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	Yohan Rhee	Taehan Kim	Yohan Rhee
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# Company Code of Ethics

Regulation No.: APS-M-01

Revision No.: 1.00

AP Semiconductor Co., Ltd.

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AP Semiconductor Co., Ltd.

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## Chapter 1. Ethical Principles

### Preamble

Under the vision of "designing an eco-friendly future with sustainable technology and innovation," AP Semiconductor strives to grow and develop together with all stakeholders including shareholders by growing environment and society together and improving corporate value through efficient management activities. In addition, it actively practices ethical norms to promote ethical management activities and pursue quality management.

#### Article 1 (Customers and Partners)

1. We respect the opinions of customers and customers and strive to provide the best value. In addition, all transactions are made fairly in an equal relationship with mutual respect and do not make any form of loan or unreasonable demand using the superior position.
2. We doesn't hinder fair competition or acts that damage customers by unfair collusion on prices with competitors.
3. We don't use customer and client property and information without prior approval.

#### Article 2 (Attitudes toward Shareholders and Investors)

1. We protect shareholders' rights and respect their legitimate demands and proposals. In addition, we faithfully disclose management information and establish mutual trust with shareholders and investors.
2. We treat all shareholders, including minority shareholders, fairly and equally. In addition, management decisions are always made in consideration of the interests of all shareholders so that the interests or rights of minority shareholders are not unfairly infringed.
3. We record and manage accounting data in accordance with generally accepted accounting principles to provide stakeholders with transparent provision and management performance. In addition, accurate management information is provided in a timely manner in accordance with relevant laws and regulations so that users of information, such as investors, can make reasonable investment decisions.

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### Article 3 (Responsibility to Employees)

1. We give equal opportunities to executives and employees according to their abilities and qualities without unfair discrimination on the grounds of race, nationality, gender, age, academic background, religion, region, disability, marriage, etc. In addition, the quality, ability, performance, etc. of employees shall be evaluated and compensated according to fair standards.
2. We support self-realization as well as human resources development by respecting individual executives and employees' autonomy and creativity and giving them opportunities to improve their abilities fairly.
3. We strive to provide a healthy and safe work environment for employees. In addition, we respect the independent personality and basic rights of employees and create an environment in which employees can freely make suggestions and suggestions.

### Article 4 (Responsibility to the Nation and Society)

1. As members of the state and community, we not only comply with various laws such as anti-corruption and anti-bribery laws, but also comply with all internationally accepted laws.
2. We contribute to the development of the national economy and society through productivity improvement, job creation, sincere tax payment, and sincere social contribution.
3. We strive to protect nature and preserve a clean environment.
4. We respect individual suffrage and political will, do not intervene in politics, and remain neutral. We also do not illegally raise funds, provide political funds, or use organizations, personnel, and assets for political purposes.

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## Chapter 2. Code of Conduct

### Preamble

AP Semiconductor must ensure that the personal interests of executives and employees do not conflict with the interests of the company. Conflict of interest may occur if the parents, spouses, children, brothers, and sisters of executives or employees have financial interests in a transaction relationship with the contractor and suppliers or organizations that want to make transactions, individuals, or competitors. Executives should be modeled for high ethical behavior. Employees and executives must actively strive and act to maintain and spread a high ethical consciousness. Employees and executives must act in accordance with the ethical code specified in Chapter 1.

### Article 5 (Definition of Terminology)

The definitions of terms used in this regulation are as follows.

1. Money and goods: Economic benefits of money (cash, gift certificates, usage rights, etc.), goods, etc.
2. Convenience: Benefits of transportation, accommodation, tourism, event support, etc
3. Stakeholders: Individuals, customers, suppliers, affiliates, partners, and organizations, such as executives and employees who may be affected by their rights or profits due to the performance of their duties
4. Normal level: A universal and reasonable level that can be understood when judged by sound common sense of other executives and employees or the general public, to which the beneficiary can handle the affairs fairly without burden  
However, the normal level must conform to the relevant laws and regulations.
5. Small amount of shares: When stakeholders' shares are held within 5% of the total issued shares (1% in the case of listed companies). However, even if it is within the same holding ratio, the amount of shares held shall not exceed KRW 100 million based on the acquisition price.
6. In case it is inevitable: If the person is not aware of it or receives it through a third party, etc.

