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Revise History				
Version	Owner	Review	Release Date	Release Explain
A	Hsin-Fang Tsai	Sheng-Shi Chang		First Release



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1. Purpose:

These Guidelines for Operating in Good Faith (hereinafter referred to as the “Guidelines”) are established to avoid the Company from corruption, ensure that the Company implements its internal control systems for the prevention and discovery of corruption, and establish an enterprise culture of good faith for the purpose of achieving sound business operations.

2. Scope:

These Guidelines apply to the management of each and every business operation of the Company and its affiliates.

3. Authority:

The financial and accounting department shall be responsible for adopting and amending these Guidelines according to the “Guidelines for the Adoption of Codes of Ethical Conduct”.

4. Definition:

N/A

5. Contents:

- 5.1 These Guidelines are established to establish an enterprise culture of good faith and achieve sound development for the purpose of building a well-functioning business structure.
- 5.2 The directors, managers, employees of the Company and its affiliates or other persons who have *de facto* control (hereinafter referred to as the “Persons with *De Facto* Control”) shall not, during the process of conducting business behaviors, directly or indirectly offer, undertake, request or receive any improper benefits, or perform other dishonest activities which are breach of good faith, unlawful or breach of fiduciary duty to attain or maintain interests (hereinafter referred to as the “Dishonest Activities”).
- 5.3 The Dishonest Activities referred to in the preceding paragraph include those conducted upon public servants, political candidates, political parties or the members thereof, and any public and private enterprises or entities and their directors, managers, employees, Persons with *De Facto* Control or other interested parties.



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- 5.4 The interests referred to in these Guidelines mean any valuable things, including monies, gifts, commissions, positions, services, benefits and rebates of any form or name, provided that the gifts which meet the normal standard of social etiquette and are given only occasionally without affecting specific rights and obligations shall be excluded.
- 5.5 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, the relevant regulations and guidelines for the companies listed on Taiwan Stock Exchange and Gre Tai Securities Market and other laws and regulations of the Republic of China relating to business conducts as the basis to realize the principle of operating in good faith.
- 5.6 The Company shall adopt policies in good faith and establish sound systems of corporate governance and risk control based on the philosophy of honest, transparent and responsible business operations to create a sustainable development of business environment.
- 5.7 The Company shall adopt the guidelines for the prevention of the Dishonest Activities as follows (hereinafter referred to as the “Prevention Guidelines”) according to relevant laws and regulations of the place of business operation of the affiliates and organizations:
- 5.7.1 Providing and receiving bribery;
- 5.7.2 Unlawful political donations;
- 5.7.3 Improper charitable donations or sponsorship;
- 5.7.4 Offering or accepting unreasonable gifts, treats or other improper benefits.
- 5.8 The Company and its affiliates shall carry out business activities in a fair and transparent way. The Company and its affiliates shall, before carrying out any business transactions, consider that whether their agents, suppliers, customers or other persons with whom they carry out the business transactions are legal or not and whether they have any record of the Dishonest Activities or not, to avoid transacting with those with such record. The agreements executed by the Company and its affiliates with others shall contain the terms and conditions specifying that the policies of operating in good faith shall be complied with and that the agreements may from time to time be terminated or rescinded if the counterparties are involved in any Dishonest Activities. Notwithstanding the above, this Clause 5.8 shall not apply to the offer or acceptance of improper benefits by the agents, contractors, suppliers, public servants or other interested parties which is allowed by the laws of the place of business operation.

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- 5.9 The Company and its affiliates and their directors, managers, employees and the Persons with *De Facto* Control shall not directly or indirectly offer, undertake, request or receive any improper benefits in any forms (including rebates, commissions, lobbying expenses) or offer improper benefits to or accept improper benefits from the customers, agents, contractors, suppliers, public servants or other interested parties in any other ways when performing their duties. Notwithstanding the above, this Clause 5.9 shall not apply to those which are allowed by the laws of the place of business operation.
- 5.10 The donations directly or indirectly offered by the Company and its affiliates and their directors, managers, employees and the Persons with *De Facto* Control to political parties or the organizations or individuals participating in political activities shall comply with the Political Donations Act and relevant internal procedures of the companies, and shall not be used to acquire business interests or transactional advantages.
- 5.11 The charitable donations or sponsorships provided by the Company and its affiliates and their directors, managers, employees and the Persons with *De Facto* Control shall comply with relevant laws and regulations and internal procedures, and shall not be used as briberies in disguise.
- 5.12 The Company and its affiliates and their directors, managers, employees and the Persons with *De Facto* Control shall not directly or indirectly provide or accept any unreasonable gifts, treats or other improper benefits to build business relationships or affect business transactions.
- 5.13 The board of directors of the Company shall perform its duty of due care as a reasonable person to require the Company and its affiliates to prevent the Dishonest Activities, and shall from time to time review and perpetually improve the implementation of the prevention of the Dishonest Activities to ensure that the policies of operating in good faith are realized.
- 5.14 To perfect the management of operating in good faith, a responsible department is advised to be designated to adopt, supervise and implement the policies of operating in good faith and relevant prevention plans and to report to the board of directors periodically.
- 5.15 The directors, managers, employees and the Persons with *De Facto* Control of the Company and its affiliates shall comply with laws and regulations and the prevention plans when performing their duties.
- 5.16 The Company and its affiliates shall adopt the policies of the prevention of conflict of interests, and shall provide appropriate channels for the directors and managers to actively clarify that whether they have potential conflict of interests with the Company or not.
- 5.17 The directors of the Company shall strictly discipline themselves. The directors may deliver their



