

Voltronic Power Technology Corp.
The Principles of Business Integrity

Article 1 Scope and Applicability

1. The Principles of Business Integrity aim to nurture a corporate culture and business philosophy on the basis of honesty and establish best practices in the business environment.
2. The Principles of Business Integrity are applicable to our company and subsidiaries, legal entities that we sponsor directly or indirectly for at least 50% funding, and other institutions and businesses we have control over (collectively referred to as the Voltronic Power Group).

Article 2 Honest and Integrity

All the members of the Voltronic Power Group shall adhere to the business principles of honest, transparency and accountability and establish good corporate governance and risk management mechanism as the corner stone of our sustainability.

Article 3 Prohibition of Dishonest Behaviour

1. The directors, supervisors, managers, employees, trustees and any person with control power (collectively referred to the Group personnel) are strictly prohibited from, directly or indirectly, offering, receiving, committing to or requesting for any improper benefits in the process of business dealings for the purpose of acquisition or maintenance of gains, or from engaging in any dishonest or illegal conducts or matters in breach of fiduciary duties.
2. The counterparties of the prohibited conducts or matters refer to any public servants, political candidates, members of any political parties, directors, supervisors, managers, employees, trustees, any persons with control power or any other stakeholders in any public or private companies or institutions.

Article 4 Definition of Benefits

The benefits referred to by the Principles of Integrity include any

valuables, monies, gifts, giveaways, commissions, positions, services, incentives, kickbacks, facilitation payments, entertainments and functions in any arrangement or nomenclature. However, this does not apply to occasional hospitality that is social in nature and not accompanied with specific rights or obligations.

Article 5 Legal Compliance

1. The prerequisite of the Principles of Business Integrity is to comply with the Company Act, Commercial Account Law, Political Donation Act, Anti-Corruption Act, Government Procurement Law, Act on Recusal of Public Servants Due to Conflicts of Interest, the Securities and Exchange Act, all the regulations governing companies listed on Taiwan Stock Exchange and Taipei Exchange and all the laws in relation to business practices where the ultimate parent company is domiciled.
2. The Group personnel shall abide by the Principles of Business Integrity, any relevant laws and regulations and the Corruption Prevention Ordinance (which shall be in compliance with relevant laws and regulations where the members of the Voltronic Power Group are domiciled).

Article 6 Organization and Responsibilities

1. The Voltronic Power Group's directors, supervisors, managers, employees, trustees and any person with control power shall act as prudent administrators by preventing any dishonest behaviour and constantly review and enhance the effectiveness of the Principles of Business Integrity.
2. Human Resources Department shall be held responsible for the modification, implementation, interpretation, consultation, archiving, training & education of the procedures and conduct guidelines associated with the Principles of Business Integrity. It is also required to plan for internal organization, structure and functions in order to establish a check-and-balance mechanism to monitor business activities with a relative high risk of dishonest behavior.
3. Auditor Room or other assigned divisions shall be responsible for monitoring or investigating the implementations of the Principles

of Business Integrity and summarize the findings to the Board of Directors.

Article 7 Corruption Prevention Ordinance

1. The formulation of the Corruption Prevention Ordinance should be based on analytical results concerning the business activities with an inherently high degree of unethical behavior, so as to strengthen the relevant control and prevention measures.
2. The Corruption Prevention Ordinance shall at least cover the following areas:
 - (1) Handing out or receiving bribes;
 - (2) Offering of political donations outside the scope permitted by laws;
 - (3) Improper donations or sponsorships to charities;
 - (4) Offering or receipts of unreasonable gifts, entertainments or other illegitimate gains;
 - (5) Infringement of trade secrets, trade marks, patents, copyrights or other intellectual property rights;
 - (6) Unfair competitive behavior;
 - (7) Direct or indirect damage of the rights, health or safety of consumers or other stakeholders in the process of R&D, procurement, manufacturing, rendering or sale of our products and services.

