

# NOVA TECHNOLOGY CORP.

## Code of Ethical Conduct

### **Article 1** Purpose and basis for adoption

This code is established in order to guide the actions by the directors and managerial officers of the company to comply with ethical standards and for stakeholders to understand the content of ethical standards and code of conduct.

### **Article 2** Scope of Application

This code is applicable to directors and managerial officers of the company.

Managerial officers referred to in the previous section include general managers or their equivalents, assistant general managers or their equivalents, deputy assistance 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.

### **Article 3** Honest and Ethical Conduct

The directors and managers of the company shall perform their obligations with an honest attitude and in compliance with professional standards, including handling factual or obvious conflicts of interest between personal matters and their duties in a fair manner.

### **Article 4** Prevention of Conflict of Interest

Directors and managers of the company shall handle the company's business in an objective and efficient way and shall not take advantage of their duties to try to obtain undue benefit for themselves, their spouses or relatives within second degree of kinship.

In order to prevent conflict of interest, any capital lending, endorsement and guarantee or significant transaction of asset between the company and the above persons or their affiliated enterprises shall be subject to prior approval by the board of directors and shall be carried out in accordance with relevant legislations and company rules. Product purchase (sale) shall be based on best interest of the company and conducted in accordance with relevant rules of the company's procurement and sales cycles.

No manager or any of the affiliates shall serve in the same department as any employee who is a spouse or family member within second degrees of kinship, nor shall they serve any duties that should be managed separately under the internal control mechanism. If there is any special need for the above employee who is a spouse or family member within second degrees of kinship to serve the function, report to and approval by the board of directors shall be required.

### **Article 5** Prohibition against Insider Trading

Directors and managers of the company shall comply with legislations against insider trading and other securities legislations about stock transactions and handling of trade secrets. No relevant securities transactions shall be engaged while holding significant and unpublished information.

**Article 6** Prohibition against Gift, Bribery or Undue Interest

In performing their duties, no director or manager of the company shall request, offer, deliver or receive any form of gift, entertainment, kickback, bribe or other undue benefit for personal, company or third party interest, except if the gift or entertainment is allowed by social customs or company rules.

**Article 7** Avoid Opportunity to Seek Private Interest

When the company faces an opportunity to seek profit, directors and managers shall maintain or increase the fair and legal interest that may be obtained by the company.

No director or manager shall use the company's property, information or take advantage of their due to seek private interest. Other than in accordance with rules of company law or articles of association, there shall be no conduct in competition with the company.

**Article 8** Confidentiality Responsibility

The directors and managers 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.

**Article 9** Fair Transaction

The company is dedicated to market competition through outstanding operational management and services and shall not seek results through illegal or unethical measures. Directors and managers 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.

**Article 10** Safeguarding and proper use of Company Assets

The company's assets shall be protected and shall only be used properly for legal commercial purposes of the company. Directors and managers have the responsibility to protect the company's assets and shall ensure that they are effectively and legally used in the company's business, avoiding any impact on the company's profit making capability due to theft, negligence or waste.

**Article 11** Legal compliance

Directors and managers of the company shall comply with rules under the Company Act, Securities and Exchange Act and other applicable laws, regulations, and bylaws.

**Article 12** Encouraging reporting on illegal or unethical activities

Directors and managers of the company shall promote ethical rules and encourage employees to report to manager, chief internal auditor, or other appropriate individual with sufficient information in case of doubt or discovery of any violation of legislation or this code. Once any reported case is confirmed, the company shall grant a reward in accordance with the "Employee Reward and Discipline Guidelines".

The company shall adopt a concrete whistle-blowing system and properly handle the above reported information in a confidential and responsible manner and shall make its best effort to protect the safety of the reporter from any form of threat. For any malicious and false report, the company shall give guidance and, if required, impose a sanction to correct the discipline. If any person believes that he or she is subject to any revenge, threat or harassment due to the above conduct, it shall be reported to the immediate supervisor or manager immediately and the company shall take immediate and proper measures.

### **Article 13** Sanctions

Any violation of this code by any director of the company shall be reported to the board of directors or shareholder meeting for review, sanctions shall be imposed based on the gravity of the matter. If any managers of the company violates this code, other than significant cases which shall be reported to the board of directors, sanction shall be imposed in accordance with the “Employee Reward and Discipline Guidelines” of the company. However, in case of significant violation of relevant legislation, the company shall pursue civil and criminal legal liability to protect the interest of the company and the shareholders.

Following confirmation of the conduct in violation of this code under the previous section and sanction measures, information such as the date of violation, reason for violation, violated code and handling situation shall be disclosed on the Market Observation Post System in time and in accordance with the legislations.

### **Article 14** Complaint System

If any director or managerial officer of the company violates this code, if evidence is available allowing for immediate complaint, relevant supporting information shall also be sent to appropriate staff, the board of directors or shareholder meeting (principle of avoidance to be respected in case of violation) for discussion and final resolution.

| Violating Department                              | Department to Receive Complaint | Department to Determine Sanction       |
|---|---------------------------------|--|
| Managerial officer<br>(excluding General manager) | General Manager                 | General Manager,<br>Board of Directors |
| General manager                                   | Board of Directors              | Board of Directors                     |
| Directors   | Other Directors                 | Shareholder’s Meeting                  |

### **Article 15** Procedures for exemption

If any exemption for directors or 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, in order that the shareholders may evaluate the appropriateness of the board resolution to forestall any arbitrary or dubious exemption from the code, and to safeguard the interests of the company by ensuring appropriate mechanisms for controlling any circumstance under which such an exemption occurs.

**Article 16** Method of Disclosure

This code shall be disclosed on the company website, in the annual report, prospectuses and on the Market Observation Post System. The same shall be applicable to any amendment.

**Article 17** Implementation

This code shall be implemented after approval by more than half of all audit committee members and submitted to the Board of Directors for further approval, and then report to the shareholders' meeting. The same shall be applicable to any amendment.