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Record of Amendments

Version	Page	Chapter	Details of Amendments	Effective Date
01			Establish the Principles of Business Ethics	2013/02/27
02			Amend the Principles of Business Ethics	2015/02/26
03			Amend the Principles of Business Ethics (the term “supervisor” is removed due to the establishment of an audit committee to carry out supervisors’ responsibilities)	2017/02/23

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Article 1: Purpose, scope and applicability

1. Purpose: The Company and its controlled affiliates conduct business based on the principles of fairness, honesty, trustworthiness and transparency. To thoroughly implement the policy of business ethics and actively prevent misconduct, we established the Principles of Business Ethics (hereinafter referred to as the Principles) pursuant to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies. The Principles aim to outline the norms of business conduct that personnel of the Company shall follow.
2. The Principles also apply to group enterprises and organizations, such as subsidiaries of the Company; any juristic institutions in which the Company contributes, directly or indirectly, over 50 percent of the funds in total; and institutions or juristic persons substantially controlled by the Company.
3. Applicability: "Personnel of the Company" in the Principles refers to directors, managers, employees, mandataries and persons having substantial control in the Company and its group enterprises and organizations. Any provision, promise, request, or acceptance of money, gratuity, gift, commission, position, service, preferential treatment, rebate, facilitating payment, hospitality, entertainment, or any other benefit in any form or name by personnel of the Company through a third party will be presumed to be an act by the personnel of the Company.

Article 2: Prohibition against unethical conduct

"Unethical conduct" in the Principles refers to the direct or indirect provision, acceptance, promise or request of improper benefits or acts of serious misconduct, breach of good faith, or serious violation of fiduciary duty by personnel of the Company during the course of business in order to obtain or maintain their interests. The counterparties of the said unethical conduct include public officials, political candidates, political parties or their staff, and public or private enterprises or institutions and their directors, managers, employees, persons having substantial control or other stakeholders.

Article 3: Types of benefits

"Benefits" in the Principles refers to anything of value, including money, gratuity, commission, position, service, preferential treatment and rebate in any form or name. Benefits given or received that are consistent with local custom and practice, reasonable in frequency and not affecting specific rights and obligations shall be excluded.

Article 4: Compliance with laws and regulations

The Company shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, rules for TWSE/TPEX Listed Companies or other laws or regulations

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governing commercial activities as a prerequisite for a thorough implementation of ethical business practices.

Article 5: Policies

In accordance with the business philosophies of honesty, transparency and responsibility, the Company shall formulate policies based on business ethics and establish a sound corporate governance program and risk control mechanisms to achieve corporate sustainability.

Article 6: Preventive actions

The business ethics policies established by the Company shall clearly and explicitly formulates conducts conforming to ethics and actions taken to prevent unethical behaviors (hereinafter referred to as Preventive Actions), including operating procedures, guidelines and trainings.

Preventive actions of the Company shall comply with applicable laws and regulations in any jurisdiction where the Company and its group enterprises and organizations operate. The Company is advised to communicate with employees, unions, important business counterparties or other stakeholders when formulating those preventive actions.

Article 7: Scope of preventive actions

When formulating the preventive actions, the Company shall identify operating activities involving higher risk of unethical conduct and strengthen relevant preventive measures. Those actions shall include measures preventing the following misconduct:

1. Offering and acceptance of bribes
2. Provision of illegal political contribution
3. Improper charitable donations or sponsorship
4. Offering or acceptance of unreasonable gifts, hospitality or other improper benefits
5. Infringement of trade secrets, trademarks, patents, copyrights and other intellectual property rights
6. Unfair competition
7. Maliciously and gravely jeopardize the rights, health and safety of consumers or other stakeholders during the process of research and development, purchase, manufacture, rendering or sale of products and services

Article 8: Commitment and implementation

In the internal control policies and relevant external documents, the Company and its group enterprises and organizations shall explicitly state the business ethics policy. Moreover, the board of directors and management team shall commit to active implementation of the ethical policy. They shall also duly execute it in internal management and external commercial activities.

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Article 9: Ethical conduct in commercial activities

Without violating its confidentiality policy, the Company shall conduct business in a fair and transparent manner based on the principles of business ethics. The legality and records of misconduct of agents, suppliers, customers or the business counterparties shall be assessed before we conduct business with them to avoid transacting with parties with past misconduct. Contracts entered into by the Company with its agents, suppliers, customers or other business counterparties are advised to include clauses where parties shall comply with the business ethics policy and, in the event that the counterparties are involved in unethical conduct, the other party can terminate or rescind the contract unconditionally at any time.