Article 8 Prohibition of Offerings/Receipts of Bribery

The Voltronic Power Group's members and personnel may not directly or indirectly offer, promise, request or receive any improper benefits in any form when dealing with clients, agents, contractors, suppliers, public servants or other stakeholders. However, this does not apply to the situations permitted by the scope of local laws and regulations.

Article 9 Prohibition of Illegal Political Donations

1. Any organizational or personal donations, direct or indirect, from the Voltronic Power Group's members and personnel shall comply

with local laws and regulations governing political donations and our company's internal procedures. Political donations may not serve as a vehicle for business gains or transactional advantages.

2. Procedures of Handling Political Donations

The offering of political donations by any of the Voltronic Power Group's members shall observe the following requirements. Prior approval from Chairman of the ultimate parent company and sign-off from the responsible personnel or units regarding the amount authorized are required.

- (1) Confirmation of compliance with local laws and regulations governing political donations, including the maximum amount and format;
- (2) Written records for the decision making;
- (3) Book entries pursuant to relevant laws, regulations and accounting treatment procedures;
- (4) Avoidance of business activities, application of permits with relevant government agencies or any matters in relation to the benefits of Voltronic Power Group in the process of offering political donations.

Article 10 Prohibition of Improper Donations or Sponsorships to Charities

1. Any donations or sponsorships to charities from the Voltronic Power Group's members and personnel shall comply with relevant laws and regulations and our internal procedures. Such donations or sponsorships shall not serve as bribery.
2. Procedures of Handling Donations/Sponsorships to Charities

The offering of donations or sponsorships by any of the Voltronic Power Group's members shall observe the following requirements. Prior approval from Chairman of the ultimate parent company and sign-off from the responsible personnel or units regarding the amount authorized are required.

- (1) Compliance with local laws and regulations;
- (2) Written records for the decision making;
- (3) Donations to charities shall not serve as a bribery tool;

- (4) Specific and reasonable feedback from sponsorships, and in no way related to the counterparties of our business dealings or the persons with interests in the Voltronic Power Group;
- (5) Ex-post confirmation of the utilization of the donated or sponsored funds in line with the purpose stated.

Article 11 Prohibition of Offerings or Receipts of Improper Benefits (Including unreasonable gifts, entertainment or other illegitimate gains)

Unless otherwise specified, any direct or indirect offering, receipt, promise or request for benefits as described by Article 4 shall comply with the Principles of Business Integrity and the following procedures:

1. Compliance with local laws and regulations;
2. Local courtesy, customs or business practices when visiting domestic/overseas locations, entertaining foreign guests, developing business channels, communicating and negotiating;
3. Participation in or invitation to social functions as part of regular social activities, business dealings or relationship building;
4. Inviting or invited to specific business events and factory tours as part of business requirements, and expensing methods, number of participants, accommodation types and event durations specified in advance;
5. Hosting public events or festival celebrations and invitation to the public;
6. Incentives, aides, relief and consolation provided by supervisors;
7. Offering or receipt of monies, goods, properties or other benefits from relatives or close friends;
8. Reasonable funds and gifts for engagements, marriages, births, relocations, new joiners, promotions, retirements, job leavers, injuries, diseases or death of the person, spouse or direct relatives;
9. Any other situations in compliance with our internal regulations.

Article 12 Procedures of Receiving Illegitimate Benefits

1. Unless otherwise specified, any direct or indirect offering, receipt,

promise or request for benefits as described by Article 4 shall comply with the following procedures:

- (1) Reporting to line managers and when necessary informing General Manager within three days after the receipt of the benefits, actual or promised, from the parties without interests to the position holders;
 - (2) Reporting to line managers and informing General Manager the return or rejection of the benefits, actual or promised, from the parties with interests to the position holders. Reporting to General Manager and proceeding as instructed within three days after the receipt of benefits if return is not possible.
2. The interests to position holders previously described refer to any of the following circumstances:
 - (1) Business dealings, instructions, supervision or fee payments (subsidies);
 - (2) Currently seeking, proceeding or already entered into contracting, buying/selling or other contractual relationships;
 - (3) Positive or negative effects expected from decision-making, implementation or not on the business of any member of the Voltronic Power Group.
3. General Manager shall review the nature and value of the benefits described in the first subparagraph and shall determine whether the benefits should be returned, accepted with a fee, seized for corporate use, donated to charities or handled in any other appropriate manner.