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## Article 6 (Basic Ethics of Executives and Employees)

1. Employees and executives faithfully perform their duties assigned to each person.
2. Employees and executives shall always endeavor to protect the dignity and honor of individuals in their daily lives and performance of their duties with high ethical values.
3. Employees and employees shall be familiar with the regulations related to their work, such as various policies and regulations, and the contents of various laws and regulations such as anti-corruption and anti-bribery, and faithfully comply with them when performing their duties.
4. Employees and executives shall perform all their duties honestly and fairly, and shall not give unfair instructions, arrangements, solicitations, or receive economic benefits beyond the usual level that hinder fair duties in relation to their duties.
5. Employees and employees shall faithfully protect and manage the company's property and ensure that it is used efficiently for legitimate business purposes.
6. Employees and executives (including retired employees) protect various confidential information, such as the company's trade secrets, business information, and technical information, and do not disclose them without the approval of laws or the company.
7. Employees and executives do not divulge or use personal information of other executives and employees they have become aware of for work.
8. Employees shall not engage in financial transactions, including stocks, or insider transactions, such as taking private profits, using undisclosed material information acquired for work, and shall not disclose it to third parties.
9. Employees and employees do not engage in any language or action that harms sound peer relationships, including physical, verbal or visual actions that are recognized as causing sexual humiliation.
10. Employees and employees shall not engage in political activities during working hours in the company and shall not be misunderstood as an individual's political views or political views as the company's position.

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## Article 7 (Protection of Information)

1. Employees and executives strictly comply with laws and regulations related to information protection.
2. Employees and executives do not share confidential information of the company they have learned for work internally, except as necessary for work.
3. Employees and executives shall not discuss the confidential information of the company in a public place, such as a public place, and shall perform their duty of care to prevent leakage to the outside.
4. Employees and executives check whether their e-mails, text messages, the Internet, and social media posts meet company regulations and fulfill their duty of care to prevent confidential information from being leaked.
5. When executives and employees acquire information related to customers or customers, they do not divulge it or use it for other purposes without prior consent. In particular, executives and employees handling customer personal information must establish protection procedures and guidelines in accordance with relevant laws, company policies, and private regulations to safely protect personal information. Retired executives and employees are also subject to the same item.

## Article 8 (Property Protection and Proper Use)

1. Employees and executives shall not use the company's assets for personal gain or transfer or lend them to third parties without approval.
2. Employees and executives shall not use the company's budget for personal purposes, and shall spend it according to the purpose set by the company and record it accurately in the accounting book.
3. Employees and executives must actively protect the company's goodwill and intellectual property rights, such as patent rights, trademark rights, copyrights, and other information on which assets exist. In addition, intellectual property rights of others or other companies should be protected with the same care, and in particular, illegal software should not be used.

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### Article 9 (Fair Competition)

1. Companies and executives follow laws for antitrust and fair competition and generally do not engage in contracts that tend to limit competition (e.g., agreements between competitors such as prices, production, supply, etc.) and various forms of unfairness that can trigger monopolies.
2. Companies and its executives and employees shall deal with matters that may be interpreted as violations of anti-trust and fair competition after sufficient consultation with the legal or ethical management department in advance and shall not make decisions based on arbitrary interpretation.

### Article 10 (Anti-Corruption, Anti-Bribery)

1. The company and its executives and employees shall not make illegal requests to public officials, etc. who perform their duties pursuant to the Act on the Prohibition of Illegal Solicitation and Receipt of Money, etc., and shall not provide a ban, etc., or make a promise or express intention to provide it.
2. Employees do not launder money, such as raising and hiding illegal funds or making them appear legitimate.
3. Companies and employees shall comply with international agreements and domestic and foreign laws related to anti-corruption (including bribery and money laundering).
4. Employees and executives shall deal with matters that are likely to be interpreted as anti-corruption and anti-bribery violations after sufficient consultation with the legal or ethical management department in advance and shall not make decisions based on arbitrary interpretation.

### Article 11 (A Policy on Safety, Health and the Environment)

1. Companies and executives and employees shall comply with domestic and foreign laws and international agreements related to safety, health and environment and pursue continuous improvement in safety, health and environmental performance.
2. Companies and executives and employees, and suppliers shall comply with safety rules and adjust a safe working environment.
3. Companies and executives and employees shall recognize environmental problems and actively participate in environmental protection activities.

