

Duly amended in the 20th directors' meeting of the 3rd board convened on March 23, 2015

Chicony Power Technology Co., Ltd.

Corporate Social Responsibility Best Practice Principles

Chapter I General provision

- Article I. These Corporate Social Responsibility Best Practice Principles are duly enacted by the Company in accordance with “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies” in an attempt to fulfill the responsibility to the society, **strive for improvement in** economy, **environment and society** and to eventually **accomplish the goals of** sustainable development.
- Article II. At the same time when the Company engages in entrepreneurial operation, the Company shall positively fulfill the responsibilities to the society so as to live up to the international **development** trends. Further through the efforts as the social citizen assumes the sacred mission, we will boost the economic contribution to the entire nation, upgrade the quality of life to employees, communities and entire society to, eventually, enhance the social responsibility based on competitive edge.
- Article III. While fulfilling the social responsibility as a dedicated enterprise, the Company shall be watchful of the interests for interested parties. At the same time as we strive for profitability, we focus on such key factors in the environments, society and corporate governance which are entirely covered into the Company’s management **guidelines** and business operation **activities**.
- Article IV. The Company is advised to practice the social responsibility as a dedicated enterprise through the principles enumerated below:
- I. Implementation thoroughly corporate governance
 - II. Develop sustainable environment.
 - III. Safeguard public interests in the society.
 - IV. Enhance the divulgence of the information of entrepreneurial responsibilities toward the society.
- Article V. The Company shall take into account **the relationship between** the development trend in entrepreneurial social responsibility **and the enterprises’ core businesses**, the impact of the overall business

operation by the Company itself and the enterprises of the conglomerate **upon the interested parties** to enact the policies for entrepreneurial responsibility, systems or **relevant policies and concrete implementation programs** which shall be put into **enforcement after** being resolved in the Board of Directors.

Chapter II Implementation thoroughly the corporate governance

Article **VI**. The Company shall comply with the “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies”, **“Ethical Corporate Management Best Practice Principles of TWSE/GTSM Listed Companies”** and “Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies” to set up effective governance frameworks and the relevant moral criteria so as to assure sound corporate governance.

Article **VII**. The Company’s directors shall exercise due diligence as a *bona fide* administrator to urge the Company in the practice of the social responsibilities and shall, from time to time, reassess the results of practice and continued improvement to assure thorough implementation of the social responsibility policies.

While the Company is **in practice of the social responsibility policies** through the Board of Directors, the practice shall **include those enumerated below**:

I. Propose the missions or visions of the social responsibility, enact the social responsibility policies and enact systems or relevant managerial policies.

II. Put the entrepreneurial social responsibility into the Company’s business operation and development orientations and check and verify the concrete maintenance plans for the entrepreneurial social responsibility.

III. Assure the entrepreneurial social responsibility related information to be divulged **in real-time and in authenticity.**

Toward the economic, environmental and social issues yielded by the Company’s business operation activities, the Board of Directors shall authorize the ranking management level to take charge and shall report to the Board of Directors about the performance. The operating procedures and all personnel in

charge shall be concrete and definite.

Article **VIII.** The Company should sponsor educational and training programs on the **entrepreneurial social responsibility** on a regular basis which should **include** the issues enumerated in **Paragraph II** of the preceding Article.

Article **IX.** Where the Company is implementing the management over the entrepreneurial social responsibility, the designated implementing unit should be the Administrative Management Department which shall assume the responsibilities to propose and implement the social responsibility policies, system **or relevant managerial policies and concrete implementation programs** and shall report to the Board of Directors on a regular basis.

The Company should enact reasonable salaries and remuneration policies to assure that the remuneration planning will be consistent with the statistically targets of the organization and the interests of the interested parties.

Article **X.** The Company shall faithfully honor all interested parties for their interests, identify the Company's interested parties, and **shall duly set up the special zones for interested parties within the Company's website.** By means of appropriate communications, the Company should look into the rational anticipation and needs from the **interested parties** and respond to **their** concern about the entrepreneurial social responsibility in real-time.

Chapter III The development of sustainable environments

Article **XI.** The Company shall, in compliance with the laws and ordinances concerned of the international rules, appropriately protect natural environments. At the same time upon implementation of the **operating activities and internal management**, put forth maximum possible efforts to **accomplish** the sustainable targets.

Article **XII.** The Company should put forth maximum possible effort to upgrade the efficiency in utilization of all sorts of resources and shall use recycled materials that would have low impact and burden to environment to assure sustainable utilization of resources available on Earth.

Article **XIII.** It is advisable for the Company to set up appropriate environmental management system oriented to the industrial characteristics. **Such**

systems shall include the items enumerated below:

- I. Collect and evaluate adequate and real-time information regarding the potential impact of the operating activities on natural environments.
- II. Set up measurable targets for **sustainable environment** and reassess the continuity an interrelationship of **the development** thereof.
- III. **Set up concrete programs or action projects and such implementation measures,** with review over **the performance** of the **implementation** on a regular basis.

