

PEGATRON CORPORATION

Ethical Corporate Management Best Practice Principles

(Translation – In case of any discrepancy between the Chinese and English versions,
the Chinese version shall prevail.)

Article 1 Purpose, scope and applicable subjects

The Principles which are adopted in accordance with "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" are to assist the company to foster sustainable development and establish a corporate culture of ethical management.

The Principles are applicable to the company, subsidiaries of the company and affiliated companies.

The Personnel who should adopt the Principles: the directors, managerial officers and all employees of the company (hereinafter the "Personnel").

Article 2 Prohibition of unethical conducts

"Unethical conduct" in the Principles means that when engaging in commercial activities, the Personnel directly or indirectly offer, promise to offer, request or accept any improper benefits, or commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty.

Article 3 Types of benefits

The term "benefits" in the Principles means any valuable item, including any type or in any name of money, endowments, commissions, positions, services, preferential treatment, rebates...etc.

Article 4 Legal compliance

The company 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 practice ethical corporate management.

Article 5 Policy

The company shall abide by the operational philosophies of integrity, transparency and responsibility, base policies on the principle of good faith and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.

Article 6 Preventive Measures

In order to implement the operational philosophies and policy stated previously, the company has established "Code of Business Ethic" and "Business Gifts and Entertainment Policy".

Article 7 Scope of preventive measures

When establishing the prevention programs, the company shall analyze which business activities are possibly at higher risks of being involved in an unethical conduct, and strengthen its preventive measures.

Article 8 Promise and execution

The company, its subsidiaries and affiliated companies shall specify in its rules and external documents regarding the ethical corporate management policies and the commitment by the board of directors and the management to accurately implement such policies in internal management and external commercial activities.

Article 9 Commercial activities comply with ethical management

The company shall engage in commercial activities in a fair and transparent manner based on the principle of ethical management. Prior to any commercial transactions, the company shall take into consideration the legality of their agents, suppliers, clients, or other trading counterparties and whether any of them are involved in unethical conduct, and shall avoid any dealings with persons so involved.

Article 10 Prohibition of bribery

When conducting business, the company and the Personnel may not directly or indirectly offer, promise to offer, request, or accept any improper benefits in whatever form.

Article 11 Prohibition of illegal political donation

When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the company and the Personnel shall comply with the Political Donations Act and our relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.

Article 12 Prohibition of unethical donations and sponsorship

When making or offering donations and sponsorship, the company and the Personnel shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.

Article 13 Prohibition of unreasonable presents, hospitality or other improper benefits

The company and the Personnel shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.

Article 14 Organization and responsibility

The board of directors of the company shall exercise the due care of good administrators to urge the company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies. To achieve sound ethical corporate management, related departments in the company are responsible for establishing and supervising the implementation of the ethical corporate management policies and preventive measures, and shall report to the board of directors when needed.

Article 15 Legal compliance for business conduct

The Personnel shall comply with laws and regulations and the preventive measures when conducting business.

Article 16 Interest recusal of directors or managers

The company shall adopt policies for preventing conflicts of interest, and shall also offer appropriate means for directors and managers to voluntarily explain whether their interests would potentially conflict with those of the company. The directors shall exercise a high level of self-discipline. When a proposal at a given board of directors meeting concerns the personal interest of, or the interest of the juristic person represented by, and those interests might prejudice the interest of the company, the concerned person may state its own opinions and answer the questions, but may not participate in 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 be self-disciplined and shall not offer improper mutual support.

The directors and managers shall not take advantage of their positions to obtain improper benefits for themselves, their spouses, parents, children or any other person.

Article 17 Accounting and Internal Control

The company shall establish effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in an unethical conduct and conduct reviews regularly so as to ensure that the design and enforcement of the systems are showing results. The internal audit unit of the company shall examine the compliance with the foregoing systems and prepare audit reports and submit the same to the board of directors.

Article 18 Training and evaluation

The company shall organize training and awareness programs for the Personnel and invite the company's commercial transaction counterparties so they could understand the company's determination to implement ethical corporate management, relevant policies, preventive measures and the consequences of committing unethical conduct.

Article 19 Whistle-blowing system and disciplinary system

The company shall offer a proper channel for whistle-blower, and ensure the confidentiality of the identity of whistle-blowers and the content of reported cases.

The company shall adopt a well-defined disciplinary and appeal system for handling violations of the ethical corporate management rules.

Article 20 Disclosure

The company shall disclose the implementation status of ethical corporate management best practice principles on the corporate website, in annual reports, and prospectuses.

Article 21 Review and improvement

The company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage directors, managers and employees to offer 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.

Article 22 Enforcement

The principle will be taken into effect after the board of directors adopts the resolution and its amendment.

The Principles was established on November 10, 2014.