



亞洲水泥

ASIA CEMENT CORPORATION



Principles for Ethical Management of Asia Cement Corporation

Article 1

For the purpose of developing a corporate culture of ethical management and sound development, Asia Cement Corporation ("the Company") hereby enacted this "Principles for Ethical Management of Asia Cement Corporation" ("The Principles") with reference to the "Ethical Corporate Management Best Practice Principles" set by TWSE.

The Principles shall be abided by directors, managers, employees, mandataries, and other entities with actual ability to control the Company (hereinafter referred to as the "Actual Controllers"). The aforementioned individuals and entities hereinafter are referred collectively to as the "All Personnel".

The Principles is applicable to the business groups and organizations of the Company, which comprise its subsidiaries, any foundation to which the Company's direct or indirect contribution of funds exceeds 50% of the total funds received, and other institutions or juridical persons which are substantially controlled by the Company ("Business Group").

Article 2

When engaging in commercial activities, All Personnel shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, or commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty ("Unethical Conduct") for purposes of acquiring or maintaining benefits.

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 interested parties.

Article 3

"Benefits" in the 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 and All Personnel 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 management philosophy of honesty, transparency and responsibilities, set up policies based 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

Referring to common standards or guidelines at home and abroad, the Company shall establish its own ethical best practice principle, including operating procedures, behavior guidelines, education and training, etc., to forestall unethical conduct which includes matters All Personnel should pay attention to and complies with relevant laws and regulations.

Article 7

When establishing ethical best practice principle, the Company shall analyze which business activities within its business scope which may be at a higher risk of being involved in an unethical conduct. Ethical best practice principle 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, and
4. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits.

Article 8


The company should require the directors and senior management to issue a statement of compliance with the integrity management policy, and require the employees to comply with the integrity management policy in terms of employment.

The Company shall clearly specify ethical corporate management policies on their company website, annual report, and external documents. The Board of Directors and senior management level shall undertake to rigorously and thoroughly enforce such policies for internal management and external commercial activities.

The company shall produces documented information and keeps them properly for the first and second integrity management policies, and related statements, commitments, and implementation.

Article 9

All Personnel shall comply with applicable laws and regulations, the Company's internal operational procedures, and contractual provisions concerning intellectual property, and may not use, disclose, dispose, or damage intellectual property or otherwise infringe intellectual property rights, such as management secrets, trademarks, patents, or publications, without the prior consent of the intellectual property rights holder.





Article 10

The Company shall engage in commercial activities in a fair and transparent manner.

When engaging in a commercial activity with counterparty, the Company shall act in accordance with applicable competition laws and regulations, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.

Prior to any commercial transactions, the Company shall take into consideration the legality of their agents, suppliers, clients or other trading counterparties, and their records of unethical conduct, if any. It is advisable not to have any dealings with persons who have any records of unethical conduct.

When entering into contracts with other parties, the Company shall include in such contracts provisions demanding ethical corporate management policy compliance. In the event that the trading counterparties are suspected of engaging in unethical conduct, the Company may at any time terminate or cancel the contracts.

Article 11

All Personnel shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, including rebates, commissions, grease payments, or in the way offer improper benefits to clients, agents, contractors, suppliers, public servants, or other interested parties and vice versa, unless the laws of the territories where the Company operates permit so.

Article 12

When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the Company and All Personnel 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 13

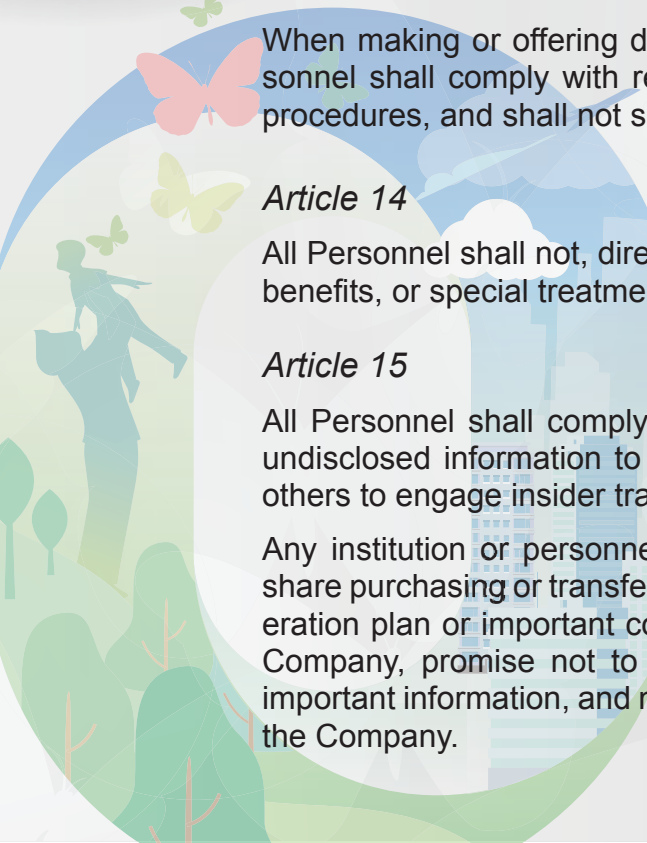
When making or offering donations and sponsorship, the Company and All Personnel shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.

Article 14

All Personnel shall not, directly or indirectly, provide or accept any abnormal gifts, benefits, or special treatments to establish or affect business activities.

Article 15

All Personnel shall comply with the Securities and Exchange Act, may not use undisclosed information to engage insider trading or disclose the information to others to engage insider trading.



