

Advanced Power Electronics Co., Ltd.

Measures for the Report on Illegal, Unethical and Dishonest Conducts

Article 1 (Basis)

This “Measures for the Report on Illegal, Unethical and Dishonest Conducts” (hereinafter, the “Measures”) is hereby established to implement the enforcement of this Company’s rules as specified in “Codes of Ethical Conduct” and “Ethical Corporate Management Best Practice Principles”, and to encourage reports on any illegal act or violation of the foregoing rules.

Article 2 (Purpose)

This “Measures” is to foster employees of this Company to fully comply with internal “Codes of Ethical Conduct” and “Ethical Corporate Management Best Practice Principles”, and to secure both whistleblower and adverse party’s legitimate rights.

Article 3 (Designated Unit)

1. Spokesperson: Hearing of reports by stockholders, investors and other stakeholders.
2. Internal Audit Chief Officer: Hearing of reports by this Company’s internal staff, consumers, suppliers and contractors.

Article 4 (Reporting Access)

The Company establishes and announces an independent mailbox for internal and external personnel to use.

Email address: audit@a-power.com.tw.

Article 5 (Handling Procedures))

1. Whistleblowers shall at least provide the following information:
 - 1.1 Whistleblower’s name and available contact information.
 - 1.2 Adverse party’s name or any other information sufficient to distinguish the identity of such person.
 - 1.3 Concrete evidence readily available for investigation.
2. Designate units shall handle reports pursuant to the following procedures:
 - 2.1 When the report involves general employees, it shall be directly submitted to department supervisors. When the report involves directors or senior managers, it shall be submitted to independent directors.
 - 2.2. The designated units shall immediately ascertain the relevant facts, and the relevant departments shall provide assistance when necessary.
 - 2.3 If any illegal act or violation of this Company’s policies or rules regarding ethical management is confirmed, designated units shall immediately demand such adverse parties to cease relevant conducts and adopt appropriate measures; where

necessary, cases shall also be reported to the competent authority or referred to the judicial authority for investigation, and that damage awards are to be claimed through legal resolutions to ensure this Company's goodwill and legitimate rights.

2.4 Written records of hearings of reports, investigation processes and investigation results shall be kept for five years; the foregoing record-keeping may be conducted by electronic means. If relevant litigations are to be raised prior to the expiration date of record-keeping, such records shall be continuously kept until such litigations come to an end.

2.5 For reported cases found to be true, designated units shall report to independent directors regarding reported cases, handling measures being adopted, and subsequent review and improvement measures.

2.6 Designated units shall report to board of directors regarding reported cases, handling measures being adopted, and subsequent review and improvement measures.

Article 6

For reported cases found to be true which constitute a major offense, aside from handling pursuant to laws, regulations or this Company's relevant rules, proper rewards may be granted to whistleblowers depending on the significance of such cases.

Article 7

This Company assures that whistleblowers will not be treated adversely due to the filing of such reports.

This Company shall deal with reported cases on a confidential basis, investigate through independent sources, fully protect whistleblowers and keep the identity of whistleblowers strictly confidential. Relevant personnel of this Company handling reported cases shall keep the identity of whistleblowers and the content of such reports confidential.

Any violation of the preceding paragraph, the Company will impose internal penalties depend on the significance of such cases.

Article 8

The "Measures" shall be effective from the date it is approved by the Board of directors' meeting. The same applies in case of revision.