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## Article 12 (Prohibition of Conflict of Interest)

1. Employees and executives (including retired executives and employees) shall endeavor not to cause any acts or relationships (hereinafter referred to as "conflict of interest") that are at odds with or are likely to conflict with the interests of the company. Efforts shall be made to ensure that the company does not enter into a contract with a business owned or practically influenced by executives and employees in order to prevent unethical behavior.
2. The main conflicts of interest are as follows and are not limited thereto.
  - ① The act of contracting or transacting with the company by the parents, spouses, children, brothers, sisters, and retired employees of executives or employees
  - ② The act of parents, spouses, and children of executives or employees acquiring stakeholders' shares.
  - ③ The act of concurrently serving as an employee of another company or organization directly related to the work
  - ④ An act of engaging in a business or a side job in which an employee consumes effort to the extent that he/she hinders his/her sincere performance of the company.
  - ⑤ Influence of executives and employees to the company or its stakeholders to deal with the company operated by the employees or their parents, spouses, children, brothers, sisters, or persons with ties to the executives and employees
  - ⑥ Other transaction activities with stakeholders that generate personal benefits.

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### Article 13 (Exception Clause Prohibiting Performance Conflict)

1. The exceptions to Article 12 (Prohibition of Conflict of Interest) are as follows.
  - ① An act of trading with a sales network owned by executives or employees' parents, spouses, children, brothers, and sisters. In this case, it shall be confirmed and approved by the Ethics Committee.
  - ② An act in which parents, children, brothers, sisters, and retired employees of executives and employees operate the sales network of the company. In such cases, they shall be confirmed and approved by the Ethics Committee. Provided, That transactions with retired employees five years after retirement shall be excluded from the subject of confirmation and approval by the Ethics Committee, but the review of conflicts of interest in transactions excluded shall be in accordance with the relevant detailed enforcement standards and procedures.
  - ③ The act of purchasing goods services from parents, children, brothers, sisters, and retired executives and employees of executives and employees. In such cases, it shall be confirmed and approved by the Ethics Committee. Provided, That transactions with retired executives and employees five years after retirement shall be excluded from the subject of confirmation and approval by the Ethics Committee, but the review of conflicts of interest in transactions excluded shall be in accordance with the relevant detailed enforcement standards and procedures.
  - ④ The act of acquiring a small amount of stock of an employee or a stakeholder whose parents, spouse, or children are deemed not to interfere with the fair performance of their duties at a level consistent with the normal level. In such cases, the number of shares shall be calculated by summing up all the shares held by the executives and employees or the parents, spouses, and children of the executives and employees.
  - ⑤ An act in which an employee concurrently serves as an employee of a company or related organization invested by the company in accordance with the company's policies and related laws
  - ⑥ An act in which parents, spouses, children, brothers, and sisters of executives and employees work for competitors or stakeholders. In such cases, executives and employees shall report such fact to the Ethics Committee and shall not exercise any form of influence for the interests of competitors, stakeholders, or executives and employees themselves.
  - ⑦ Acts that are not contrary to the best interests of the company and have been approved by the Ethics Committee in advance through relevant regulations and official procedures.
2. If it is unclear whether it violates ethical regulations and whether it is contrary to the company's best interests, it shall be submitted to the Ethics Committee for confirmation or approval.

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#### Article 14 (Prohibition on receiving Money, Entertainment, or Favors)

1. Employees and executives do not receive or provide money, entertainment, or convenience from stakeholders such as customers in relation to the performance of the company's business: Provided, That this shall not apply where it does not exceed the usual level.
2. Employees and executives shall not receive or provide money, entertainment, or convenience between employees: Provided, That this shall not apply where it does not exceed the usual level.
3. Where an executive officer or employee is inevitably provided with money, entertainment, or convenience beyond the usual level by an interested party, he/she shall immediately take appropriate follow-up measures, such as returning it, and report it to the Ethics Committee. Where it is deemed impracticable to return money or goods to the original provider, the executive officer or employee shall submit the relevant money or goods to the Ethics Committee and handle them according to the decision of the Committee.
4. The company must maintain records of stakeholders who provide money, entertainment, and convenience beyond the usual level and, if necessary, may disadvantage stakeholders through decisions made by the Ethics Committee.

#### Article 15 (Ethics Committee)

1. The Ethics Committee consists of the head of the legal affairs and compliance division, the controller, the executive in charge of human resources, and the executive in charge of management planning. (Executive Director: Leader of the Management Team)
2. Operation of the Ethics Committee
  - ①. The Ethics Committee shall select the chairperson from among the members of the Ethics Committee.
  - ②. The Ethics Committee shall be held whenever necessary
  - ③. The executive secretary of the ethics committee attends the ethics committee and prepares the minutes.
  - ④. The ethics committee shall hold a resolution on the proposed agenda and may make a resolution in writing, if necessary.