Article 10: Prohibition against offering and acceptance of bribes

During the course of business, the Company and its directors, managers, employees, mandataries and persons having substantial control shall not, directly or indirectly, provide, promise, request or accept any forms of improper benefits, including rebate, commission and facilitating payment. Neither shall they, through other means, provide or accept any improper benefits to or from customers, agents, contractors, suppliers, public officials, or other stakeholders, unless the conduct does not violate any laws and regulations in the jurisdiction where the Company operates.

Article 11: Prohibition against offering of illegal political contribution

The direct or indirect offering of donations to political parties or organizations or individuals participating in political activities by the Company and its directors, managers, employees, mandataries and persons having substantial control shall comply with the Political Donations Act and relevant internal operating procedures of the Company. Such donations shall not be used to gain any commercial benefits or trading advantages improperly.

Article 12: Prohibition against improper charitable donations or sponsorship

Provision of charitable donations or sponsorship by the Company and its directors, managers, employees, mandataries and persons having substantial control shall comply with relevant laws and regulations and internal operating procedures. Those shall not be bribes in disguise.

Article 13: Prohibition against unreasonable gifts, hospitality or other improper benefits

The Company and its directors, managers, employees, mandataries and persons having substantial control shall not, directly or indirectly, provide or accept any unreasonable gifts, hospitality or other improper benefits in order to establish business relationships or influence business dealings.

Article 14: Prohibition against infringement of intellectual property rights

The Company and its directors, managers, employees, mandataries and persons having substantial control shall observe applicable laws and regulations, the Company's internal

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operational procedures, and contractual provisions concerning intellectual property. They may not use, disclose, dispose, destroy or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights holder.

Article 15: Prohibition against unfair competition

The Company shall engage in business activities in accordance with 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 16: Actions taken to prevent products and services from jeopardizing stakeholders

During the process of research and development, procurement, manufacture, rendering or sale of products and services, the Company and its directors, managers, employees, mandataries and persons having substantial control shall observe general business practices (or applicable laws and regulations and international standards) to ensure the transparency of information about, and safety of, the products and services, without violating the confidentiality policy. The Company is advised to formulate and announce its policy on the protection of the rights and interests of consumers or other stakeholders, and carry out the policy in its operations to prevent the products and services from, directly or indirectly, maliciously and gravely jeopardize the rights, health and safety of consumers or other stakeholders. Where there are sufficient evidence indicating the Company's products or services are likely to maliciously and gravely jeopardize the rights, health and safety of consumers or other stakeholders, the Company shall, in principle, recall those products or suspend the services immediately.

Article 17: Organization and responsibility

The Company's directors, managers, employees, mandataries and persons having substantial control owes a duty of care to monitor the Company's preventive measures regarding misconduct. They shall constantly review the results and continuously improve the measures to ensure the policies of business ethics are thoroughly implemented. To achieve a sound management of business ethics, a dedicated unit reporting directly to the board shall be established. The administration division is in charge of formulating and monitoring the execution of ethics policies and preventive actions and shall communicate to the board of directors whenever they deem necessary. It primarily manages the following matters:

1. To assist in incorporating ethics and moral values into the company's business strategy and formulating prevention actions pursuant to laws and regulations to ensure ethical management.
2. To establish programs to prevent unethical conduct and set out relevant standard operating procedures and conduct guidelines in each program.
3. To plan the internal organization, structure, and allocation of responsibilities and

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adopt check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.

4. To promote and coordinate awareness and training activities on ethics policy.
5. To develop a whistleblowing system and ensure its operating effectiveness.
6. To assist the board of directors and management in auditing and assessing whether the prevention actions taken for the purpose of implementing ethical management are effective, and prepare reports on compliance assessment when necessary.

Article 18: Legal compliance for business activities

The Company and its directors, managers, employees, mandataries and persons having substantial control shall comply with laws and regulations and preventive actions during the course of business.

