



CyberLink Corp.

Ethical Corporate Management Best Practice Principles

Article 1

These Principles are adopted to assist the Company to foster a corporate culture of ethical management, sound development, and good commercial practices.

These Principles are applicable to the Company, which is comprised of its subsidiaries and other institutions or juridical persons that are substantially controlled by the Company ("Business Group").

Article 2

When engaging in commercial activities, directors, supervisors, managers, employees, and persons having substantial control over the Company ("Substantial Controllers") shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty for purposes of acquiring or maintaining benefits ("Unethical Conduct").

Parties referred to in the preceding paragraph include civil servants, political candidates, political parties or members of political parties, state-run or private-owned businesses or institutions, and their directors, supervisors, managers, employees or Substantial Controllers or other stakeholders.

Article 3

"Benefits" in these Principles means any valuable things, including money, endowments, commissions, positions, services, preferential treatment or rebates of any type or in any name. Benefits received or given occasionally in accordance with accepted social customs and that do not adversely affect specific rights and obligations shall be excluded.

Article 4

The Company shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Statute, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, TWSE/GTSM listing rules, or other laws or regulations regarding commercial activities, as the underlying basic premise to facilitate ethical corporate management.

Article 5

The Company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith, and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.

Article 6

The Company may in its own ethical management policy prescribe the programs to forestall unethical conduct ("Prevention Programs"), including operational procedures, guidelines, and training.

When establishing the Prevention Programs, the Company shall comply with relevant laws and regulations of the territory where the Company and its Business Group are operating.

Article 7

The Company shall analyze and assess on a regular basis business activities within its business scope which are at a higher risk of being involved in unethical conduct, and establish Prevention Programs accordingly.

When establishing the Prevention Programs, the Company shall at least include preventive measures against the following:

1. Offering and acceptance of bribes.
2. Illegal political donations.
3. Improper charitable donations or sponsorship.
4. Offering or acceptance of unreasonable presents or hospitality, or other improper Benefits.

Article 8

The Company and its Business Group shall clearly specify in their rules and external documents the ethical corporate management policies and the commitment by the board of directors and senior management on rigorous and thorough implementation of such policies, and shall carry out the policies in internal management and in commercial activities.

Article 9

The Company shall engage in commercial activities in a fair and transparent manner. Prior to any commercial transactions, the Company shall take into consideration the legality of its agents,



suppliers, clients, or other trading counterparties and whether any of them are involved in unethical conduct, and it is advisable to avoid any dealings with persons so involved.

When entering into contracts with others, the Company may include in such contracts terms requiring compliance with ethical corporate management policy and that in the event the trading counterparties are involved in unethical conduct, the Company may at any time terminate or rescind the contracts.

Article 10

When conducting business, the Company and its directors, supervisors, managers, employees, and Substantial Controllers, shall not directly or indirectly offer, promise to offer, request, or accept any improper benefits in whatever form to or from clients, agents, contractors, suppliers, public servants, or other stakeholders. This Article does not apply when complying with relevant laws and regulations of the territory where the Company and its Business Group are operating.

Article 11

When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the Company and its directors, supervisors, managers, employees, and Substantial Controllers, shall comply with the Political Donations Act and their own relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.

Article 12

When making or offering donations and sponsorship, the Company and its directors, supervisors, managers, employees, and Substantial Controllers shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.

Article 13

The Company and its directors, managers, employees, and Substantial Controllers shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.

Article 14

The board of directors shall exercise the due care of good administrators to urge the Company



to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies.

To achieve sound ethical corporate management, it is advisable for the Company to establish a dedicated unit responsible for establishing and supervising the implementation of the ethical corporate management policies and Prevention Programs.

Article 15

The Company and their directors, supervisors, managers, employees, mandataries, and substantial controllers shall comply with laws and regulations and the prevention programs when conducting business.

Article 16

The Company shall adopt policies for preventing conflicts of interest, and shall also offer appropriate means for directors, supervisors, managers to voluntarily explain whether their interests would potentially conflict with those of the Company.

When a proposal at a given board of directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors or present at board meetings of the Company, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of the Company, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings.

The Company's directors, supervisors, managers shall not take advantage of their positions or influence in the companies to obtain improper benefits for themselves, their spouses, parents, children or any other person.

Article 17

The Company shall establish effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in an unethical conduct, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to ensure that the design and enforcement of the systems are showing results.

The Company's internal auditors shall periodically check the compliance with the system in the



preceding paragraph and submit it to the board of directors in an audit report.

Article 18

The Company shall establish operational procedures and guidelines in accordance with Article 6 hereof to guide directors, supervisors, managers, employees, and Substantial Controllers on how to conduct business. The procedures and guidelines should at least contain the following matters:

1. Standards for determining whether improper benefits have been offered or accepted.
2. Procedures for offering legitimate political donations.
3. Procedures and the standard rates for offering charitable donations or sponsorship.
4. Rules for avoiding work-related conflicts of interests and how they should be reported and handled.
5. Rules for keeping confidential trade secrets and sensitive business information obtained in the ordinary course of business.
6. Regulations and procedures for dealing with suppliers, clients and business transaction counterparties suspected of unethical conduct.
7. Handling procedures for violations of these Principles.
8. Disciplinary measures on offenders.

Article 19

The Company may periodically organize training and awareness programs for directors, supervisors, managers, employees, and Substantial Controllers and invite the Company's commercial transaction counterparties so they understand the Company's resolve to implement ethical corporate management, the related policies, prevention programs and the consequences of committing unethical conduct.

The Company shall apply the policies of ethical corporate management when creating its employee performance appraisal system and human resource policies to establish a clear and effective reward and discipline system.

Article 20

The Company shall provide proper channels for whistle-blowing, and shall maintain the confidentiality of the person's identity and the content of the whistle-blowing.

The Company shall adopt and publish a well-defined disciplinary and appeal system for handling violations of the ethical corporate management rules, and shall make immediate



disclosure on the Company's internal website of the title and name of the violator, the date and details of the violation, and the actions taken in response.

Article 21

The Company shall disclose the measures taken for implementing ethical corporate management, the status of implementation on its company websites, annual reports, and prospectuses.

Article 22

The Company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage its directors, supervisors, managers, and employees to make suggestions, based on which the adopted ethical corporate management policies and measures taken will be reviewed and improved with a view to achieving better implementation of ethical management.

Article 23

The Ethical Corporate Management Best Practice Principles of the Company shall be implemented after the board of directors grants the approval, and shall be sent to the supervisors and reported at a shareholders' meeting. The same procedure shall be followed when these Principles have been amended.