

Ethical Management Guidelines (Translation)

Document Code : SFN-009 Ver. : B
Set date : January 28, 2015

Article 1 : Purpose of Adoption and Scope of Application

To foster a corporate culture of ethical management and sound development and to offer a reference framework for establishing good commercial practices, Sysgration Ltd. ("Sysgration") hereby promulgates the Ethical Management Guidelines.

The scope of application of these Guidelines includes the subsidiaries of Sysgration, any incorporated foundation in which Sysgration'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 juristic persons, substantially controlled by Sysgration.

Article 2 : Prohibition against Unethical Conduct

When engaging in commercial activities, directors, supervisors, managers, employees, mandatary or persons having substantial control ("Substantial Controllers"), of Sysgration or its group enterprises and organizations shall not directly or indirectly offer, promise, request, or accept improper benefits or commits a breach of ethics, unlawful act, or breach of fiduciary duty ("Unethical Conduct") for purposes of acquiring or maintaining benefits.

Article 3 : Types of Benefits

"Benefits" in the Guidelines means any things of value, including money, endowments, commissions, positions, services, preferential treatment or rebates of any type or in any name. Benefits received or given occasionally in accordance with accepted social customs and that do not adversely affect specific rights and obligations shall be excluded.

Article 4 : Laws and Regulations Compliance

Sysgration shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Statute, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, TWSE/GTSM-listing rules, or other laws or regulations regarding commercial activities, as the underlying basic premise to facilitate corporate ethical management.

Article 5 : Policies

Sysgration shall abide by the operational philosophies of honesty, transparency and responsibility, base its policies on the principle of good faith establish good corporate governance, risk control and to create an operational environment for sustainable development.

Article 6 : Preventive Measures

Sysgration, in accordance with the operational philosophies and policies prescribed in the preceding article, establishes in its Code of Conduct a comprehensive measure to forestall Unethical Conduct ("Preventive Measures") which encompasses operational procedures, guidelines, and training. When establishing the Preventive Measures, Sysgration shall comply with relevant laws and regulations of the territory where Sysgration and its subsidiaries are operating.

Article 7 : Scope of Preventive Measures

When establishing the Preventive Measures, Sysgration shall analyze and identify which business activities within their business scope may be at a higher risk of being involved in Unethical Conduct and strengthen the Preventive Measures. The Preventive Measures shall at least include against the following:

1. Offering and acceptance of bribes.
2. Illegal political donations.
3. Improper charitable donations or sponsorship.
4. Offering or acceptance of unreasonable presents or hospitality, or other improper Benefits.

Article 8 : Commitment and Implementation

Sysgration and its subsidiaries shall clearly specify in their rules and external documents the ethical management policies and the commitment by the board of directors and the management, the rigorous and thorough implementation of such policies, and shall carry out the policies in internal management and in commercial activities.

Article 9 : Ethical Management Policy Compliance in Commercial Activities

Sysgration shall engage in commercial activities in a fair and transparent manner. Prior to any commercial transactions, Sysgration shall take into consideration the legality of their agents, suppliers, clients or other trading counterparties, and their records of Unethical Conduct, if any. It is advisable not to have any dealings with persons who have any record of Unethical Conduct. When entering into contracts with other parties, Sysgration shall include in such contracts provisions demanding ethical management

policy compliance and that in the event the trading counterparties are suspected of engaging in Unethical Conduct, Sysgration may at any time terminate or cancel the contracts.

Article10 : Anti-Bribery and Corruption

Sysgration and its directors, managers, employees, mandataries, and Substantial Controllers, when engaging their duties shall not directly or indirectly offer, promise to offer, request or accept any improper Benefits, including rebate, commission, facilitating payment or in whatever form, to or from clients, agents, contractors, suppliers, public servants, or other stakeholders.

Article11 : Prohibition Against Illegal Political Donations

When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, Sysgration and its directors, managers, employees, mandataries and Substantial Controllers, shall comply with the Political Donations Act and their own relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.

Article12 : Prohibition Against Improper Donations and Sponsorship

When making or offering donations and sponsorship, Sysgration and its directors, managers, employees, mandataries and Substantial Controllers shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.

