

## **Employee Code of Conduct**

### **Chapter 1 Principle**

#### **Article 1 Purpose**

This Employee Code of Conduct outlines the ethical standards observed by ASUS employees while performing their duties so as to enhance the stakeholders' understanding of such ethical standards, win public trust, and ensure the sustainable development of ASUS.

#### **Article 2 Application**

All employees of ASUS as well as all employees of ASUS' affiliated companies are required to know, understand and comply with this Employee Code of Conduct.

#### **Article 3 Scope**

ASUS employees while performing their duties or conducting any activities associated with their duties, including social activities they attend as a representative of, or may be deemed to be representative of ASUS and any personal behavior that may influence the image of ASUS must comply with the Employee Code of Conduct.

#### **Article 4 References**

- 4.1 Electronic Industry Code of Conduct (EICC).
- 4.2 Taiwan Securities and Futures Bureau Guidelines on Code of Ethics for Listed and OTC Companies.

### **Chapter 2 Compliance with Laws**

#### **Article 5**

As a global company, ASUS is committed to corporate social responsibility and aims to meet and go beyond the legal requirements. ASUS employees shall comply with all applicable laws and regulations of the countries and regions in which they operate and conduct business activities. In the event any variation between this Employee Code of Conduct and the local laws or regulations, the higher standard must be followed. ASUS employees shall inform Legal Affairs Center of such variation immediately. The violation of laws or regulations may have a severe effect on both ASUS and the employee who violates the laws or regulations; therefore, any employee has any questions or needs any guidance shall consult with Legal Affairs Center.

#### **Article 6 Bribery and Anti-Corruption**

- 6.1 ASUS employees must not offer or give bribes to public officials and must never engage in or facilitate corrupt practices in any pattern.
- 6.2 ASUS employees must not contribute to illegal political donations, improper charitable donations, or improper sponsorship.
- 6.3 These anti-corruption requirements are applicable to all agents and contractors of ASUS, including but not limited to, the contractors and consultants. It is ASUS' policy that ASUS would cease engagement with those agents or contractors who was likely to bribe when dealing with ASUS' affairs on behalf of ASUS
- 6.4 Giving a gift or entertainment, to public officials on behalf of ASUS shall be subject to Legal Affairs Center's review.

#### Article 7 Insider Trading

ASUS employees who possess or have access to "material non-public information" about ASUS is prohibited from trading ASUS stocks, either directly or through third parties, from using such information to provide advice on the trading of ASUS' stocks, or from disclosing such information to anyone who may trade ASUS stocks based on such information, prior to such information is available to the public or within 18 hours after it is available to the public. "Material non-public information" is any non-public information which could significantly influence the price of ASUS' stocks or could significantly influence the investment decision of a reasonably prudent investor.

#### Article 8 Intellectual Property

ASUS recognize the value of intellectual property and respect the rights of others. Without legitimate license, ASUS employees must not use, copy, reproduce, transmit, or distribute the intellectual property of others, which includes trademarks, oral and literary works, artistic works, music, video, photographs, films, and software, etc.

#### Article 9 Confidential and Proprietary Information

ASUS employees must take all necessary precautions to protect confidential information and shall use it solely for carrying out the business of ASUS with authorization. Confidential information shall only be disclosed to those with a need-to-know. For confidential information owned by third party, ASUS employee shall be bound by terms and conditions of confidentiality agreement entered into by and

between ASUS and the third party. Employee is obliged to keep all confidential information received during employment period strictly confidential after leaving ASUS.

### Chapter 3 Personal Conflicts of Interest

#### Article 10

“Conflicts of Interest” referred to hereunder means a personal interest that may or may be perceived to interfere with the interest of ASUS. Personal interest includes but not limited to, the giving of gifts or gratitude extended in any pattern such as giving money, giving favorable treatment, providing abnormal service, providing interest free/low loan, presenting gift, making payment on behalf of particular individual, or giving something of monetary value such as security, credit card, stock, or gift token, etc. The interest of spouse, parents, children and other collateral blood relations in fourth rank of ASUS employees will be deemed as the personal interest of ASUS employees.

#### Article 11

ASUS employees shall avoid engaging in any following activities which may involve a conflict of interest with ASUS:

- (1) taking up a role of board director, supervisor, or consultant in non-affiliated companies of ASUS without the General Manager’s prior written consent;
- (2) negotiating or proceeding with a transaction with ASUS on behalf of ASUS employees themselves or third party;  
or
- (3) engaging in non ASUS business, which may interfere with the performance of employees duties.