Article **XIV.** In the Company, the specifically designated unit is the Administration Management Division which shall take charge of **drafting, implementation and** maintenance of the **relevant** managerial **systems and concrete action programs** and shall host on a regular basis the educational and training programs for the management and employees about the environmental issues.

Article **XV.** The Company should take into account the impacts of **business operations** on ecology, boost **and publicize** about the sustainable consumption. The Company shall further engage in research and development, **procurement,** production, **operation,** services and such operating activities in an attempt to minimize the potential impact upon the Company's business operations, natural environments, **as well as human beings:**

- I. Minimize the resources on products and services as well as consumption of energy.
- II. Minimize pollutant, discharge of poisonous substances and waste and dispose waste in an appropriate manner.
- III. Enhance the recycled reuse of raw materials and materiel and products.
- IV. Assure maximum possible sustainable utilization of the recycled resources.
- V. Expand the service life of products.
- VI. Boost the efficiency and performance of products and services.

Article **XVI.** To assure maximum possible utilization of water resources, the Company shall utilize water resources in an appropriate and sustainable development manner and shall set up relevant control measures.

The Company **shall set up and strengthen relevant environmental protection disposal facilities to** prevent pollution over water, air and land **and** shall put forth maximum possible efforts to minimize the potential adverse impact upon human health and environment. The Company will adopt the optimal feasible measure in technological control.

Article **XVII.** **The Company should adopt standards or guidelines prevalent at home and abroad to implement greenhouse gas monitoring and put the findings duly divulged. The operating scope should include:**

- I. Direct discharge of the greenhouse gas. The discharge source of the greenhouse gas should be under possession or control by the Company.**
- II. Indirect greenhouse gas discharge: As generated with the power supply purchased from outside sources, heat or team or such energy.**

The Company should be prudential to watch the potential impact incurred by weather change upon the business operation and shall, based on the fact of business operation and findings of monitoring the greenhouse gas, enact the energy saving and carbon reduction and greenhouse gas minimization strategies. The carbon right shall be obtained and covered into the carbon reduction **plans** as the grounds to implement so as to minimize the impact of the Company's business operation upon **climate change**.

Chapter IV Safeguarding public interests in society

Article **XVIII.** The Company shall faithfully comply with laws and ordinances concerned **and** shall further **comply with** international human rights **pact, e.g., Gender Equality, working rights and discrimination ban.**

In an attempt to **fulfill the responsibility** for human rights **protection**, the Company **shall duly enact relevant** managerial **policies** and procedures, **including:**

- I. Submit human rights policies and declarations for enterprises.**
- II. Evaluate the impact of the Company's operating activities and internal management and enact the relevant handling procedures.**

III. Probe into the substantial performance of the policies of declaration of the entrepreneurial human rights.

IV. While getting involved in infringement upon human rights, the Company should disclose the procedures for settlement upon the interested parties so involved

The Company **shall comply with the labor human rights universally acknowledged in the international community, e.g.,** freedom in of association, rights to collective bargaining, concern about underprivileged elements, banning the hiring child workers, eliminating a variety of compulsory work, eliminating discrimination in hiring and employment, **and** shall further ascertain **human resources hiring policies** free of discrimination in gender, ethnicity, **social status**, age, marital and family backgrounds **so as to** put into implementation thoroughly equality **and impartiality** in **employment**, hiring conditions, **remuneration, fringe benefits**, training programs, **performance evaluation** and opportunities for promotion.

Article **XIX**. The Company shall provide employees with adequate information to enable them to make sure the labor related laws **and** regulations and their entitled interests in the countries where then render services.

Article **XX**. The Company should provide employees with safe and healthful working environments, including the efforts to provide healthful and first aid facilities and put forth maximum possible efforts to minimize the hazardous factors against employees' safety and health to prevent a potential occupational calamity.
The Company should render safety and health related educational and training programs toward employees on a regular basis.

Article **XXI**. The Company should create sound circumstances for career development and set up effective career capability development training programs for employees.
The Company shall have the business performance or fruits appropriately reflected through the employee remuneration policies to assure that the Company will accomplish the sustainable development targets in solicitation, retaining and incentives in human resources.

Article **XXII**. The Company shall set up sound channels for communications and dialogues with employees on a regular basis to entitle employees to

listen to and express opinions in the managerial activities and policymaking process.

The Company shall honor employee representative(s) for their powers to exercise negotiation about the working conditions and shall provide employees with necessary information and hardware facilities. Through such efforts, both the employer and the employees will be assured for a pleasant cooperation and negotiation.

