

FLEXium Interconnect, Inc
Ethical Corporate Management Best Practice Principles

6th May 2019

The 20th session of the 8th board of directors

Article 1 (Setting purpose and basis)

The company is engaged in commercial activities based on the principles of fairness, honesty, trustworthiness, and transparency. In order to implement the ethical management policy and actively guard against dishonesty, it is based on the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and related laws and regulations in the location which the Company and the Group are operating to set out the operating procedures and specifies the matters that should be noted by the personnel of the company when performing business.

Article 2 (Scope of application)

This company, its subsidiaries, and other business groups and personnel.

The company's personnel refers to the directors, managers, servants, assignees, and persons with substantial control capabilities of the company and business group.

The personnel of the company is presumed to be the employees of the company by providing, pledge, requesting or accepting any illegitimate interests by a third party.

Article 3 (Authorization and Duties)

Finance Department: handling the revision, implementation, interpretation, consulting services and notification contents of relevant operation procedure and supervision.

Audit Office: assisting the Board of Directors and managers to check and evaluate whether the preventive measures established by the ethical management have been implemented efficiently, evaluating the situation of relevant business and makes a report.

All departments: follow the principles, and actively report unethical conduct.

Article 4 (Definition of terms)

Unethical Conduct: when engaging in the execution of business, the personnel of company directly or indirectly offer, promise to offer, request or accept any improper benefits, or commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty for purposes of acquiring or maintaining benefits.

Benefits: in these Principles means any valuable things, including money, endowments, commissions, positions, services, preferential treatment, rebates, Facilitation payment, hospitality, entertainment, and other valuable things.

Interest in the position: refers to one of the following circumstances:

- (1) Those who have business contacts, command supervision or expense supplement (award) assistance.
- (2) A person who is seeking, conducting or has entered into a contract, sale or other contractual relationship.
- (3) Others who will be adversely or favorably affected by the decision, execution or non-execution of the business of the Company.

Specialized unit: refers to the Audit Office.

Article 5 (Prohibition of the provision or acceptance of illegitimate interests)

The company's personnel are prohibited from providing, accepting, promising or claiming benefits directly or indirectly, except in the following cases:

- (1) Based on business needs, in terms of local (outside) visits, reception of foreign guests, promotion of business and communication and coordination, according to local courtesy, convention or custom.
- (2) Social activities based on normal social etiquette, business purposes, or facilitating relationships to participate or invite others to hold.
- (3) Due to business needs, inviting customers or being invited to participate in specific business activities, factory visits, etc., and the cost burden, the number of participants, accommodation level and period of the pre-opening activities have been specified clearly.
- (4) Participation in folk festivals that are held in public and invite the general public to participate.
- (5) Reward, assistance, condolences or consolation of the supervisor.
- (6) Acceptance of cash or gifts whose market price below NT\$2,000 for the reasons of being engaged, in marriage, maternity, housewarming, employment, promotion, retirement, resignation, resignation, and personal injury or death of the person, spouse or immediate family member.
- (7) Others that meet the company's requirements.

Article 6 (Procedures for Receiving Improper Benefits)

In the event that a person of the company provides or promises to give benefits directly or indirectly, in addition to the circumstances set out in Article 5, the following procedures shall apply:

- (1) The person who provides or promises has no interest in the position shall report to the immediate supervisor of the company and, if necessary, notify the company's special unit within three days from the date of acceptance.
- (2) The person who provides or promises has interest in the position shall return or reject, and report to the immediate supervisor and the company's special unit; if it cannot be returned, it shall be submitted to the company's special unit within three days from the date of acceptance.
- (3) The special unit of the company shall propose to return, pay, receive, return to the public, transfer charity or other appropriate advice depending on the nature and value of the interest, reporting to the general manager for approval and then execute.

Article 7 (Procedures of Prohibition of Facilitation Payment)

The company may not provide or promise any facilitation payment.

If the company's personnel provide or promise to pay for the fee due to threats or intimidation, they should record the process and report directly to the supervisor and notify the company's special unit. The company's specialized units should immediately deal with the above notice and review the relevant circumstances to reduce the risk of recurrence. If it is found to be involved in an illegal situation, it should immediately notify the judicial unit.

Article 8 (Procedures for Political Donations)

Political Donations provided by the company should be reported to the general manager for approval and inform the company's special unit. If the amount reaches NT\$1 million or more, it should be reported to the board of directors for approval and executed.

It should be confirmed that it is in compliance with the relevant laws and regulations of political donations of the countries, including the upper limit and form of political contributions.

Political contributions should be made into a written record.

Political contributions shall be accounted in accordance with regulations and accounting related processing procedures.