#### Article 12

Sometimes conflicts of interest arise as a result of change of circumstance or third party involvement and individual intention has nothing to do with them. ASUS employees are obliged to elaborate to their supervisors as soon as they are aware of any circumstances set forth below:

- (1) they are participating in or influencing ASUS business decision-making for the benefit of themselves;
- (2) they are possessing stocks or benefits of a company which has or proactively pursues business relationship with ASUS, or possessing stocks or benefits of competitors;
- (3) they are participating in or influencing ASUS employment



decision-making associated with their spouses, parents, children and other collateral blood relations in fourth rank, or to take up a role of supervisor of the foregoing people; and

(4) any situations or business activities that may involve a conflict of interest.

The supervisors of ASUS employees may consult with Legal Affairs Center about the existence of conflicts of interest and the corresponding solution.

#### Article 13

Failure to disclose a potential conflict of interest or to perform in accordance with the solutions to particular conflict of interest formulated by Legal Affairs Center may constitute a violation of this Employee Code of Conduct.

#### Article 14

Except for investing in or possessing stocks of listed or OTC companies, ASUS employees are under a continual obligation to regularly disclose to ASUS the status of their investment or their possession of stocks of current or prospective suppliers, customers, or other cooperative partners of ASUS. This Article 14 also applies to the scenario that employees invest in or possess stocks of the foregoing companies through their relatives or friends.

#### Article 15

ASUS employees shall avoid engaging in any personal business activities related to their daily duties. ASUS employees shall also avoid, either directly or through third parties, engaging in or investing in business activities which may involve a conflict of interest with ASUS.

### Chapter 4 Gifts, Entertainment and Social Activities

#### Article 16

ASUS Employees must not accept any rebate or commission.

#### Article 17

ASUS employee must not arrange, request or accept any improper gifts, favorable transactions or special treatments, including a loan, investment, stock possession, or any leases with or without charge and entertainment from current or

prospective ASUS suppliers, distributors, or customers. ASUS employees are obliged to report issues to their department managers or superior managers and return the gifts as soon as they receive any improper gifts from customers, suppliers, or contractors of ASUS. Any gifts that cannot be returned must be given to the Employee Welfare Committee.

#### Article 18

ASUS employees may participate in social activities and accept entertainment offered by customers, suppliers, or contractors of ASUS only if such participation and acceptance is to the benefit of ASUS, conforming to business customs, unlikely influencing ASUS business decision-making for the benefit of the inviters, and ASUS employees must behave in an appropriate manner. Prior to participating in or accepting any entertainment offered, ASUS employees must report to supervisors orally or in writing (e.g. telephone, text message, or e-mail) the details of the particular social activities or entertainment to be attended including the date, the reason of acceptance, the company name of counterparts, the contact person of counterparts, the participants of ASUS, and the locations. Except for urgent situations which require immediate attendance and must notify as soon as possible; prior approval from (i) the department managers or (ii) the superior managers if department managers/superior managers are invited to or offered entertainment is required. Under no circumstances are ASUS employees permitted to go to any dancing saloon, girlie restaurant, or other special food and beverage services enterprises that may damage the image of ASUS.

The customers, suppliers, or contractors of ASUS stated in the preceding section shall include ASUS and ASUS affiliated companies' outsourcing contractors, suppliers, customers as well as the respective suppliers within the forgoing entities' supply chain.

#### Article 19

A gift, favorable treatment, or entertainment may be given to other companies or individuals within the business scope of ASUS provided that it is given conforming to business customs, laws, ethical standards, and rules of ASUS.

#### Article 20

The improper gifts or treatments stated in this Chapter shall mean money or any gift with a monetary value exceeding one

## Chapter 5 Fiduciary Duty

### Article 21

ASUS employees must pursue legitimate gain and profit for the benefit of ASUS. ASUS employees must avoid putting themselves in a situation where their personal interests may or may be perceived to conflict with their fiduciary duties and are prohibited from:

- (1) misappropriating ASUS assets to gain a personal benefit;
- (2) taking part-time job during office hours;
- (3) investing in current or prospective suppliers, contractors, or customers by taking advantage of any opportunity known while performing daily duties;
- (4) gaining a personal benefit for ASUS employees, their spouse, parents, children or other collateral blood relations in fourth rank by taking advantage of any ASUS operation or finance information received from performing their daily duties;
- (5) misappropriating confidential information, know-how, or knowledge received from performing daily duties for non ASUS business; or interfering with the utmost benefit of ASUS for direct or indirect personal interests of ASUS employees or third party.

