

KMC (Kuei Meng) International Inc

Code of Ethical Conduct for Directors and Managerial Officers

- Article 1 In recognition of the necessity to assist and promote directors and managerial officers of KMC (Kuei Meng) International Inc. (KMC) to act in line with ethical standards in their respective capacities, and to help relevant stakeholders better understand the ethical standards of KMC, this Code of Ethical Conduct for Directors and Managerial Officers is established in accordance with Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies.
- Article 2 This Codes of Ethical Conduct is applied to KMC’s directors and managerial officers including general managers or their equivalents, assistant general managers or their equivalents, deputy assistant general managers or their equivalents, chief financial and chief accounting officers, and other persons authorized to manage affairs and sign documents on behalf of KMC.
- Article 3 KMC’s directors and managerial officers shall, when acting in their respective capacities, comply with truthful and fiduciary duty and abide by a behavior of professional standards.
- Article 4 KMC’s directors or managerial officers shall perform their duties in an objective and efficient manners and shall be prohibited from taking advantage of their position in the KMC to obtain improper benefits for either themselves or their spouse, parents, children, or relatives within the third degree of kinship.
- When aforementioned persons engage in loans of funds, provisions of guarantees and major asset transactions or the purchase or sale of goods involving the affiliated companies at which a director or managerial officer works, those directors and managerial officers shall comply with KMC’s related regulations, including “the Procedures for Lending Funds to Other Parties”, “the Procedures for Endorsement and Guarantee”, “the Operational Procedures for Acquisition and Disposal of Assets” and other regulations related to purchase or sales of goods.
- Article 5 KMC’s directors or managerial officers shall not engage in any of the following activities:
1. Attempt to obtain or obtain personal gain by using KMC’s property, information or taking advantage of their positions;
 2. Competing with KMC.
- When KMC has an opportunity for profit, it is the responsibility and duty of the directors and managerial officers of KMC to maximize the reasonable and proper benefits that can be obtained by KMC.
- Article 6 KMC’s directors or managerial officers shall be bound by the obligation to maintain the confidentiality of any information regarding KMC, 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 KMC or its suppliers and customers.

- Article 7 KMC's directors or managerial officers shall treat all suppliers, customers, competitors, and employees fairly, and shall be prohibited from obtaining 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 transactional practices.
- Article 8 KMC's directors or managerial managers have the responsibility to safeguard KMC's assets and to ensure that they can be effectively and legally used for KMC's business purpose, and avoid the assets from theft, negligence or waste that affects KMC's profitability.
- Article 9 All directors and managerial managers shall comply with the Securities and Exchange Act and other relevant laws and regulations.
- Article 10 KMC shall raise awareness of ethics internally and encourage employees to report to KMC's Audit Committee, managerial officers, chief internal auditor, or other appropriate individual upon suspicion or discovery of any activity in violation of law or regulation or the code of ethical conduct. KMC shall take necessary measures to protect the safety of the good-faith informants.
- Article 11 When a director or managerial officer violates this Code of Ethical Conduct, KMC shall handle the matter in accordance with relevant disciplinary measures and shall without due delay disclose on the Market Observation Post System (MOPS) the title and name of violator, the date of the violation, reasons for the violation, the provisions of the code violated, and the disciplinary actions taken.
- Article 12 When a director of KMC violates this Code, the director may request independent directors for an investigation. If the director is the independent director, the director may request other independent directors for the investigation. When a manager of KMC violates this Code and is punished, the manager may file an appeal in accordance with the related regulation.
- Article 13 If a director or manager of KMC needs an exemption from this Code, it shall be resolved and passed by the Board of Directors, and information such as the title, name, the date of exemption approved by the Board of Directors, objections or reservations of independent directors, and the period of, reasons for and principles behind the application of the exemption should 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 14 KMC shall disclose this Code of Ethical Conduct adopted herein, and any amendment to it, on KMC's official website, in its annual reports, prospectuses and on the MOPS
- Article 15 Any matter not covered in this Code shall be handled in accordance with the related laws and regulations and the Articles of Incorporation.
- Article 16 This Code of Ethical Conduct for Directors and Managerial Officers, and any amendments to it, shall review by commissioner of KMC's Audit Commission, enter into force after it has been adopted by the board of directors, and submitted to a shareholders' meeting.