When providing political contributions, one should avoid doing business with government-related units, applying for permits, or handling other matters involving the company's interests.

Article 9 (Procedures for Charitable Donation or Sponsorship)

Charitable donation or sponsorship provided by the company should be reported to the general manager for approval and inform the company's special unit. If the amount reaches NT\$10 million or more, it should be reported to the board of directors for approval and executed.

Charitable donation or sponsorship shall be in accordance with the laws and regulations of the place of operation.

Charitable donation or sponsorship should be made into a written record.

Charitable donations should be charity groups and must not be bribed in disguise.

The feedback that can be obtained from sponsorship should be clear and reasonable, and may not be the subject of business dealings with the company or those who have interests in the company.

After charitable donation or sponsorship, it should be confirmed that the purpose of money flow is consistent with the purpose of the donation.

Article 10 (Recusal of Interest)

The directors, managers and other interested parties attending or listed in the board of directors, the audit committee and the remuneration committee shall recuse themselves from the discussion or voting, and shall not act as other agents to exercise their voting rights if the discussions have interest in themselves or their representative of legal person, and the content of discussion may be harmful to the interests of the company. Directors should also be self-disciplined and not to support each other unethically.

When performing business, the company's personnel may find situations that conflict with their own or the legal person they represent or may cause their own, spouse, parents, children or their interested parties to obtain illegitimate interests. The relevant matters shall be reported directly to the supervisor and the company's special unit, and the immediate supervisor shall provide appropriate guidance.

The company's personnel may not use the resources of the company for commercial activities outside the company, and may not affect their performance due to participation in business activities other than the company.

Article 11 (Organization and Responsibility of the Confidentiality Mechanism)

The company shall set up a special unit responsible for formulating and implementing the management, preservation and confidentiality procedures of the company's business secrets, trademarks, patents, works, and other intellectual property, and shall regularly review the implementation results to ensure that its procedures are continuous and effective.

The company's personnel shall strictly abide by the relevant operational regulations of intellectual property, and shall not make the intellectual property such as company secrets, trademarks, patents, and works known to others, and may not inquire or collect non-job related business secrets, trademarks, patents, works, or any intellectual property.

Article 12 (Prohibition of Disclosure of Trade Secrets)

The Company is engaged in business activities and shall not fix prices, manipulate bids, limit production and quotas, or share or segment markets by assigning customers, suppliers, operating areas or business types, etc., in accordance with the Fair Trade Law and relevant laws and regulations of the competition.

Article 13 (Prohibition of Insider Trading)

The Company shall collect and understand the relevant laws and international standards to be followed for the products and services provided, and shall announce the matters that should be noted, so as to promote the research and development, procurement, manufacture and supply and sales process to ensure the transparency and security of the products and services.

The company shall formulate and publicize policies on the protection of consumers or other interested parties on the company's website to prevent products or services from directly or indirectly harming the rights, health, and safety of consumers or other interested parties.

After media reports or facts confirm that the company's goods and services are harmful to the safety and health of consumers or other interested parties, the company should immediately recycle the batch of products or stop its services within 24 hours, and investigate whether the facts are true and propose a review improvement plan.

Article 14 (Non-Disclosure Agreement)

The officers of the Company shall abide by the provisions of the Securities and Exchange Act. And shall not use the undisclosed information known to engage in insider trading or disclose to others so as to prevent others from using the undisclosed information to engage in insider trading.

Other institutions or personnel involved in the merger, division, acquisition and share transfer, important memorandum, strategic alliance, other business cooperation plan or important contract of the company shall sign a confidentiality agreement with the company and promise not to disclose the trade secrets or other material information they know to others, and may not use the information without the consent of the company.

Article 15 (External Declaration of Ethical Management Policy)

The company shall disclose its ethical management policies on internal regulations, annual reports, company websites or other publications, and announce it at external activities such as product presentations and corporate briefings, etc., to make its suppliers, customers or other business related institutions and personnel can clearly understand their ethical management philosophy and regulations.

Article 16 (Evaluation of Ethical Management before Establishing Commercial Relations)

Before establishing a business relationship with others, the company should first assess the legality, ethical management policies of agents, suppliers, customers or other business contacts, and whether there have been records of dishonesty to ensure its business operations are fair, transparent, and does not require, provide or accept bribes.

When conducting the assessment of the preceding paragraph, the Company may adopt an appropriate check procedure to examine the business contacts of the following matters to understand the status of its ethical management:

- (1) The country, location, organization structure, operating policy and payment location of the enterprise.
- (2) Whether the company has a policy of ethical management and its situation of implementation.
- (3) Whether the location the company operates is a country with a high risk of corruption.
- (4) Whether the business of the company is an industry with a high risk of bribery.
- (5) The long-term operating status and goodwill of the company.
- (6) Consultation with their business partners for their opinions on the company.