## Chapter 6 Recording and Reporting of Information

### Article 22

ASUS is obliged to make company information available to investors and the public according to applicable regulations governing information disclosure of listed company and to enhance financial transparency. ASUS must ensure that its financial reports and associated materials, and other public information are submitted to Taiwan Stock Exchange Corporation in compliance with the requirements of the applicable regulations. ASUS employees must prepare and provide complete and accurate financial and accounting records, and adhere to information disclosure principles so as to retain ASUS' integrity and reputation.

### Article 23

The accuracy of financial reports and disclosed information

is extremely important. ASUS employees who take part in information disclosure procedures must acknowledge and understand all disclosure procedures that ASUS is required to follow and is applicable to their daily duties. ASUS employees must use their utmost efforts to ensure the disclosure of information is complete, accurate, timely and provided in the prescribed manner.

#### Article 24

All books, invoices, records, journals, capital, and assets of ASUS must be compiled and retained properly in order to enable ASUS to deal with every transaction and business decision appropriately and correctly. ASUS employees who take part in preparation and production of financial reports must not compile false or misleading declarations or records, and must not intentionally conceal the facts of certain transactions. ASUS employees are prohibited from opening, maintaining or using any secret account in bank or any other third party institution to proceed with ASUS related accounts and bookkeeping.

#### Article 25

It is the policy of ASUS to comply with all security policies and procedures to deal with proprietary information and systems so as to fulfill ASUS' lawful obligations and to protect its investment in confidential information. ASUS employees must retain and provide any and all records that are likely to be related to investigation, litigation or legal proceedings pursuant to instruction of Legal Affairs Center.

### Chapter 7 Fair Trade, Advertising and Competition

#### Article 26

ASUS employees shall ensure that all customers, suppliers, competitors and other ASUS employees are treated fairly without any discrimination or favoritism. No ASUS employees shall manipulate, deceive or misuse proprietary information, misrepresent substantial fact, restrict other employees' access to information required to carry out their duties, or engage in other unfair trade practices.

#### Article 27

It is the policy of ASUS to adhere to fair treatment principle when dealing with any customers, suppliers, and contractors. No preferential treatment shall be given to any of them.

#### Article 28



Marketing shall be conducted in good faith. All expressions and descriptions including any reference to competitor, competitors' products and services or any third parties shall be made based on facts and shall not be deceptive, misleading, or likely to be misleading. Labeling of merchandises and advertising shall be expressed honestly. It is essential that all products are fairly represented with correct and clear information.

#### Article 29

No ASUS employees shall lead, initiate, or participate in any horizontal concerted action with any other competing companies which are at the same production and /or marketing stage. The term "concerted action" means the conduct of any enterprise, by means of contract, agreement or any other form of mutual understanding, with any other competing enterprise, to jointly determine the price of goods or services, or to limit the terms of quantity, technology, products, facilities, trading counterparts, or trading territory with respect to such goods and services, etc., and thereby to restrict each other's business activities. If any legal concern arises associated with any planned conducts or agreement under discussion, ASUS employees are obliged to consult with Legal Affairs Center prior to take any further action.

#### Article 30

When dealing with distributors and dealers, do not limit their resale price or fix profit margin, do not compel them to maintain resale price, do not impose a minimum sale price, and do not prohibit them from purchasing competitors' products. If any legal concern arises associated with any planned conducts or agreement under discussion, ASUS employees are obliged to consult with Legal Affairs Center prior to take any further action.

### Chapter 8 Protection of ASUS Interest

#### Article 31

ASUS employees shall protect ASUS assets and shall make the most efficient utilization of ASUS assets during the course of their duties. ASUS employees shall avoid any incidents that may cause ASUS to suffer a loss, such as theft, negligence, or waste, etc. ASUS and all employees shall



adhere to appropriate security and usage procedures to protect the company's physical assets from theft, damage or improper usage. ASUS employees are obliged to report to Administration Management Department as soon as they are aware of any circumstances mentioned above. To the extent permitted by local laws and regulations, ASUS reserves the right to monitor and inspect employees' usage of ASUS assets.

Article 32

ASUS employees shall, while performing daily duties, make sure that all business information will be kept in confidence, perfectly retain all business and operation records, respect business assets and intellectual properties of ASUS, customers and cooperative partners, and take legitimate license prior to use of any intellectual property of others.

Article 33

ASUS respects employees' privacy; however, employee shall not assume their desktops, partitions, use of computers or telephones are private or confidential. To the extent permitted by local laws and regulations, ASUS may monitor, search or inspect employees' communication, and facilities usage records, including all e-mail, data, files and code-encrypted communications of employees which are stored in personal computers or web terminal.

