

# Corruption Reporting Guidelines

## Article 1 Purpose and scope

LITE-ON Technology Corporation ("LITE-ON") upholds high ethical standards and ethical management. These Guidelines are established for the purpose of providing a whistleblowing channel for reporting violation of integrity and ethics and a basis for handling corruption reports. These Guidelines apply to LITE-ON and its subsidiaries.

## Article 2 Creating a corruption reporting channel

LITE-ON has created the Ethic Line for internal and external stakeholders (e.g. employees, suppliers, and customers) to, by name or anonymously, provide evidence and report violation of integrity and ethics. The Ethic Line is implemented under the Office of Chairman, and encompasses a telephone hotline, email, and mailbox.

The reporting channel is monitored by a dedicated staff responsible for accepting and processing reports. The staff also makes status reports to the Audit Committee.

The Office of Chairman shall promote the reporting channel, and organize training activities and campaigns to raise awareness.

## Article 3 Investigating reports

Reports are handled by the Office of Chairman according to LITE-ON's policy and investigated by the report investigation task force. All departments shall cooperate with investigation and not withhold information. Outside experts may be invited to assist investigation as needed.

The Audit Committee shall be notified if a vice president or person occupying a higher position, Business Unit Head, or Functional Unit Head has been reported for corruption.

The Standard Operating Procedures for Investigating Corruption Reports are shown in Appendix 1.

## Article 4 Handling investigation results

The report investigation task force shall deliver semiannual summary reports on the number of reports received and actions taken to the Audit Committee. Where the investigation reveals serious violation or damages (NT\$10 million or more), a special report shall be made to the Audit Committee.

The report investigation task force shall report individuals who have been found to have violated integrity and ethics to responsible departments so that responsible departments may proceed to take disciplinary or legal actions as applicable.

## Article 5 Safeguarding investigation documents

The report investigation task force shall safeguard all documents, records, and final reports acquired during investigation.

## Article 6 Confidentiality and rewards

LITE-ON will protect and keep confidential the identities of whistleblowers and details of whistleblowing reports. In addition, to prevent unfair treatment, reprisal or intimidation against whistleblowers, persons involved in investigation shall not make any unauthorized disclosure of related information.

As an incentive for reporting unethical behaviors, rewards will be given to the whistleblowers if their reports are found to be true.

#### Article 7 Implementation

These Guidelines shall take effect after the approval of the board of directors. The same applies to all subsequent amendments.

These Guidelines are established on November 11, 2016.

Attachment 1 <Standard Operating Procedures for Investigating Corruption Reports>

A report is received					
1	The Office of Chairman accepts the report	2	The report investigation task force investigates	3	Accountability and improvement
■	The Office of Chairman is responsible for accepting and assessing reports and deciding the procedures to follow.	■	Proceed with the chosen investigation path.	Submit the report to the President or chairman for decision as investigation results and the circumstances demand:	
■	Number the case if the reported incident is found true.	■	Ask for assistance and cooperation from the relevant departments (including procurement, IT, finance, and legal).	■	strengthen internal control system
■	The report investigation task force assesses possible investigation paths.	■	Close investigation. The report investigation task force prepares a written report based on the results of investigation.	■	whether to take administrative disciplinary action
■	Keep the whistleblower's identity and report confidential.	■	Deliver semiannual summary reports on the number of reports received and actions taken to the Audit Committee.	■	whether to take recourse against unlawful gains
		■	Make a special report to the Audit Committee if the case involves serious violation (NT\$10 million or more).	■	whether to take legal actions