

InnoCare Optoelectronics Corporation

Codes of Ethical Conduct for Directors and Managerial Officers

Article 1 (Purpose of and basis for adoption)

These Codes are adopted pursuant to the Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies for the purpose of providing guidance to directors and managerial officers of the Company (including general managers or their equivalents, assistant general managers or their equivalents, deputy assistant general managers or their equivalents, chief financial and chief accounting officers, and other persons authorized to manage affairs and sign documents on behalf of a company) to act in line with ethical standards, and to help interested parties better understand the ethical standards of the Company.

Article 2 (Scope of the code)

1. Prevention of conflicts of interest:

Directors and managerial officers of the Company shall avoid conflicts of interest occur when personal interest intervenes or is likely to intervene in the overall interest of the Company and abide by the following principles:

- A. To perform their duties in an objective and efficient manner.
- B. To avoid when a person in such a position takes advantage of their position in the Company to obtain improper benefits for either themselves or their spouse, or relatives within the second degree of kinship.
- C. To report to the superiors any events involving or possibly involving, with a reasonable degree of certainty, conflicts of interests with the Company, including but not limited to loans of funds, provisions of guarantees, and material asset transactions or the purchase (or sale) of goods involving with the Company of the affiliated enterprise.
- D. Unless otherwise agreed in writing by the Company, directors shall be refrained from engaging in any activities, directly or indirectly, in competition with any business of the Company, including businesses under development, or any affairs related to the business, including activities that upgrade or improve the competitiveness of competitors, no matter whether such activities are compensable or gratuitous. Such activities include without limitation holding, on a part-time or full-time basis, a position such as a consultant, a president, a director, a chief executive officer, a supervisor, a managerial officer, a special assistant, or any positions of a similar nature in an enterprise having identical or similar business with the Company.
- E. To avoid any other conflicts of interests of similar natures.

2. Minimizing incentives to pursue personal gain:

The directors, and managerial officers of the Company shall prevent from engaging in any of the following activities:

- A. Seeking an opportunity to pursue personal gain by using company property or information or taking advantage of their positions.
- B. Obtaining personal gain by using company property or information or taking advantage of their positions.
- C. Competing with the Company.
- D. When the Company has an opportunity for profit, it is the responsibility of the directors, and managerial officers to maximize the reasonable and proper benefits that can be obtained by the Company.

3. Confidentiality:

The directors, and managerial officers of the Company shall be bound by the obligation to maintain the confidentiality of any information regarding the Company itself or its suppliers and customers, except when authorized or required by law to disclose such information. Confidential information includes any undisclosed information that, if exploited by a competitor or disclosed, could result in damage to the Company or the suppliers and customers.

4. Fair trade:

Directors, and managerial officers shall treat all suppliers and customers, competitors, and employees fairly, and may not obtain improper benefits through manipulation, nondisclosure, or misuse of the information learned by virtue of their positions, or through misrepresentation of important matters, or through other unfair trading practices.

Directors, and managerial officers shall deal and compete fairly with all customers, supplier and competitors, and shall not engage in any acts that violate fair trade, including but not limited to the following with current or potential competitors of the Company:

- A. Agreeing on prices or other trade terms.
- B. Discussing or exchanging information regarding profit margins, prices, pricing mechanisms, rebate policies, capacities, capacity plans, capacity utilization, market shares, customer information, and trade terms with other companies.
- C. Agreeing to rig bids.
- D. Agreeing not to deal or only deal under specific conditions with a specific customer or supplier.
- E. Agreeing to tie a different product or services to the sales of products.
- F. Agreeing to allocate market or customers.

Directors, and managerial officers shall not misstate or misrepresent products' prices, quantities, quality, content, methods of manufacture, dates of manufacture, expiration dates, methods of use, purposes, origins, manufacturers, country of manufacture, processors, country of processing, etc., on the cover of the products, in any form of advertisement, or in any other method of public disclosure.

5. Safeguarding and proper use of company assets:

All directors, and managerial officers have the responsibility to safeguard company assets and to ensure that they can be effectively and lawfully used for official business purposes; any theft, negligence in care, or waste of the assets will all directly impact the Company's profitability.

The Company forbids illegal and unethical use of the Company assets. Directors, and managerial officers shall not engage in, or instruct/direct their subordinates to engage in, or encourage others to engage in bribery, or make any other unlawful payments in furtherance of interests. The aforementioned forbidden conducts include but not limited to bribing, or giving commissions or other similar compensation to, suppliers, customers, or domestic/ foreign government officials.

The Company allows necessary and proper expenses in dining and entertainment for suppliers and customers. Such necessary and proper expenses refer to ordinary and customary business expenses authorized by the Company.