Any institution or personnel take part in the Company's merger, segmentation, share purchasing or transferring, important memorandum, strategic alliance, cooperation plan or important contract, shall sign a confidentiality agreement with the Company, promise not to disclose the Company's business secrets or other important information, and may not use the information without the prior consent of the Company.



Article 16

All Personnel of the Company 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 a thorough implementation of its ethical corporate management policies.

To achieve sound ethical corporate management, the Company appoints corporate governance officer and Human Resource Department to be in charge of establishing and enforcing the ethical corporate management policies and prevention program and reporting to the Board of Directors regularly (at least once a year).

Article 17

The Company and All Personnel shall comply with laws and regulations and the ethical best practice principle when conducting business. All Personnel shall abide by all articles, rules, bylaws, operation procedures of the Company, and follow the orders from authorized superior management.

Article 18

The Company shall promulgate policies for preventing conflicts of interests and offer appropriate means for All Personnel to voluntarily explain whether their interests would potentially conflict with those of the Company.

The Company's directors shall exercise a high degree of self-discipline. A director may present his opinion and answer relevant questions but is prohibited from participating in discussion of or voting on any proposal where the director or the juristic person that the director represents is an interested party, and such participation is likely to prejudice the interests of the Company; neither shall a director vote on such proposal as a proxy of another director in such circumstances. The directors shall practice self-discipline and must not support one another in improper dealings.

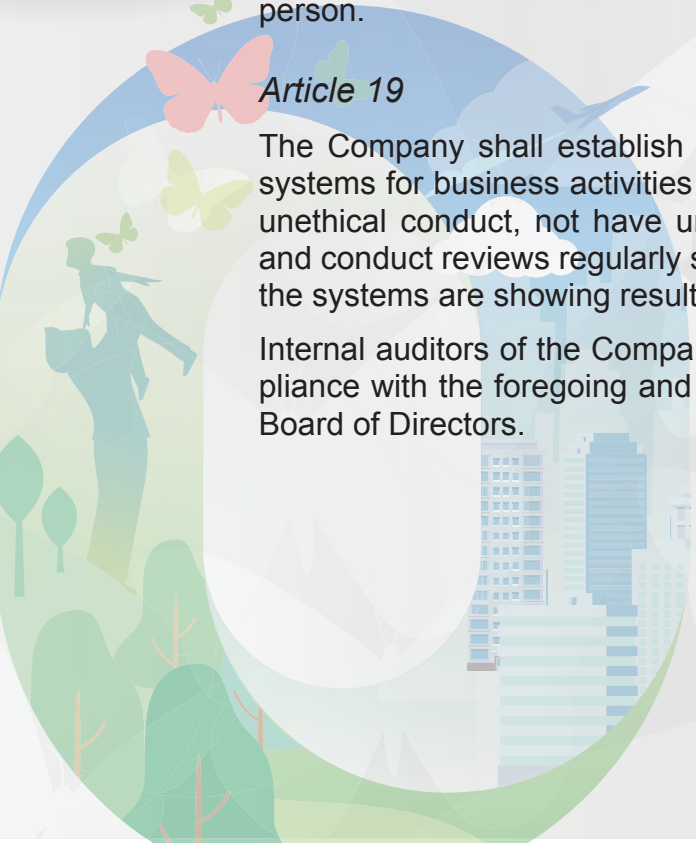
All Personnel shall not take advantage of their positions in the Company to obtain improper benefits for themselves, their spouses, parents, children or any other person.



Article 19

The Company shall establish effective accounting systems and internal control systems for business activities which may 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.

Internal auditors of the Company shall periodically examine the Company's compliance with the foregoing and prepare audit reports and submit the same to the Board of Directors.



Article 20

The Company shall establish operational procedures and guidelines containing 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 the Principles, and
8. Disciplinary measures on offenders.

Article 21

The Company shall periodically organize training and awareness programs for All Personnel so they understand the Company's resolve to implement ethical corporate management, the related policies, prevention program and the consequences of committing unethical conduct.

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

Article 22

All Personnel shall report on any unethical conduct to Audit Committee, department heads, internal audit heads, corporate governance heads, human resources department or other appropriate supervisors. The Company shall keep the reporter's identity and content of the report confidential.

The operation of the company adheres to the principle of zero malpractice. If the staff of the company use their own positions and intend to seek improper benefit for themselves or others, causing the company to suffer losses, in addition to being dismissed, shall unconditionally compensate the company for the damages all losses.

If violating the integrity management regulations, the company's personnel will be punished according to the severity of the circumstances and the company's reward and punishment methods; all employees who have been dismissed will not be allowed to work in the company and related companies. If necessary, it may be reported to the competent authority or transferred to the judicial organ for investigation.

When any unethical conduct happened, despite of the disciplinary system of the Company, the Company shall immediately disclose on its internal website the offender's job title, name, date, the violation was committed, violating act and how the matter was handled.

The company has "integrity management operation procedures and behavior guidelines", which specifically regulate the matters that the company's personnel should pay attention to when performing business.

Article 23

The Company shall disclose the status of the enforcement of their own ethical corporate management best practice principles on their company websites, annual reports, and prospectuses.

Article 24

The Company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management, and encourage All Personnel to make suggestions so as to review and improve their ethical corporate management best practice principles and achieve better results from implementing the principles.

Article 25

The Principles shall be implemented after the Board of Directors grants the approval and reported at a shareholders' meeting. The same procedure shall be followed when the principles have been amended.

**In case of any discrepancy between this English translation and the Chinese text of this document, the Chinese text shall prevail.*