Article 13 Prohibition of Facilitation Payments and Handling Procedures

1. Any member of the Voltronic Power Group shall not offer or promise any facilitation payments.
2. If any personnel of the Voltronic Power Group is threatened or blackmailed for facilitation payments, the process should be recorded and submitted to line managers. It is also necessary to inform General Manager.

3. Upon the report of such threats or blackmails, General Manager shall immediately handle the matter (by appointing personnel) and review the details, in order to mitigate the risk of the similar events going forward. It is necessary to immediately report to juridical authorities in case of any illegal activities involved.

Article 14 Conflict of Interest Avoidance

1. Directors, managers or other stakeholders who attend the Board meetings should be self-disciplined and detail the interests they are personally involved or the legal persons they represent are involved. They may not join the discussion or voting if there are concerns that such interests may have adverse effects on any member of the Voltronic Power Group. They should avoid the discussion and voting and may not represent other board members in voting. Board directors should also adhere to self-discipline and may not support each other in an inappropriate manner.
2. The personnel of the Voltronic Power Group may not leverage their job positions or influence to seek improper gains for themselves, their spouses, parents, children or other people.
3. If any personnel of the Voltronic Power Group notice any conflict of interests with themselves or with the legal persons they represent, and such conflict of interests may result in improper benefits to themselves, their spouses, parents, children or other stakeholders, they should report the matter to their line manager and General Manager for guidance.
4. The personnel of the Voltronic Power Group may not utilize company or group member resources in the business activities outside the company or group members. The participation of business activities outside the company and the group members may not affect work performances.

Article 15 Prohibition of Infringement of Intellectual Properties

Any member and personnel of the Voltronic Power Group shall abide by all the relevant laws and regulations concerning intellectual properties, the company's or group members' internal procedures and contractual requirements. It is prohibited to divulge to others the company's or the group members' trade secrets, trademarks, patents, copyrights and other

intellectual properties. It is also not allowed to inquire or collate the company's or the group members' trade secrets, trademarks, patents, copyrights and other intellectual properties not related to job requirements. Without the consents from the owner of intellectual properties, it is not allowed to use, disclose, dispose, damage or detriment the intellectual properties concerned.

Article 16 Prohibition of Unfair Competition

Any member of the Voltronic Power Group shall conduct businesses pursuant to relevant laws and regulations on competition.

Article 17 Prevention of Products/Services Detrimental to Stakeholders

Any member and personnel of the Voltronic Power Group shall gather and understand all the relevant laws, regulations and international standards in the rendering of products and services, so as to ensure the research & development, procurement, manufacturing, offering or selling of our products and services in compliance with relevant laws, regulations and international standards. It is also necessary to ensure the information transparency and safety of our products and services in order to prevent, direct or indirect, damage the rights, health and safety of consumers or other stakeholders. Based on the appropriate media coverage or facts that the products or services from any member of the Voltronic Power Group may threaten the health or safety of consumers or other stakeholders, such product batches should be in principle recovered immediately and such services should be stopped as soon as possible. This should be followed with an investigation and review on an ex-post basis. Depending on the materiality of the circumstances and if necessary, managers shall report to the Board the matters, handling procedures and follow-up reviews and amendments.

Article 18 Organization and Responsibility of Confidentiality Mechanism

General Manager's Office is responsible for the handling of business secrets and confidential information by formulating and implementing the system of management, archiving and confidentiality procedures. Where necessary, reviews should be conducted on the implementation efficacy of the confidentiality mechanism so as to ensure continued effects of the relevant procedures.