Directors, and managerial officers shall avoid entertaining government officials to harm the integrity or reputation of the government officials and the Company.

Directors, and managerial officers shall not unlawfully donate company assets to any political parties or political election candidates for election purposes.

6. Legal compliance:

In discharging of their job duties, directors, and managerial officers shall comply with all laws, regulations and orders applicable to the Company, including but not limited to domestic and foreign company acts, securities exchange acts, fair trade acts, other acts of similar natures, and all relevant policies and procedures established by the Company for directors, and managerial officers to follow.

With respect to the transactions of the Company's securities, directors, and managerial officers shall comply with laws and regulations related to insider trading and all securities exchange policies and rules of the Company.

7. Encouraging reporting on illegal or unethical activities:

Directors, and managerial officers of the Company shall promote ethical conducts and adopt the following measures:

- A. To encourage employees to discuss with the directors, and managerial officers or his/her superior when they have doubts about what the best code of conduct is under specific circumstances.
- B. To encourage employees, customers, and suppliers to report illegal conducts via the Company's

whistle-blowing system, along with substantial evidence. The Company's whistle-blowing system is equipped with proper confidentiality mechanisms to protect the identity of persons who report.

C. Upon receipt of a report, the Company shall launch an investigation in compliance with applicable guidelines of the Company.

8. Disciplinary measures:

When a director, and managerial officer violates the code of ethical conduct, the Company shall handle the investigation according to the disciplinary measures prescribed in these Codes, and provide the alleged violators with the mechanism to obtain resources in accordance with an appeal process. In the event that any director, and managerial officer violates the code of ethical conduct, where it is necessary or required by laws and/or the authorities, the Company shall without delay disclose the relevant information.

9. Appropriate financial record:

The Company pays lots of attention that books, financial reports, and financial records should reflect recorded transactions completely, appropriately, correctly, and timely.

Directors, and managerial officers, who are involved in the Company's information disclosure procedure, shall be learned of and understand applicable rules of disclosure of the Company and shall ensure that information disclosed in documents submitted to Securities and Futures Bureau, Financial Supervisory Commission and information disclosed to the public is recorded and rendered in a complete, appropriate, correct, and timely way.

In addition, each and every employee involved in the making of financial reports shall prepare such financial reports according to the Company's internal accounting principles and other important accounting standards, such that the financial reports substantially, appropriately, and completely reflect the Company's business transactions and financial situation. The internal accounting principles shall conform to the generally accepted accounting principles (GAAP) of the Republic of China and all relevant regulations and orders applicable to the Company.

10. Fraudulent conduct:

The Company forbids any fraudulent conduct. Fraudulent conducts include but not limited to the following:

A. Any dishonest or deceiving conduct.

B. Counterfeit or forgery of any transferrable paper such as checks or bills of exchange.

C. Using any company assets such as cash, securities, and inventories for personal purposes.

D. Unauthorized transactions in the name of the Company.

E. Falsification of the Company's records, financial reports, or any other material documents for any personal or any other reasons.

11. Protection of intellectual property:

Directors, and managerial officers shall protect the Company's intellectual property and respect intellectual property of others. In any transfer related to technology and manufacturing experience, directors, and managerial officers shall properly protect the intellectual property of the Company.

Directors, and managerial officers shall have basic understanding of intellectual property laws applicable to the Company and abide by potentially intellectual-property-related limits set forth in contracts. Any misappropriation or unlawful use of anyone's intellectual property, know-how, or confidential information is a violation to paragraph 2 (Minimizing incentives to pursue personal gain) of this Article in these Codes:

The directors, and managerial officers of the Company shall prevent from engaging in any of the following activities:

A. Seeking an opportunity to pursue personal gain by using company property or information or taking advantage of their positions.

B. Obtaining personal gain by using company property or information or taking advantage of their positions.

C. Competing with the Company.

When the Company has an opportunity for profit, it is the responsibility of the directors, and managerial

officers to maximize the reasonable and proper benefits that can be obtained by the Company.

Article 3 (Procedures for exemption)

The code of ethical conduct adopted by the Company must require that any exemption for directors, and managerial officers from compliance with the code be adopted by a resolution of the board of directors, and that information on the date on which the board of directors adopted the resolution for exemption, objections or reservations of independent directors, and the period of, reasons for, and principles behind the application of the exemption be disclosed without delay on the MOPS.

Article 4 (Method of disclosure)

The Company will disclose the code of ethical conduct it has adopted, and any amendments to it, on its company website, in its annual reports and prospectuses and on the MOPS.

Article 5 (Enforcement)

The Code of ethical conduct, and any amendments to it, shall enter into force after it has been adopted by the board of directors.