The Company shall, by rational means, keep employees informed of the business operations that are likely to cause a significant impact upon employees.

Article **XXIII**. The Company **shall** assume firm responsibility for products **and services and** shall **focus on** marketing ethics. **In the research and development, procurement, production, operation and service procedures, the Company shall assure that the products and services related information shall be safe and transparent.** The Company shall further enact policies **and** make the policies open to safeguard consumer interests, and put into implementation **thoroughly the business operation activities to prevent an impairment to consumers' interests, health and security in the products or services.**

Article **XXIV**. The Company shall faithfully comply with the laws and regulations of the government and relevant norms prevalent in the industries to assure flawless quality of products and services.
In marketing **and labeling** of products **and** services, the Company shall faithfully comply with **relevant** laws and regulations and international rules. Under no circumstances shall the Company take any acts to cheat, mislead, defraud consumers or to spoil their trust on the Company or any acts to impair consumers in their interests.

Article **XXV**. **The Company shall evaluate and manage a variety of potential risks that might interrupt business operation so as to minimize potential impact upon consumers and the society.**

Over the Company's products and services, the Company shall provide transparent and effective procedures for grievances so as to solve consumer grievances in a fair manner and in real-time. The Company shall comply with the **Personal Information Protection Act** and such laws and ordinances concerned so as to safeguard the

personal information provided by consumers.

Article **XXVI**. The Company shall evaluate the potential impact incurred by the procurement behaviors upon the communities as the sources of suppliers and upon the society. The Company shall team up with suppliers with common efforts to put into **implementation** thoroughly the entrepreneurial responsibility to the society.

Before the start of commercial transactions, the Company shall evaluate suppliers about their previous records in impacting upon environment and society. The Company shall refrain from launching transaction with a supplier that has been in conflict against the entrepreneurial responsibility policies toward the society.

Where executing agreements/contracts with key suppliers, the contents of such agreements/contracts shall include the entrepreneurial responsibility policies toward the society as well as the terms that whenever a supplier gets involved in contravention of the policies or causes a significant impact upon communities as the supply sources or the environment, the Company may terminate or rescind the agreements/contracts forthwith.

Article **XXVII**. The Company **shall** evaluate the impact of the Company's business management upon the communities and shall hire the **appropriate** human resources **in the places where the Company's business operations are in** so as to win **added** recognition from the local communities.

The Company **shall** participate in the community development and the civil organizations in the community education, charity organizations and the relevant activities under the auspices of the local governments by means of commercial activities, hands-on and substantial donations, entrepreneurial volunteer services or other **public interest** professional services.

Chapter V Strengthen disclosure of the entrepreneurial responsibility policies toward society

Article **XXVIII**. The Company shall, pursuant to laws and ordinances concerned and "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies", make information public and shall further divulge such information that is closely linked up with full

divulgence and reliability so as to make the information more transparent.

The relevant information of the entrepreneurial responsibility policies toward the society of the Company is enumerated below:

- I. The entrepreneurial responsibility **policies** toward the society duly resolved in the Board of Directors, **system or relevant managerial policies and concrete promotional programs**.
- II. Implementation thoroughly corporate governance, develop sustainable environment and maintain public interests in the society as well as the risk and impact upon the Company's business operation and financial standing.
- III. The targets, measures **and performance** worked out aiming at the entrepreneurial responsibility policies toward the society.
- IV. The key interested parties and the issues they focus on.**
- V. Management of key suppliers on the major issues on the environments and society and disclosure of the information of the performance.**
- VI.** Other information linked up with the entrepreneurial responsibility toward the society.

Article **XXIX.** While working out the reports on entrepreneurial responsibility policies toward the society, the Company **shall adopt rules or guides extensively acknowledged in the international community so as to** divulge the actual facts of entrepreneurial responsibility toward the society. Besides, the Company **shall obtain confirmation or guarantee from a third party to enhance the reliability of the information.** The contents of such information should include:

- I. Implementation of the entrepreneurial responsibility policies toward the society, **systems or relevant managerial policies and the concrete implementation plans**.
- II. The key interested parties and the issues they focus on.
- III. The performance and review of the Company in putting into implementation thoroughly corporate governance, development of sustainable environments, maintenance of the public interests in the society **and boost economic development**.
- IV. The orientation of future improvement and the targets.

Article XXX. The Company shall constantly closely watch the update development of the rules and **relevant regulations** linked up with the entrepreneurial responsibility policies toward the society at home and **abroad** as the grounds for review **and** for improvement of the entrepreneurial responsibility policies system established in the Company so as to boost the performance in the fulfillment of the entrepreneurial responsibility toward the society.

Article XXXI. These Guidelines shall be put into enforcement after being resolved in the Board of Directors. This same provision is applicable *mutatis mutandis* to an event of an amendment.