Article 19: Prevention of conflicts of interest of directors and managers

The Company shall adopt policies preventing conflicts of interest in order to identify, monitor and manage possible unethical conducts thereof. It shall also provide appropriate channels for directors, managers and other stakeholders attending or present at board meetings to voluntarily explain whether their interests would potentially conflict with those of the Company. For agenda items of which the Company's directors, managers and other stakeholders attending or present at board meetings, or the juridical persons they represented, have a personal interest, they shall state the key aspects of the interest in the meeting. If the interest may prejudice the interest of the Company, the persons concerned can present their opinions and answer relevant questions; however, they shall not participate in the discussion and voting of those items and shall recuse themselves from those sessions. They shall not stand proxy for other directors to exercise the voting right on those items. Directors shall also exercise self-discipline among themselves and avoid collusion. The Company's directors, managers, employees, mandataries and persons having substantial control shall not take advantage of their positions or influence 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 and internal control systems for operating activities involving higher risk of unethical conduct. The Company shall neither manipulate the books nor keep secretive accounts. The systems shall be reviewed constantly to ensure the effectiveness of their design and execution. Internal audit unit shall audit the compliance of the said systems whenever they deem necessary and file an audit report to the board of directors. It may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.

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Article 21: Operating procedures and guidelines

Preventive actions established pursuant to Article 6 outline the operating procedures and guidelines that the directors, managers, employees and persons having substantial control of the Company shall follow when performing their duties. Those actions include the following items:

1. Standards for determining whether improper benefits have been offered or accepted.
2. Procedures for offering legitimate political donations.
3. Procedures and the standard rates for offering proper charitable donations or sponsorship.
4. Rules for avoiding work-related conflicts of interests and relevant reporting and handling procedures.
5. Rules for maintaining the confidentiality of trade secrets and sensitive business information obtained in the ordinary course of business.
6. Regulations and procedures for dealing with suppliers, customers and business counterparties suspected of unethical conduct.
7. Procedures for dealing with violations of the Principles.
8. Disciplinary measures against violators.

Article 22: Training and performance evaluation

The Chairperson, General Manager or senior management of the Company shall convey the importance of ethics to the directors, employees and mandataries whenever they deem necessary. The Company shall organize training and awareness programs for its directors, managers, employees, mandataries and persons having substantial control and invite business counterparties to participate in order for them to fully comprehend the Company's determination, policies and preventive actions regarding business ethics and the consequences of misconduct. The Company includes business ethics as part of the employee performance evaluations and human resources policies and establishes a clear and effective reward and discipline system.

Article 23: Reporting and disciplinary measures

The Company shall establish an explicit whistleblowing system and duly implement it. The system shall include at least the following items:

1. To create and announce an internal, independent whistleblowing mailbox or hotline, or commission external independent institutions to provide the same, for internal and external personnel of the Company.
2. To appoint a dedicated whistleblowing personnel or unit. Misconducts involving directors or senior management shall be reported to the independent directors. The type of misconduct and relevant investigation standard operation procedures shall also be established.
3. Documentation and retention of case acceptance, investigation processes,

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investigation results, and relevant documents.

4. To keep the whistleblower's identification and reported misconduct confidential.
5. To establish measures to protect whistleblowers from retaliation.
6. Incentive scheme for the whistleblower

When material misconduct or likelihood of material impairment to the Company is identified upon investigation, the dedicated whistleblowing personnel or unit shall immediately notify the independent directors with a written report. The Company shall explicitly stipulate and announce the penalty and complaint system for violation of business ethics. Details of the misconduct will promptly be released on the Company's internal website, including the title and name of the violator, the date of violation, particulars of the violation, and disciplinary measures taken.

Article 24: Disclosure of information

The Company is advised to collect quantitative data about the promotion of ethical management and continuously analyze and assess the effectiveness of the promotion of ethical management policy. It shall disclose the measures taken, implementation status, the said quantitative data and the effectiveness of promotion regarding ethical management in the corporate website, annual report and prospectuses. It shall also disclose its Principles of Business Ethics at the Market Observation Post System.

Article 25: Review and amendment of the Principles

The Company shall monitor the development of local and international regulations concerning business ethics and encourage directors, managers and employees to make suggestions in order to review and refine the Principles and its promotion measures, and consequently enhance the effectiveness of business ethics.

Article 26: Implementation

The Principles, and any amendment thereto, took effect after being approved by the board of directors and the shareholders' meeting. When the Principles are submitted at the board meetings for discussion in accordance with the abovementioned rules, the opinions of all independent directors shall be fully taken into consideration. Any objection or reservation which the independent directors may have shall be recorded in the board meetings minutes. If the independent directors are unable to attend the meeting in person to express their objections or reservations, they shall submit written statements in advance to be recorded in the meeting minutes of board meetings, except for legitimate reasons.

The Code was approved on February 27, 2013.

First amendment: The Code was approved on February 26, 2015.

Second amendment: The Code was approved on February 23, 2017.