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opinions and reply but shall not participate in discussion or vote on the proposals raised in the meetings of the board of directors in which the directors or the legal persons represented by the directors have interests that may harm the interests of the Company. In such case, when discussing or voting on the proposals, the directors shall leave the meetings and shall not vote on behalf of any other directors. Disciplines shall also exist among the directors, under which the directors shall not provide inappropriate supports to each other.

- 5.18 The directors and managers of the Company and its affiliates shall not make themselves or their spouses, parents, children or any other persons acquire improper benefits by taking advantage of the positions the directors and managers hold in the Company.
- 5.19 The Company and its affiliates shall establish effective accounting systems and internal control systems for the operational activities which are more likely to be regarded as the Dishonest Activities, and shall from time to time review those systems to ensure the perpetual effectiveness of their design and implementation.
- 5.20 The internal auditors of the Company and its affiliates shall audit the compliance of the systems referred to in the preceding paragraph, and shall make the audit reports based thereon to be submitted and reported to the board of directors.
- 5.21 The Company shall adopt the operational procedures and the code of conducts according to Clause 6, specifically regulating the notable issues for the directors, managers, employees and the Persons with *De Facto* Control of the Company and its affiliates to follow when performing their duties. The contents of the operational procedures and the code of conducts shall contain at least the following issues:
- 5.21.1 The standard for the recognition of the offer or acceptance of improper benefits.
- 5.21.2 The handling procedures for the provision of legal political donations.
- 5.21.3 The handling procedures and the standard amount for the provision of proper charitable donations or sponsorships.
- 5.21.4 The regulations on the avoidance of the conflict of interests related to positions and the reporting and handling procedures therefor.
- 5.21.5 The confidentiality requirements on the confidential and commercially sensitive information acquired in the course of business.
- 5.21.6 The regulations on and the handling procedures for the suppliers, customers and business-related



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counterparties involved in the Dishonest Activities.

- 5.21.7 The handling procedures for the breach of the guidelines for operating in good faith.
- 5.21.8 The punishment and discipline imposed on violators.
- 5.22 The Company shall arrange educational trainings and propaganda for the directors, managers, employees and the Persons with *De Facto* Control of the Company and its affiliates periodically, and shall invite the counterparties with which the Company has business transactions to attend the educational trainings and propaganda in order to make them fully understand the resolution of the Company to implement the principle of operating in good faith, the policies and prevention plans adopted by the Company therefor, and the outcomes of the breach thereof.
- 5.22 The Company and its affiliates shall combine the policies of operating in good faith with the performance evaluation for employees and the policies for human resources to establish a specific and effective reward-punishment system.
- 5.22 The Company and its affiliates shall provide proper channels for people to report concerns, and shall duly keep confidential the identities of the people who report concerns and the contents of the concerns reported.
- 5.24 The Company and its affiliates shall clearly establish the reward-punishment system and the complaint-reporting system for the breach of the requirements on operating in good faith, and shall promptly disclose the information such as: the position and name of the person who breaches the requirements on operating in good faith; the date of his/her breach; the contents of his/her breach; and the status of the handling of his/her breach in the internal website of the companies.
- 5.25 The Company and its affiliates shall disclose the status of their implementation of the guidelines for operating in good faith in the websites of the companies, annual reports and prospectuses according to relevant laws and regulations

These Guidelines shall be enforced after being approved by the board of directors and report to the general meeting. The same shall apply to any amendment to these Guidelines.

6. References:

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7. Relevant Forms:

N/A

8. Attachments:

N/A