

Greatek Electronics Inc.

Ethical Corporate Management Best Practice Principles

1. Purpose and Scope

Greatek Electronics Inc. (the "Company") engages in commercial activities following the principles of fairness, honesty, faithfulness and transparency. In order to implement business integrity policy, and to actively prevent unethical conduct, the Company constitute this "Ethical Corporate Management Best Practice Principles (the "Principles") pursuant to the provisions of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies" for the purposes to providing all personnel of the Company with clear directions for the performance of their duties. The scope of application of the Principles includes the subsidiaries of the Company, any incorporated foundation in which the Company's accumulated contributions, direct or indirect, exceed 50 percent of the total funds of the foundation, and other group enterprises and organizations, such as institutions or legal entities, substantially controlled by the Company.

2. Applicability

For the purposes of the Principles, the term "personnel of the Company" refers to any director, supervisors, managerial officer, employee, and person having substantial control, of the Company or its group enterprises and organizations.

3. Unethical conduct

The term "unethical conduct" referred in the Principles means the activity that any personnel of the Company, in the course of their duties, directly or indirectly provides, promises, requests, or accepts improper benefits or commits a breach of ethics, unlawful act, or breach of fiduciary duty for purposes of acquiring or maintaining benefits. The counterparties of the unethical conduct under the preceding paragraph include public officials, political candidates, political parties or their staffs, and government-owned or private-owned enterprises or institutions and their directors, supervisors, managerial officers, employees, and persons having substantial control, or other interested parties.

4. Types of benefits

The term "benefits" referred in the Principles means any money, gratuity, gift, commission, position, service, preferential treatment, rebate, facilitating payment, entertainment, dining, or any other item of value in whatever form or name.

5. Responsible Unit

The Company shall designate the Administration dept. as the solely responsible unit (the "responsible unit") and in charge of the amendment, implementation, interpretation and advisory service with the respect to these Procedures and Principles, the recording and filling of reports, and the monitoring of implementation.

6. Prohibition against Providing or Accepting Improper Benefits

During the course of business dealing, the personnel of the Company should not provide, accept, promise or request, directly or indirectly, any money, gratuity, service, preferential treatment, entertainment, dining or other inappropriate benefits except under one of the following circumstances, provided however that the conduct of the given personnel of the Company shall comply with the relevant provisions of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies, the Principles and the relevant laws and regulations:

- a. The conduct is in compliance with the laws and regulations of the place where the Company is conducting business operations.
- b. The conduct is undertaken to meet business needs and is in accordance with local courtesy, convention or custom during domestic (or foreign) visits, reception of guests, promotion of business and communications.
- c. The conduct has its basis in ordinary social activities that are attended or others are invited to hold in line with accepted social custom, commercial purposes, or developing relationships.
- d. Invitations to guests or attendance at commercial activities or factory visits in relation to business needs, when the method of fee payment, number of participants, class of accommodations, and the time period for the event or visit have been specified in advance.
- e. Attendance at folk festivals that are open to and invite the attendance of the general public.
- f. Rewards, emergency assistance, condolence payments, or honorariums from the management.

- g. Money or other benefits provided to or received from relatives or friends due to engagement, marriage, maternity, relocation, assumption of a position, promotion or transfer, retirement, resignation, or severance, or the injury, illness, or death of the recipient or the recipient's spouse or lineal relative.
- h. Other conduct that complies with the rules of the Company.

7. Procedures for handling the acceptance of improper benefits

Except under any of the circumstances set forth in the preceding article, when any personnel of the Company are provided with or are promised, either directly or indirectly, any money, gratuity, service, preferential treatment, entertainment, dining, or other benefits by a third party, the matter shall be handled in accordance with the following procedures:

- a. If there is no relationship of interest between the party providing or offering the benefit and the official duties of the Company's personnel, the personnel shall report to their immediate supervisor within 3 days from the acceptance of the benefit, and the responsible unit shall be notified if necessary.
- b. If a relationship of interest does exist between the party providing or offering the benefit and the official duties of the Company's personnel, the personnel shall return or refuse the benefit, and shall report to his or her immediate supervisor and notify the responsible unit. When the benefit cannot be returned, then within 3 days from the acceptance of the benefit, the personnel shall refer the matter to the responsible unit for handling.

"A relationship of interest between the party providing or offering the benefit and the official duties of the Company's personnel," as referred to in the preceding paragraph, refers to one of the following circumstances:

- a. When the two parties have commercial dealings, a relationship of direction and supervision, or subsidies (or rewards) for expenses.
- b. When a contracting, trading, or other contractual relationship is being sought, is in progress, or has been established.
- c. Other circumstances in which a decision regarding the Company's business, or the execution or non-execution of business, will result in a beneficial or adverse impact.

