

AOPEN INCORPORATED

Ethical Corporate Management Best Practice Principles

Article 1 : Purpose of adoption and scope of application

The Principles are promulgated to assist the Company to strengthen a corporate culture of ethical management and sound development, and offer a reference framework for establishing good commercial practices.

The Principles are applicable to the Company and subsidiaries.

Article 2 : Prohibition of unethical conduct

When engaging in commercial activities, directors, managers and employees of the Company shall not 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 ("unethical conduct") for purposes of acquiring or maintaining benefits.

Parties referred to in the preceding paragraph include civil servants, political candidates, political parties or members of political parties, state-run or private-owned businesses or institutions, and their directors, managers, employees or other interested parties.

Article 3 : Types of benefits

"Benefits" in the Principles means any valuable things, 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 : Compliance with applicable laws or regulations

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, or TWSE/GTSM-listing rules, as the underlying basic premise to facilitate ethical corporate management.

Article 5 : The policy

The Company shall abide by the operational philosophies of honesty, 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: Prevention measure

The Company is advised to, in accordance with the operational philosophies and policies prescribed in the preceding article, establish in their own ethical corporate management best practice principle comprehensive programs to forestall unethical conduct ("prevention measure"), including operational procedures, guidelines, and training.

The Company set prevention measure should comply with the relevant laws of territories where the Company and subsidiaries/organizations operating.

Article 7 : The range of prevention measure

When establishing the prevention measure, the Company shall analyze which business activities within their business scope which may be at a higher risk of being involved in an unethical conduct, and strengthen the preventive measures.

The prevention measure established by the Company shall at least include preventive measures 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 : Commission and implement

The Company and subsidiaries shall clearly specify ethical corporate management policies in their rules and external documents. The Board of Directors and the management level shall undertake to rigorously and thoroughly enforce such policies, and shall carry out the policies in internal management and external commercial activities.

Article 9 : Commercial transactions in ethical

Prior to any commercial transactions, the Company will 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 records of unethical conduct.

Article 10 : Prohibition of bribery

When conducting business, the Company and directors, managers and employees, shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, including rebates, commissions, grease payments, or offer or accept improper benefits in other ways to or from clients, agents, contractors, suppliers, public servants, or other interested parties, unless the laws of the territories where the Company operate permit so.

Article 11 : Prohibition of offering illegal political donations

When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the Company and directors, managers and employees, 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.

Article 12 : Prohibition of improper donations and sponsorship

When making or offering donations and sponsorship, the Company and their directors, managers and employees 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 directors, managers and employees 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, the Company advises dedicated unit in charge of establishing and enforcing the ethical corporate management policies and prevention measure. If any material violation is discovered, the Company shall report to the Board of Directors.

Article 15 : Compliance with applicable laws or regulations when conducting business

The Company and directors, managers and employees shall comply with laws and regulations and the prevention measure when conducting business.

Article 16 : Avoiding conflicts of interest of directors and managers

The Company shall promulgate policies for preventing conflicts of interests and offer appropriate means for directors and managers to voluntarily explain whether their interests would potentially conflict with those of the company. The details shall refer to “ Codes of Ethical Conduct” of the Company.

The Company’s directors shall exercise well discipline, a director may present his

opinion and answer relevant questions but is prohibited from participating in discussion of or voting on any proposal where the director or the juristic person that the director represents is an interested party, and such participation is likely to prejudice the interests of the Company; neither shall a director vote on such proposal as a proxy of another director in such circumstances. The directors shall practice self-discipline and must not support one another in improper dealings. The Company's directors and managers shall not take advantage of their positions in the company to obtain improper benefits for themselves, their spouses, parents, children or any other person.

Article 17 : Operational procedures and guidelines

The Company shall establish operational procedures and guidelines in accordance with Article 6 hereof to guide directors, managers and employees on how to conduct business. The procedures and guidelines should at least contain the following matters:

1. Standards for determining whether improper benefits have been offered or accepted.
2. Procedures for offering legitimate political donations.
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 the Principles.
8. Disciplinary measures on offenders.

Article 18 : Training and assessment

The Company shall periodically organize training and awareness programs for directors, managers and employees and invite the Company 's commercial transaction counterparties so they understand the Company 's resolve to implement ethical corporate management, the related policies, prevention measure and the consequences of committing unethical conduct.

The Company shall apply the policies of ethical corporate management when creating its employee performance appraisal system and human resource policies to establish a clear and effective reward and discipline system.

Article 19 : Rewards, penalties, and complaints

The Company shall have in place a formal channel for receiving reports on unethical conduct and keep the reporter's identity and content of the report confidential.

The Company shall establish a well-defined disciplinary and complaint system to handle violation of the ethical corporate management rules.

Article 20 : Information disclosure

The Company shall disclose the status of the enforcement of “Ethical Corporate Management Best Practice Principles” on the Company websites, annual reports and prospectuses.

Article 21 : Review and improvement of the principles

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 make suggestions so as to review and improve their ethical corporate management best practice principles and achieve better results from implementing the principles.

Article 22 : Enforcement

The Principles will be implemented after adoption by resolution of the Board of Directors, and will be delivered to the shareholders meeting for report, same as amendment.

Article 23 : The Principles were enacted on November 12th, 2014.