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3. The ethics committee's responsibilities

- ①. The Ethics Committee strengthens the company's ethical management and ensures that the best ethical decisions are made on ethical issues, including conflicts of interest.
- ②. The Ethics Committee guides and deliberates on the following.
  - A. Transactions with sales networks owned by executives and employees or their parents, spouses, children, brothers, and sisters.
  - B. Parents, children, brothers, sisters, and retired employees of executives and employees run the company's sales network.
  - C. Purchasing goods services from parents, children, brothers, sisters, and retired executives and employees of executives and employees.
  - D. An act in which an employee or an employee's parent, spouse, brother or sister owns or operates a competitor's sales network
  - E. Review of money, entertainment, and convenience payments beyond the usual level in which parents, spouses, children, brothers, and sisters of executives and employees work for competitors or stakeholders, and determine how to deal with money and goods beyond the usual level submitted to the Ethics Committee
  - F. If it is unclear whether it violates ethical regulations and is contrary to the company's best interests, the relevant department shall obtain approval from the final decision maker in accordance with the pre-delegation authority or related regulations after the ethics committee has completed deliberation on the agenda.
- ③. The Ethics Committee shall report its ethical management activities to the CEO every year and report them to the CEO from time to time, if necessary.
- ④. The Ethics Committee shall report to the Audit Committee every year on ethical management activities along with the results of disciplinary action by the Personnel Committee for violations of ethical regulations.

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## Article 16 (Reporting and Reporting Procedures, Protecting Reporters)

1. Employees who violate this Regulation shall immediately report the violation to the next higher position, and the second higher position shall take appropriate follow-up measures for the violation and notify the audit team and personnel team of the violation and the results of the processing within two days.
2. Employees who become aware of other executives' violations of these regulations and various laws such as anti-corruption and anti-bribery (including contract-related regulations with governments including the United States) must immediately report them to the audit team (including real names and non-real names), which investigates the facts.
3. The audit team shall report the violations under paragraphs (1) and (2) to the CEO on a quarterly basis and notify the ethics committee and the personnel team thereof: Provided, That if the matter is serious, it shall be reported immediately to the CEO
4. The company and its executives and employees shall protect the reporter, such as preventing the report of the reporter from being disclosed, and where the reporter is likely to be disadvantaged, appropriate measures, such as changing his/her position, shall be taken according to his/her wish.
5. The company shall not retaliate or discriminate against the reporter or the person who cooperated in the investigation, and shall take disciplinary measures, including dismissal, against the relevant executives and employees, in cases of involvement in retaliation, such as threats, harassment, bullying, humiliation, deterioration of working conditions, malicious or dishonest problems, etc.
6. The company and its executives and employees shall keep confidential about all matters, such as violations learned during the investigation process and the identity of the person subject to investigation, until disciplinary action for violations of this regulation is finalized, and the person subject to investigation shall be protected, such as guaranteeing the right to state during the investigation process.
7. The company notifies the details of the violation and the results of the treatment after the disciplinary action for the violation of the regulations is finalized.

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## Chapter 3. Supplementary Rule

### Article 17 (Disciplinary Action)

The Personnel Management Committee shall strictly reprimand the executives and employees who violate these Regulations or deliberately are innocent, and those who are responsible for management, such as disciplinary dismissal, suspension, reduction of salary, reprimand, warning, etc. in accordance with the relevant regulations of the company. In addition, if the executives and employees unfairly utilize their status and employees' parents, spouses, children, brothers, sisters, and acquaintances violate these Regulations, they shall be deemed to be the employees' actions if the executives and employees knew or could reasonably know them.

### Article 18 (Ethics of employees of suppliers, subsidiaries, and investment companies)

The company shall make every effort to ensure that employees of suppliers, subsidiaries, and investment companies also perform their duties while complying with the basic spirit and contents of this Regulation.

### Article 19 (etc.)

1. For the efficient enforcement of this regulation, detailed enforcement standards and procedures may be established within the scope of this regulation, if necessary
2. The company shall distribute the regulations to the executives and employees in order to ensure that the employees are fully aware of the contents of the regulations, and obtain a signature to pledge to comply with the regulations in the attached confirmation letter.
3. The company provides training programs to executives and employees every year so that ethical management can take root in daily work.
4. This regulation is based on the spirit of the International Charter and Declaration relating to anti-corruption, human rights, labor and ethics, including the Universal Declaration of Human Rights, the ILO Principles, the UN Global Compact, and the OECD Multinational Enterprise Principles.

This ethical regulation shall be enacted and enforced from January 1, 2014.