The responsible unit of the Company shall make a proposal, based on the nature and value of the benefit under paragraph 1, that it be returned, accepted on payment, given to the public, donated to charity, or handled in another appropriate manner. The proposal shall be implemented after being reported and approved.

8. Prohibition against and Handling Procedure for Facilitating Payments

The Company shall neither provide nor promise any facilitating payment. If any personnel of the Company provides or promises a facilitating payment under threat or intimidation, they shall submit a report to their immediate supervisor stating the facts and shall notify the responsible unit. Upon receipt of the report under the preceding paragraph, the responsible unit shall take immediate action and undertake a review of relevant matters in order to minimize the risk of recurrence. In a case involving alleged illegality, the responsible unit shall also immediately report to the relevant judicial agency.

9. Procedures for Making Charitable Donations or Sponsorships

Charitable donations or sponsorships by this Company shall be provided in accordance with relevant laws and regulations, internal Delegation of Authority, reported to the supervisor in charge for approval, and a notification shall be given to the responsible unit.

- a. A charitable donation shall be given to a valid charitable institution and may not be a disguised form of bribery.
- b. The returns received as a result of any sponsorship shall be specific and reasonable and the subject of the sponsorship may not be a counterparty of this Company's commercial dealings or a party with which any personnel of this Company has a relation of interest.
- c. After a charitable donation or sponsorship has been given, it shall be ascertained that the destination to which the money flows is consistent with the purpose of the contribution.

10. Avoidance of Interest

The board directors attend the board meeting shall maintain a high degree of self-discipline; when a proposal at a board of directors meeting concerns a director's personal interest or the interest of the legal entity represented by the director, and such a relationship is likely to prejudice the interest of this Company, that director shall not participate in the discussion nor vote on that proposal except stating comment, answering and consulting. In addition, that director shall recuse himself or herself when the discussion and voting is in progress, and may not exercise voting rights as proxy on behalf of another director. The directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner. If in the course of conducting company business, any personnel of this Company discovers that a potential conflict of interest exists involving themselves or the legal entity that they

represent, or that they or their spouse, parents, children, or a person with whom they have a relationship of interest is likely to obtain improper benefits, the personnel shall report the relevant matters to both his or her immediate supervisor and the responsible unit, and the supervisor shall provide proper guidance. No personnel of this Company may use company resources on commercial activities other than those of this Company, nor may any personnel's job performance be affected by his or her involvement in the commercial activities other than those of this Company.

11. Special unit in charge of confidentiality regime and its responsibilities

The Company shall set up a special unit charged with formulating and implementing procedures for managing, preserving, and maintaining the confidentiality of this Company's trade secrets, and it shall be conduct periodical reviews on the results of implementation to ensure the sustained effectiveness of the confidentiality procedures.

12. Prohibition against Disclosure of Confidential Information

All personnel of the Company shall faithfully follow the operational directions pertaining to the trade secrets owned and possessed by the Company, and may not disclose to any other party such trade secrets of which they have learned, nor may they inquire about or collect any trade secrets of the Company unrelated to their individual duties.

13. Prohibition against Insider Trading

The Company's personnel shall adhere to the provisions of the Securities and Exchange Act, and may not take advantage of undisclosed information of which they have learned to engage in insider trading. Personnel are also prohibited from divulging the undisclosed information to any other party in order to prevent another party from using such information to engage in insider trading.

14. Non-disclosure agreement

Any organization or person outside of the Company that is involved in any merger, demerger, acquisition and share transfer, major memorandum of understanding, strategic alliance, other business partnership plan, or the signing of a major contract by the Company shall be required to sign a non-disclosure agreement in which they undertake not to disclose to any other party any trade secret or other material information of the Company acquired as a result, and

that they may not use such information without the prior consent of the Company.

15. Disclosure of Ethical Management Policy to the Public

The Company shall disclose its ethical management policy in its internal rules, annual reports, on the company's websites, and in other promotional materials, and may make timely announcements of the policy in events held for outside parties such as product launches and investor press conferences, in order to make its suppliers, customers, and other business-related institutions and personnel fully aware of its principles and rules with respect to ethical management.

