoption

The Codes which are adopted based on "Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies" are for the purpose of encouraging directors, managerial officers and all employees of the company to act in line with ethical standards, and to help interested parties better understand the ethical standards of the company.

### Article 2 The Personnel who should adopt the Codes

The Codes are applicable to directors, managerial officers and all employees of the company (hereinafter the "Personnel").

### Article 3 Content of the Codes (including 8 items)

#### 1. Prevention of conflicts of interest

The Personnel shall perform their duties in an objective and efficient manner and avoid obtaining improper benefits for themselves, their spouses, parents, children, or relatives within the second degree of kinship when they hold positions in the company. When there are loans of funds, provisions of guarantees, and major asset transactions or the purchase (or sale) of goods between the company and the affiliated companies to which the aforementioned personnel belongs, the said Personnel should voluntarily explain whether or not there is a potential conflict of interest with the company and shall obtain approval from the company.

#### 2. Minimizing incentives to pursue personal gain

When the company has an opportunity for profit, it is the responsibility of the Personnel to maximize the reasonable and proper benefits that can be obtained by the company. The Personnel shall avoid any of the following activities:

- (1) Seeking an opportunity to pursue personal gain through the use of company assets, information, or the position held in the company.
- (2) Obtaining personal gain through the use of company assets, information, or the position held in the company.
- (3) Competing with the company.

#### 3. Confidentiality

The Personnel shall be bound by the obligation to maintain the confidentiality of any information regarding the company or its suppliers and customers, except when authorized or required by law to disclose such information. Confidential information includes but not limited to any undisclosed information that, if exploited by a competitor or disclosed, could result in damage to the company or the suppliers and customers.

#### 4. Fair trade

The Personnel shall treat all suppliers, customers, competitors, and employees fairly, and may not

obtain improper benefits through manipulation, nondisclosure, or misuse of the information learned by virtue of their positions, through misrepresentation of important matters, or through other unfair trading practices.

5. Safeguarding and proper use of company assets

The Personnel have the responsibility to safeguard company assets and to ensure that they can be effectively and lawfully used for official business purposes. Any theft, negligence in care, or waste of the assets will incur direct impact to the company's profitability.

6. Legal compliance

The Personnel shall comply with internal policies, "Securities and Exchange Act" and other applicable laws, regulations, and bylaws.

7. Encouraging reporting on illegal or unethical activities

The company shall raise awareness of ethics internally and encourage employees to report to the board of directors, managerial officers, chief internal auditor or other appropriate individuals upon suspicion or discovery of any activity in violation of a law or regulation or the code of ethical conduct. To encourage employees to report illegal conduct, the company has established a whistle-blowing system and shall make employees aware that the company will use its best efforts to ensure the safety of informants and protect them from reprisals.

8. Disciplinary measures

When employee violates the code, the company shall evaluate the violation and take proper disciplinary measures.

**Article 4 Procedures for exemption**

Any exemption for directors or managerial officers from compliance with the code shall be adopted by a resolution of the board of directors. Information such as the title and name of exempted personnel, the date on which the board of directors adopted the resolution for exemption, the period of, reasons for, and principles behind the application of the exemption be disclosed without delay on the MOPS, in order that the shareholders may evaluate the appropriateness of the board resolution to forestall any arbitrary or dubious exemption from the code, and to safeguard the interests of the company by ensuring appropriate mechanisms for controlling any circumstance under which such an exemption occurs.

**Article 5 Method of disclosure**

The company shall disclose the Codes it has adopted, and any amendments to it, on the corporate website, in its annual reports and prospectuses and on the MOPS.

**Article 6 Enforcement**

The code will be taken into effect after the board of directors adopts the resolution and its amendment. The Codes was established on November 10, 2014.