Article 19 Prohibition of Divulgence of Trade Secrets

The personnel of the Voltronic Power Group shall abide by the operating regulations concerning the trade secrets of the company and the group members. It is prohibited to divulge the trade secrets of the company or the group members to others. It is also not allowed to inquire or collect the trade secrets of the company or the group members not related to job functions.

Article 20 Prohibition of Insider Trading

The personnel of the Voltronic Power Group shall comply with the Securities & Exchange Act where the ultimate parent company is domiciled. It is prohibited to engage in insider trading by leveraging the possession of the information yet to be disclosed. It is also prohibited to divulge inside information to others so as not to enable others to be engaged in insider trading.

Article 21 Confidentiality Agreement

It is necessary to enter into a confidentiality agreement with the Voltronic Power Group or its members for any involvement in the merger, carve-out, acquisition, share transfer, memorandum of understanding, strategic alliance or other business cooperation or key contracts by working with other organizations or personnel. The purpose of the confidentiality agreement is to prohibit the divulgence of any trade secret or key information of the Voltronic Power Group or its members to others. It is also prohibited to use such information without the consent of the Voltronic Power Group or its members.

Article 22 Accounting and Internal Control

The Voltronic Power Group and its members shall establish an effective internal control system regarding the business activities with a higher degree of inherent risks of unethical behaviour. It is not allowed to keep an external account or a secret account. It is necessary to constantly review the accounting and internal control system in order to ensure the continued effectiveness of the system design and implementation.

Internal auditors should review the compliance of the accounting and internal control system. Audit reports should be produced and submitted to the Board or directors. If necessary, external accountants may be retained for auditing and professional assistance may be sought.

Article 23 Declaration of Policies of Integrity and Ethics

The Voltronic Power Group and its members shall disclose, on a timely basis, and express its business ethics, management philosophy, implementation measures and effectiveness via internal regulations, annual reports, prospectuses, websites or other literature, external activities. The purpose is to enable internal personnel and external stakeholders to clearly understand our operating principles of integrity, honesty and ethics.

Article 24 Avoidance of Dealing with Dishonest Businesses

In the course of business dealings, the personnel of the Voltronic Power Group should seek to gauge the honesty of the counterparties. It is necessary to detail our policies of ethics and integrity and relevant regulations to the counterparties and avoid dealings with dishonest agents, suppliers, clients or other businesses. In the identification of any dishonest behaviour from business counterparties or cooperative partners, it is necessary to stop, on a timely basis, any business interactions in order to adhere to our policies and principles of ethics and integrity.

Article 25 Contractual Inclusion of Principles of Business Integrity

In entering into any contract with others, the Voltronic Power Group and its members should gauge the ethics and honesty of the counterparties, and seek to incorporate our Principles of Business Integrity in the contracts as follows:

1. If either party learns of any breach of the contractual terms concerning commissions, kickbacks or other benefits, it is necessary to immediately inform the other party of the identity of the personnel, the methods of the offering, promise, request or receipt of the commissions, kickbacks or other benefits. It is also necessary to provide relevant evidence to facilitate investigations by other or third parties. If either party suffers losses as a result, it may be possible to claim for damages from the other party at a percentage of the contractual amount, which may be deducted from the payable amount according to the contract.
2. If either party is involved in any dishonest behavior in business dealings, the other party may terminate or cancel the contract without conditions.

3. It is required to define specific and reasonable payment terms, including payment locations, methods, and relevant tax codes and regulations.

Article 26 Response to Dishonest Behavior from Others towards Voltronic Power Group

In case of any dishonest behaviour is imposed by others on the Voltronic Power Group and such dishonest behaviour is involved in illegal matters, it is necessary to inform juridical authorities and prosecutors of relevant facts. If any government agencies or public servants are involved, it is necessary to inform anti-corruption authorities.