Article13 : Prohibition Against Unreasonable Presents, Hospitality or Other Improper Benefits

Sysgration and its directors, managers, employees, mandataries and Substantial Controllers shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper Benefits to establish business relationship or influence commercial transactions. Sysgration and its directors, managers, employees, mandataries and Substantial Controllers shall comply with relevant laws and regulations and internal operational procedures and shall not surreptitiously engage in bribery.

Article14 : Responsible Unit

Sysgration's board of directors shall exercise their duty of care as good administrators and urge Sysgration to prevent Unethical Conduct, and constantly review the results of the preventive measures and continually improve upon them so as to ensure thorough implementation of its ethical management policies. To achieve sound ethical management, it is advisable to designate a responsible unit in charge of establishing, monitoring implementation the ethical management policies and Preventive Measures and reporting to the board of directors on a regular basis.

Article15 : Laws and Regulations Compliance When Conducting Business

Sysgration and its directors, managers, employees, mandataries and Substantial Controllers shall comply with laws and regulations and the Preventive Measures when conducting business.

Article16 : Conflicts of Interests Prevention

Sysgration shall observe the related laws and regulations to prevent conflicts of interests and offer appropriate means for directors, supervisors, and managers to voluntarily explain whether their interests would potentially conflict with those of Sysgration.

When a proposal at a given board of directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, managers, and other stakeholders attending or present at board meetings of Sysgration, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of Sysgration, the concerned person may not participate in the discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings.

Sysgration's directors, supervisors and managers shall not take advantage of their positions or influence in Sysgration to obtain improper Benefits for themselves, their spouses, parents, children or any other person.

Article17 : Accounting and Internal Control

Sysgration shall establish effective accounting systems and internal control systems for business activities which may pose a higher risk of being involved in an Unethical Conduct, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly

to ensure that the design and enforcement of the systems are showing results.

If any findings of the preceding paragraph when conducting auditing examination, the internal audit unit of Sysgration shall put down in writing in the form of an audit report and report to the board of directors.

Article18 : Operational Procedures and Guidelines

Sysgration shall establish operational procedures and guidelines in the Code of Conduct in accordance with Article 6 hereof to guide directors, managers, employees, mandataries, and Substantial Controllers on how to conduct business. The procedures and guidelines should at least cover the following matters:

1. Standards for determining whether improper Benefits have been offered or accepted.
2. Procedures for legal political donation or campaign contribution.

3. Procedures and the standard rates for offering charitable donations or sponsorship.
4. Rules for avoiding work-related conflicts of interests and how they should be reported and handled.
5. Rules for keeping confidential trade secrets and sensitive business information obtained in the ordinary course of business.
6. Regulations and procedures for dealing with suppliers, clients and business transaction counterparties suspected of Unethical Conduct.
7. Handling procedures for violations of ethical corporate management policies.
8. Disciplinary measures for offenders.

Article19 : Training and Appraisal

Sysgration shall periodically organize training and awareness programs for directors, managers, employees, mandataries and Substantial Controllers and invite Sysgration's commercial transaction counterparties to attend so that they understand Sysgration's resolve to implement ethical management rules, the related policies, Preventive Measures, and the consequences of committing Unethical Conduct. For applying the policies of ethical management, Sysgration has combined its employee performance appraisal system and human resource policies to establish a clear and effective reward and discipline system.

Article20 : Whistleblowing

Sysgration shall adopt a concrete whistleblowing system and keep confidentiality of the identity of whistle-blowers and the content of reported cases protecting whistle-blowers. Sysgration shall adopt a well-defined disciplinary and appeal system for handling violations of the ethical management rules and shall make immediate disclosure on Sysgration's internal website of the title and name of the violator, the date and details of the violation, and the actions taken in response.

Article21 : Disclosure

Sysgration shall disclose the implementation status for ethical management on annual reports and prospectuses.

Article22 : Review and Improvement

Sysgration shall at all times monitor the development of relevant local and international regulations concerning ethical management, and encourage directors, supervisors, managers and employees to make suggestions, based on which the adopted ethical corporate management policies and measures taken will be reviewed and improved with a view to achieving better implementation of ethical management.

Article23 : Implementation

The Guidelines shall be implemented upon approval by the board of directors of Sysgration. The same procedure shall apply when the Guidelines are to be amended.