

# AXIOMTEK CO., LTD.

## Rules of Procedure for Adoption of Codes of Ethical Conduct

### Article 1 Purpose

For assisting the Directors, managers and employee to act in line with ethical standards, and to help interested parties better understand the ethical standards of the Company, the Company establishes a code of ethical conduct with reference to “Guidelines for the Adoption of Codes of ethical Conduct for TWSE/TPEX Listed companies.”

### Article 2 Scope

The Directors, managers and all employee (herein after collected as “employees”).

### Article 3 Definitions

#### 3.1 Managers:

- 3.1.1 General Manager and their equivalents.
- 3.1.2 Assistant General Managers and their equivalents.
- 3.1.3 Deputy Assistant Managers and their equivalents.
- 3.1.4 Chief Financial Officers.
- 3.1.5 Chief Accounting Officers.
- 3.1.6 Other persons authorized to manage affairs and sign documents on behalf of the Company.  
Consider each company will have different job title for each position, so the job title will not be the criteria.

### Article 4 Reference Regulations

- 4.1 Guidelines for the Adoption of Codes of ethical Conduct for TWSE/TPEX Listed companies.
- 4.2 The Official Letter of Tai-Financial-Security-three-Zi No: 0920001301 issued by Securities and Futures Bureau of the Ministry of Finance: the definition of managers.

### Article 5 Duty

- 5.1 The Financial dept.: be responsible for drafting and revising the rules and propose to the Meeting of Board of Directors for discussion.
- 5.2 The Audit dept.: to audit the operation condition for the rules by routine.
- 5.3 The Audit Committee: to be supervisor and manage all related affairs of the rules.
- 5.4 The Board of the Directors: approve the procedure of this Rules.

## Article 6 Flow Chart

Not application

## Article 7 Procedures/Way

### 7.1 Prevention of conflicts of interest:

Employee shall avoid the situations of personal interest intervenes or is likely to intervene in the overall interest of the Company occur, and obeys the following principles:

- 7.1.1 Shall be perform the duties in an objective and efficient manner and avoid taking advantage of their position in the Company to obtain improper benefits for either themselves or their spouse, or relatives with the second degree of kinship.
- 7.1.2 The Company shall pay special attention to loans of funds, provisions of guarantees, and major asset transactions or the purchase (or sale) of goods involving the affiliated enterprise at which all employee work.
- 7.1.3 The Company shall establish a policy aimed at preventing conflicts of interest and shall offer appropriate means for all employee to voluntarily explain whether there is any potential conflict between them and the Company.

### 7.2 Minimizing incentives to pursue personal gain:

The Company shall prevent all employees from engaging in any of the following activities.

- 7.2.1 Seeking an opportunity to pursue personal gain by using company property or information or taking advantage of their position.
- 7.2.2 Obtaining personal gain by using company property or information or taking advantage of their position.
- 7.2.3 Competing with the Company. When the Company has an opportunity for profit, it is the responsibility of all employees to maximize the reasonable and proper benefits that can be obtained by the Company.

### 7.3 Confidentiality:

All employees of the Company shall be bound by the obligation to maintain the confidentiality of any information regarding the Company itself or its suppliers and customers, except when authorized or required by law to disclose such information. Confidential information includes any undisclosed information that, if exploited by a competitor or disclosed, could result in damage to the Company or the suppliers and customers.

### 7.4 Fair Trade:

All employees shall treat all suppliers and 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, or through misrepresentation of important matters, or through other unfair trading practices.

#### 7.5 Safeguarding and proper use of the Company assets:

All employees have the responsibility to safeguard the Company assets and to ensure that they can be effectively and lawfully used for official business purpose; any theft, negligence in care, or waste of the assets will all directly impact the Company's profitability.

#### 7.6 Legal compliance:

The Company shall strengthen its compliance with the Securities and Exchange Act and other applicable laws, regulations, and bylaws.

#### 7.7 Encouraging reporting on illegal or unethical activities:

The Company shall raise awareness of ethics internally and encourage employees to report to the Company supervisor, managerial officer, chief internal auditor, or other appropriate individual 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 shall establish a concrete whistle-blowing system and allow anonymous reporting and make employees aware that the Company will use its best efforts to ensure the safety of informants and protect them from reprisals.

#### 7.8 Disciplinary measures:

When an employee violates the code of ethical conduct, the Company shall handle the matter in accordance with the regulations related to the code of ethical conduct and the rules of Employees and shall without delay disclose on the Market Observation Post System (MOPS) the date of the violation by the violator, reasons for the violation, the provisions of the code violated, and the disciplinary actions taken. The Company shall establish a relevant complaint system to provide the violator with remedies.

7.9 Any exemption for directors, supervisors, or managerial officers from compliance with the code must be adopted by a resolution of the board of directors, and that information on the date on which the board of directors adopted the resolution for exemption, and the period of, reason of, 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.

7.10 The Company shall disclose the code of ethical conduct it has adopted, and any amendments to it, on its company website, in its annual reports and prospectuses and on the MOPS.

7.11 The Company's code of ethical conduct, and any amendments to it, shall enter into force after it has been adopted by the board of directors, delivered to each supervisor, and submitted to a shareholders meeting.

## **Article 8 The related documents**

8.1 Documents: not applicable.

Not applicable

8.2 Form: not applicable.

Not applicable

8.3 Record or others: not applicable.

Not applicable