

# **Macronix International Co., Ltd.**

## **Corporate Ethical Management Guidelines**

### **Article 1. Object and scope**

1. In order to establish our company's corporate ethical management culture and strengthen its development, the Ethical Management Guidelines are adopted pursuant to the provisions of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.
2. The scope of application of the guidelines includes Macronix, subsidiaries of the company, any incorporated foundation due to the company's accumulated contributions, direct or indirect when exceeding 50 percent of the total funds of the foundation, and other group enterprises and organizations, such as an institution or a legal person, substantially controlled by Macronix.

### **Article 2. Definition**

1. "Benefit" means any money, gratuity, commission, position, rebate or any other item of value in whatever form or name. The local courtesy is not limited.
2. "Personnel of company" refers to any director, managerial officer, employee or person having substantial control, of the company or its group enterprises and organizations.
3. "Prohibited counterparties" include public officials, political candidates, political parties or their staffs, and government-owned or private-owned enterprises or institutions and their directors, supervisors, managerial officers, employees, persons having substantial control, or other interested parties.
4. "Offering or accepting bribes" refers to the provision, promise, request or acceptance of any form or name of illegitimate benefits.
5. "Unethical conduct" means any behavior described in the Article 5, item 1 of these guidelines.
6. "Governing unit" means the unit established pursuant to Article 10, item 2 of these Guidelines.
7. "Preventive program" means the specific measure to prevent the unethical conduct including related operating procedures, Code of Conduct or educational trainings.
8. "Conflict of interest" means our company or a represented legal person has an interest that can damage this company's benefits.

### **Article 3. Policy and regulations**

1. Macronix shall comply with the related laws and regulations and establish corporate ethical management culture.
2. Macronix shall follow the practical business strategy and the values of innovation, quality, efficiency, service and teamwork, it shall establish the ethical management policy and enhance the corporate governance and risk control mechanism, and create a continuously developing business environment.
3. Macronix shall establish a preventive program in accordance with the related laws and regulations, these guidelines and the company policy.

### **Article 4. Promotion and announcement**

1. Macronix shall communicate and promote the importance of ethical management.
2. Macronix shall announce the ethical management strategy, and the commitment of Board of Directors and managerial level to implement the ethical management and execute internal control and business activities.
3. Macronix shall reveal related ethical management measures and promotion performance on the website of the company.

### **Article 5. Prohibited behavior**

1. During business transactions, Macronix is prohibited to perform the following actions towards prohibited counterparties:
  - (1) Offering or accepting bribes or other unreasonable gratuity, treatment or improper benefit.
  - (2) Providing illegal political contributions.
  - (3) Providing improper charitable donations or sponsorships.
2. Macronix shall not engage in discrimination activities based on race, religion, gender or marital status.
3. Personnel of company shall not use their position's influence to make their relatives receive improper personal benefits.

### **Article 6. Business activities**

1. Macronix shall execute business activities in accordance with the ethical management principals.
2. Before conducting business transactions, Macronix shall check the legitimacy of the trade parties (including agents, distributors and suppliers), as well as ask them to follow the Code of Conduct and Environmental Health and Safety Requirements and other regulations.

3. All personnel of company shall follow related legal requirements to avoid company's products and services damaging the safety and health of consumers.
4. If the company finds out that a trade party has unethical conduct, it shall be required to correct its behavior or terminate the trade party's business transaction.

#### **Article 7. Financial affairs and audit**

1. Macronix shall establish effective accounting and internal control systems, and constantly improve them to ensure perfect implementation of the system.
2. The internal audit unit needs to regularly perform the internal auditing and report the results to the Board of Directors in accordance with the rules.