Article 34

Without prior authorization, no ASUS employees shall make any comments to the public, including media, investors, Certified Securities Analysts, any external forums or internet on behalf of Asus. In situations where ASUS employees are invited to make a statement on an unauthorized theme by journalists or others, ASUS employees shall refer them to public relation department or spokesperson of ASUS. Any comments, opinions or statements concerning business or technical themes made in public occasions or made via internet by ASUS employees must clearly state that those opinions are **personal opinions** and do **not represent** those of ASUS.

Article 35

ASUS employees must obtain authorization before either making any transactions or reach any kind of understanding privately with customers, suppliers or contractors, or deal with any affairs that are not part of their daily duties in the name of ASUS. ASUS employees are restricted from



duplicating and/or using the seals of the company, it's representative, and managers in order to proceed with any company associated transactions without authorization.

#### Article 36

ASUS employees acknowledge that the brand and image of ASUS are important assets of ASUS and shall be protected and maintained jointly by all employees. All ASUS employees are representatives and shall ensure that they behave in a manner that best represent brand and image of ASUS. Any and all use of trademarks or brands of ASUS shall be fully compliant with ASUS' requirements, irrespective of its intended use, e.g. by ASUS employees for external or internal communications and marketing, or by third parties such as agents, distributors, EMS in products, services, advertising, and marketing materials.

### Chapter 9 Community Participation

#### Article 37

ASUS is committed to being a good corporate citizen. It is the core corporate responsibility of ASUS to pursue socially responsible corporate value enhancement through innovation and sound business practice. ASUS recognizes that its business activities have direct and indirect impact on the societies in which it operates and therefore, ASUS is committed to building a spirit of community participation and encourage employees to actively give back to the community.

### Chapter 10 Training and Advocacy Regulation

#### Article 38

All employees should obey the training and advocacy regulation of this Employee Code of Conduct. New employees should complete related training within the 1st month after reporting for duty; all employees must participate advocacy during the employment.

#### Article 39

The internal training and related advocacy will be implemented by Human Resources Department of ASUS headquarters, and Administration Department or Human Resources Department of affiliates. All management level of ASUS headquarters and its affiliates are responsible for

supervising the completion of the internal training.

## Chapter 11 Disciplinary Procedure

### Article 40

ASUS employees must adhere to all governmental regulations and ASUS internal rules and procedures. In the event that ASUS employees have a good-faith belief that a policy, company operation or practice is or will likely be in violation of any law, regulation or ethical standard, they must voice their concerns promptly and consult with managers (department managers and/or superior managers) or Legal Affairs Center.

### Article 41

ASUS employees who violate this Employee Code of Conduct may face disciplinary sanctions up to and including termination of employment. Anyone who is found to have committed a severe violation of the Employee Code of Conduct may also be subject to criminal penalties and/or civil liabilities in accordance with applicable laws in addition to being dismissed.

### Article 42

ASUS employees who are subject to disciplinary sanctions as a result of their violations of this Employee Code of Conduct may file an appeal in accordance with ASUS internal rules and procedures.

### Article 43

In the event that any director of board or executive is found to have committed a serious violation of this Employee Code of Conduct, ASUS is obliged to announce the situation on the Website of Market Observation Post System forthwith and disclose the information such as title and name of violator, cause of violation, violated code, and associated disciplinary action.

### Article 44

In the event that a false allegation of violation is made maliciously, ASUS will conduct a full investigation and take the appropriate actions.

## Chapter 12 Miscellaneous

Article 45

ASUS employees are obliged to report to management as soon as they are aware of any employee's behavior that may constitute a violation or may be considered to be a violation of this Employee Code of Conduct. Reporting Hotline: Audit@asus.com

Article 46

The information related to whistleblowers and issues reported by whistleblowers shall be kept in strict confidence and dealt with diligently. Any employee who comes forward in good faith to report issues and employees who are involved in resolution of the reported issues will be treated fairly and respectfully.

Article 47

In the event that any director of board or executive requests to be exempted from the obligations of the Employee Code of Conduct, such exemption must be resolved by the board of directors and announced on the Website of Market Observation Post System forthwith with the relevant information such as title and name of the particular personnel, date of resolution, period, reason and the conditions of such exemption, etc. Shareholders may have the opportunity to evaluate the appropriateness of resolution made by the board of directors so as to avoid any arbitrary or suspicious exemption. ASUS may have the opportunity to activate a proper mechanism to monitor every exemption so as to protect the best interest of ASUS.

Article 48

This Employee Code of Conduct shall be implemented after the board of directors grants the approval. The same procedure shall be followed when the principles have been amended.