

Airtac

AIRTAC INTERNATIONAL GROUP

General Manager Office

**Rules on Whistle-Blowing
of Illegal, Unethical and
Dishonest Conducts**

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Version

A-1

1. Purpose

To implement the Company's Ethical Corporate Management Best Practice Principles, establish the internal and external whistle-blowing channels, encourage reporting of any illegal, unethical or dishonest conducts, the Company hereby promulgates the Rules on Whistle-Blowing of Illegal, Unethical and Dishonest Conducts (the "**Rules**").

2. Scope of Application

The Rules are applicable to all internal and external persons related to the Company and its subsidiaries.

3. Unit-in-Charge

3.1 Office of the General Manager: assisting with promulgation, interpretation and amendment of the Rules.

3.2 The Company and its subsidiaries: implementation pursuant to the Rules.

4. Definition

None.

5. Procedures

None.

6. Contents**6.1 In-charge department**

If any illegal, unethical or dishonest conduct is discovered, report can be made to the management of the Company or to the administrative department, or via the whistle-blowing channels provided by the Company.

6.2 Channels of whistle-blowing

6.2.1 A mailbox for the reporting purpose shall be provided by the Company for external persons of the Company.

6.2.2 Whistle-blowing in writing may be submitted via the "Employee's Opinion Box".

6.3 Operational procedures of reporting

6.3.1 The whistle-blower shall at least provide the following information:

A. Contact Information of the Whistleblower. Ex: address, telephone number and e-mailaddress where he/she can be reached.

B. the name of the person who is reported or other information sufficient to identify his/her characteristics.

C. specific facts and evidence available for investigation.

D. The whistle-blower shall assume liability for the allegations that prove to have been made maliciously or knowingly to be false.

6.3.2 The Company shall deal with the report in accordance with following procedures:

A. In the event any employee of the Company is involved, the whistle-blowing case shall be reported to the supervisor of the relevant department; in the event any director or officer of the Company is involved, the whistle-blowing case shall be reported to the Audit Committee.

B. The in-charge department and the supervisor or person in charge shall promptly verify relevant facts, and, if necessary, the legal compliance or other relevant departments shall provide assistance.

C. If a person who is reported has indeed violated the applicable laws, regulations or the Company's policy and rules of ethical management, the Company shall require that the person who is reported cease the relevant misconduct and the Company shall take appropriate measures. When necessary, the Company shall claim for damages through legal process to protect reputation and rights and interests of the Company.

D. Documents regarding the reported case, the investigation process and the investigation results shall be retained for five years, which may be retained electronically. In the event that any litigation in respect of the reported case has been brought up before the expiration of the documents retention period, the relevant documents shall continue to be retained until the conclusion of the litigation.

E. With respect to confirmed reported case, the Company shall request relevant departments to review the relevant internal control system and procedures and propose improvement measures to prevent recurrence of the acts.

F. The in-charge department of the Company shall submit to the Chairman of the Company a report on the whistle-blowing case, actions taken and subsequent improvement measures.

6.4 The report will be rejected when:



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6.4.1 failure to provide specific facts or evidence to prove contents of the report, or the report is proved to be untrue or falsified after verification.

6.5 The protection of the whistle-blower

The safety of the whistle-blower shall be protected. Those who threatens, intimidates or otherwise commits wrongful acts to the whistle-blower should be reported to the competent authority for taking appropriate measures according to laws.

6.6 Promulgation and amendment

The Rules shall be implemented and amended with the approval of the Chairman of the Company.