#### **Article 8. Code of Conduct**

1. Macronix and personnel of company shall comply with legal requirements related to business management (including but not limited to Company Act, Securities and Exchange Act, Fair Trade Act, Personal Data Protection Act, Labor Standards Act and Environmental Health and Safety Requirements and other regulations).
2. With regard to charitable donations and sponsorships, Macronix and personnel of company shall comply with relative legal requirements and internal operational procedures, and shall not offer bribes in disguise.
3. Macronix and personnel of company shall not provide or accept any unreasonable gifts, treatment or other improper benefits directly or indirectly to maintain business relationships or influence business transaction activities.
4. Macronix and personnel of company shall respect the intellectual property and comply with relative legal requirements, company internal operational procedures and terms of contracts.
5. Macronix and personnel of company shall effectively establish and control the confidential and personal information protection mechanism.
6. Macronix and personnel of company shall effectively establish and control the information security.
7. Macronix shall offer appropriate means for directors, supervisors, managers and other stakeholders attending or present at board meetings to voluntarily explain whether they have a conflict of interest, its content and details.
8. Macronix and personnel of company shall comply with the Political Donations Act and their own relevant internal operational procedures.
9. Personnel of company shall practice self-discipline and must not support one another in improper dealings.
10. Macronix and personnel of company shall effectively establish an appropriate system to

fulfill corporate social responsibilities.

#### **Article 9. Preventive program**

In accordance with the degree of damages Macronix shall set up and enhance relevant preventive measures in order to avoid the following situations:

1. Products and services damaging the rights or interests, health or safety of consumers or third parties.
2. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights and other intellectual property rights. Offering and accepting bribes.
3. Engaging in unfair competitive practices.
4. Offering or accepting bribes or unreasonable gratuities, treatment or other improper benefits.
5. Improper charitable donations or sponsorships.
6. Providing illegal political donations.

#### **Article 10. Organization and responsibilities**

1. Personnel of company shall be responsible of taking care of quality managers to urge the company to prevent unethical conduct, constantly review the results of these guidelines and continually make adjustments to ensure thorough implementation of its ethical corporate management policies.
2. Macronix shall establish a responsible unit appointed by the chairman and subordinate to the Board of Directors, which is in charge of establishing and supervising the implementation of the ethical corporate management policies and preventive programs to enhance the ethical corporate management.
3. The above-mentioned Governing unit shall be in charge of the following matters, and shall report to the Board of Directors on a regular basis:
  - (1) Assist in incorporating ethical values into the company's business strategy and adopting appropriate preventive measures against corruption and malfeasance to ensure ethical management is in compliance with relative laws and regulations.
  - (2) Ensure the internal organization, structure, and allocation of responsibilities are effective enough to prevent the unethical conduct and to mutually supervise counterbalance.
  - (3) Promote and coordinate awareness and educational activities with respect to ethical policy.
  - (4) Supervise the whistle-blowing system by including Suggestion Box, Direct Line for Reporting Violation of Personal Data Protection to ensure its operating effectiveness.

- (5) Audit and enhance an effective operation of these guidelines.

**Article 11. Report and investigation**

1. Macronix shall provide a proper whistle-blowing system and maintain the confidentiality of the whistleblower's identity and reported information.
2. Personnel of company are informed that any violation of these guidelines shall be reported to the Legal Center for the investigation.

**Article 12. Operation instructions and procedures**

1. Macronix shall establish the relative operation instructions and procedures of these guidelines.
2. The relative operation instructions and procedures shall include the following matters:
  - (1) Control and process of trade secret.
  - (2) Control and process of confidential information.
  - (3) Control and process of information security.
  - (4) Standard criteria to judge improper benefit and handling procedures.
  - (5) Related procedures and penalties in case of violation of these guidelines.

**Article 13. Educational trainings and evaluation**

1. Macronix shall regularly organize educational training and awareness programs for employees to understand company ethical management's resolutions, policies, preventive programs and violation consequences.
2. Macronix shall combine educational trainings, employee performance assessment and human resource policies to establish a clear and effective reward and penalty system.

**Article 14. Implementation and revision**

1. These guidelines shall be approved and revised by the Board of Directors.
2. These guidelines (Chinese version) were approved by the Board of Directors on 2018/12/24 with immediate effect.