16. Ethical management policy prior to developing business relationship

Before developing a commercial relationship with another party, such as an agent, supplier, customer, or other counterparty in commercial dealings, this Company shall evaluate the legality and ethical management policy of the party and ascertain whether the party has a record of unethical conduct, in order to ensure that the party conducts business in a fair and transparent manner and will not request, offer, or take bribes. When this Company carries out the evaluation under the preceding paragraph, it may adopt appropriate audit procedures for a review of the counterparty with which it will have commercial dealings with respect to the following matters, in order to gain a comprehensive knowledge of its ethical management:

- a. The enterprise's nationality, location of business operations, organizational structure, and management policy, and place where it will make payment.
- b. Whether the enterprise has adopted an ethical management policy, and the status of its implementation.
- c. Whether enterprise's business operations are located in a country with a high risk of corruption.
- d. Whether the business operated by the enterprise is in an industry with a high risk of bribery.
- e. The long-term business condition and degree of goodwill of the enterprise.
- f. Consultation with the enterprise's business partners on their opinion of the enterprise.
- g. Whether the enterprise has a record of unethical conduct such as bribery or illegal political contributions.

17. Statement of ethical management policy to counterparties in commercial

dealings

Any personnel of this Company, when engaging in commercial activities, shall make a statement to the trading counterparty about this Company's ethical management policy and related rules, and shall clearly refuse to provide, promise, request, or accept, directly or indirectly, any improper benefit in whatever form or name, including rebates, commissions, facilitating payments, or other improper benefits provided or accepted through other channels.

18. Avoidance of Commercial Dealings with Unethical Parties

All personnel of this Company shall avoid business transactions with an unethical agent, supplier, customer, or other counterparty in commercial interactions. When the counterparty or partner is found to have engaged in unethical conduct, the personnel shall immediately cease dealing with the counterparty and blacklist it for any further business interaction in order to effectively implement this Company's ethical management policy.

19. Stipulation of Terms of Ethical Management in Contracts

Before entering into a contract with another party, the Company shall gain a thorough knowledge of the status of the other party's ethical management, may include ethical management commitment in contract and give clear definition in ethical business management commitment, which is as follows:

- a. may not offer the Company's personnel directly or indirectly in any form or name of money, commission, service, rebate, facilitating payment and improper benefits in any other form in order to establish business relationship or engage in commercial transactions.
- b. when a party to the contract becomes aware that any personnel has violated the terms and conditions pertaining to prohibition of commissions, rebates, or other benefits, the party shall immediately notify the other party of the violator's identity, the manner in which the provision, promise, request, or acceptance was made, and the monetary amount or other benefit that was provided, promised, requested, or accepted. The party shall also provide the other party with pertinent evidence and cooperate fully with the investigation.
- c. where a party promise their employees and agents shall abide by obligation of the contract. Where a party is discovered to be engaged in unethical conduct in its commercial activities, the Company may terminate or rescind the contract unconditionally at any time; moreover, the Company has the right to claim compensation, and the party may not refuse the claim no matter any losses to the Company or not, and furthermore shall liable for compensation for actual losses of the

Company. As to the compensation, the Company has right to deduct it from the party's account directly and assume criminal accusation, civil compensation or other reliefs.

20. Handling of Unethical Conduct by Personnel of the Company

Upon discovering or receiving an offence report about any personnel's involvement in unethical conduct, the Company shall ascertain the relevant facts without delay; if it is verified that there is indeed a violation of applicable laws and regulations or the Company's policy and procedures of ethical management, the Company shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, the Company will institute legal proceedings and seek damages to safeguard its reputation and its rights and interests. With respect to the unethical conduct that has occurred, the Company shall charge relevant units with the task of reviewing the internal control system and relevant procedures and proposing corrective measures to prevent a recurrence of the same unethical conduct. The responsible unit of the Company shall submit to the board of directors a report on the unethical conduct, actions taken, and subsequent reviews and corrective measures.

21. Actions upon Event of Unethical Conduct by Others towards the Company

If any personnel of the Company discovers that another party has engaged in unethical conduct towards the Company, and such unethical conduct involves alleged illegality, the Company shall report the relevant facts to the judicial and prosecutorial authorities; where a public service agency or public official is involved, the Company shall additionally notify the governmental anti-corruption agency.

22. Rewards and Penalties; the Appeal Procedures for Disciplinary Measures

The Company 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 the Company seriously violates ethical conduct, the Company shall dismiss the personnel from his/her position or terminate his/her employment in accordance with applicable laws and regulations or the internal policy and procedures of the Company. The Company shall disclose on its intranet information the matters related to ethical conduct violation, its investigation result and the disciplinary measures.

23. Enforcement

The matters not specified in the Principles shall follow the relevant laws and regulations. The Principles and any amendments hereto shall be implemented after the resolution of the Board of Directors.