- (7) Whether the company has been involved in records of acts of dishonesty such as bribery or illegal political donation.

Article 17 (Declaration of Ethical Management with Business Objects)

In the course of engaging in business conduct, the personnel of the company shall explain to the transaction object the company's ethical management policies and related regulations, and expressly refuse to provide, promise, demand or accept any form or nominal illegitimate interests directly or indirectly.

Article 18 (Avoid Dealing with Unethical Operators)

The company's personnel should avoid engaging in commercial transactions with agents, suppliers, customers or other business contacts involved in unethical conduct. If it is found that business contacts or partners have unethical behavior, they should immediately stop doing business with them and prohibit them from participating again to carry out the company's ethical management policy.

Article 19 (Well-defined Contracts with Ethical Management)

When signing a contract with others, the company should fully understand the other party's ethical management status and incorporate the company's ethical management policy into the contract terms. At least the following items should be clearly stated in the contract:

- (1) Any party who knows that a person has violated the contractual terms of prohibition of receiving commission, rebate or other improper benefits shall immediately inform the other party of the identity, offer, promise, request or acceptance, amount or other improper benefits, providing relevant evidence and cooperate with other parties to investigate. If a party suffers damage as a result, it may request compensation for 20% of the contract amount from the other party and deduct it from the payment due under this agreement.
- (2) If either party engages in unethical conduct in business activity, it may terminate or rescind the contract at any time and without conditions.
- (3) Clear and reasonable payment contents, including payment location, method, and relevant tax regulations to be complied with.

Article 20 (Handling of Unethical Conduct by Personnel of This Corporation)

The company encourages insiders and outsiders to report unethical or unseemly conduct and will grant a reward depending on the seriousness of the circumstance concerned, insiders have made a false report or malicious accusation shall be subject to disciplinary action and be removed from office if the circumstance concerned is material.

This Corporation shall internally establish and publicly announce on its website and the intranet, for Company insiders and outsiders to submit reports. A whistleblower shall at least furnish the following information:

- (1) The whistleblower's contact information
- (2) The informed party's name or other information sufficient to distinguish its identifying features.
- (3) Specific facts available for investigation.

Company personnel handling whistle-blowing matters shall represent in writing they will keep the whistleblowers' identity and contents of information confidential. This Corporation also undertakes to protect the whistleblowers from improper treatment due to their whistle-blowing. The responsible unit of this Corporation shall observe the following procedure:

- (1) Information shall be reported to the general manager if involving the rank and file and to an independent director if involving a director or a senior executive.
- (2) The responsible unit of this Corporation and the department head or personnel being reported to in the preceding subparagraph shall

immediately verify the facts and, where necessary, with the assistance of the legal compliance or other related departments.

- (3) If a person being informed of is confirmed to have indeed violated the applicable laws and regulations or this Corporation's policy and regulations of ethical management, this Corporation shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, this Corporation will institute legal proceedings and seek damages to safeguard its reputation and its rights and interests.
- (4) Documentation of case acceptance, investigation processes, and investigation results shall be retained for five years and may be retained electronically. In the event of a suit in respect of the whistleblowing case before the retention period expires, the relevant information shall continue to be retained until the conclusion of the litigation.
- (5) With respect to confirmed information, this Corporation shall charge relevant units with the task of reviewing the internal control system and relevant procedures and proposing corrective measures to prevent a recurrence.
- (6) The responsible unit of this Corporation shall submit to the chairman a report on the whistleblowing case, actions taken, and subsequent reviews and corrective measures.

Article 21 (Establishment of a system for rewards, penalties, and complaints, and related disciplinary measures)

The responsible unit of this Corporation shall organize awareness sessions each year and arrange for the chairperson, general manager, or senior management to communicate the importance of ethics to its directors, employees, and mandataries.

This Corporation shall link ethical management to employee performance evaluations and human resources policy, and establish clear and effective systems for rewards, penalties, and complaints.

If any personnel of this Corporation seriously violates ethical conduct, this Corporation shall dismiss the personnel from his or her position or terminate his or her employment in accordance with applicable laws and regulations or the personnel policy and procedures of this Corporation.

This Corporation shall disclose on its intranet information the name and title of the violator, the date and details of the violation, and the actions taken in response.

Article 22 (Enforcement)

These Procedures shall be implemented after adoption by resolution of the board of directors, and shall be delivered to the audit committee and reported to the shareholders meeting.