Article 27 Response to Dishonest Behaviour from Voltronic Power Group's Personnel

1. In case of or upon the reporting of any dishonest behaviour from the Voltronic Power Group's personnel, an immediate investigation is in order. If any violation of relevant laws, regulations or our Principles of Business Integrity and operating philosophy, the personnel concerned shall stop the behaviour in question immediately. If necessary, legal proceedings can be sought to claim damages in order to protect our company's reputation and rights.
2. The responsible divisions and supervisors shall review the relevant internal control system and operating procedures, as a response to the dishonest behavior, or come up with amendments in order to avoid the repeat of the same behavior.
3. Auditors or other divisions in charge of investigations shall report to the Board the dishonest behaviour in question, responses and follow-up reviews and remedies.
4. The response to reporting, investigation process and findings, relevant documents and records shall be archived for at least five (5) years by the responding and investigating divisions. If any litigation arises before the expiry of the record keeping period, the relevant data shall be filed at least five (5) years after the end of the litigation process.

Article 28 Rewards, Penalties, Complaints and Disciplines

1. The Voltronic Power Group and its members have established a

dedicated mailbox (whistleblower@voltronic.com.tw) for whilst blowers. Human resources and auditing departments can also receive whistle blowing. It is also possible to file complaints to independent directors, managers, line managers or other appropriate personnel. External whistle blowers can use the above email (automatically forwarding to independent directors and top managers of the ultimate parent company) or simply contact the management of the Voltronic Power Group and its members. The identity of whistle blowers and contents of the complaints should be treated as confidential by the responsible divisions, in order to protect the whistle blowers from being inappropriately treated.

2. If the complaint involves directors or senior managers, the responsible division shall report the matter to the independent directors of the ultimate parent company. If the investigation identifies major breaches or the Voltronic Power Group and its members may suffer heavy losses, the responsible and investigating divisions shall immediately compile and submit written reports to the independent directors of the ultimate parent company.
3. The Voltronic Power Group and its members should incorporate the effectiveness of the Principles of Business Integrity and management philosophy and the contribution to whistle blowing into performance reviews and human resource policies.
4. If the Voltronic Power Group and its members identify any unethical or dishonest behavior from its personnel, it is necessary to handle the matter pursuant to relevant laws, regulations and human resource procedures for disciplinary measures. Meanwhile, the specific case of dishonest behavior and the follow-up information should be disclosed via the intranet or internal meetings.
5. If the disciplined personnel believe that the penalties have been unfair and their legal rights have been compromised, they may seek relief by lodging complaints to the independent directors, managers, human resources supervisors, auditor heads, line managers or other appropriate authorities.

The Voltronic Power Group and its members should articulate the importance of honesty and ethics and advocate the Principles of Business Integrity in a timely basis via the Board sessions, internal meetings, training programs and the Intranet. The purpose is to enable all the personnel of the Voltronic Power Group to fully understand our commitment to and policy of business ethics, preventive measures and the consequences of dishonest behaviour.

Article 30 Review and Amendment of Principles of Business Integrity

The Voltronic Power Group and its members should constantly stay on top of the development of business ethics in Taiwan and overseas, and encourage the directors, supervisors, managers and employees to come up with suggestions to improve the contents and implementation of our Principle of Business Integrity, so as to enhance the efficacy of our management style and philosophy with honesty and ethics at the corner stone for the group.

Article 31 Implementations

The Principles of Business Integrity shall be enacted upon the approval from the Board of Directors and the acknowledgement by the shareholders' meeting. This applies to any amendments.

The Board shall fully take onboard the feedback from independent directors in the discussion and review of the Principles of Business Integrity. Both sides of the opinions should be clearly noted in the minutes of board meetings. If independent directors cannot attend board meetings in person to express their objections and reservations, they should submit written opinions in advance and their opinions should be specifically noted in the minutes of board meetings (unless prior submission of opinions not possible due to legitimate reasons).